

MEASURING EMPLOYEE JOB PERFORMANCE THROUGH EMPLOYEES SKILL AND KNOWLEDGE AT PT. PLN (PERSERO)

by:

Silvana Hohakay

Faculty of Economics and Business
International Business Administration (IBA) Program
University of Sam Ratulangi Manado
email: silvanajust@yahoo.com

ABSTRACT

There is a difference between training employee and not training employee. Training employee more well manner rather than not training employee. Why? Training employee while their working more effective in their performance, training helped people to becoming more effective at work by modifying skills, knowledge, and ability for getting experience to achieve a better performance. Research objectives are to analyze the measuring the effectiveness of skills, knowledge, and ability on the job training. The population observed is PLN Sulawesi Utara Tengah and Gorontalo (SUTG) employee in HRM division as many as 20 respondents. This research used quantitative analyze by using questionnaires and used multiple regression analysis. The conclusion is employee job training and employee job performance it both influence employee job performance simultaneously and partially. This research suggest that the company need to improve the quality of training program. The company need to find out the expected quality of the training program based on the trainees opinion in order to improve their skill and knowledge, and then consider the way to develop a better training program.

Keywords: *training, knowledge, skills, job performance, on-the-job*

INTRODUCTION

Research Background

Over the last decade, skills, knowledge is something that really important while people searching job in a company. In other hand there is some case that we found in real case where the company recruiting employee without knowledge, skill, and ability. Inside Human Resource Management has four parts there are recruitment, selection, training and compensation. Well known and large companies are often characteristic by well management of human resource as one of the most influencing part inside company. Therefore, some companies are seriously focused in developing human resource management. Human resources competency is mostly influenced by integration between skills and character, readiness willingness to go with challenge, attentiveness to solve problem, and the capability to cooperate with others employee or worker. So, the point is the development of human resources in terms of skills, knowledge, ability, and attitude is extremely important.

On-the-job training led to greater innovation and tacit skills. Tacit skills are behaviors acquired through informal learning that are useful for effective performance. Training as the important part of recruitment helps employees to do a better performance while their working and get known better what is their doing. There are a

lot benefits of training for a person career, there are to develop their capabilities when their working for future responsibilities and others. Training also become an important activities in company to create professionals strength in answering and responding the requirements and needs of stakeholder shareholder, customers, business partner, and another employee. In order to create a reliable human resource who can work efficiently and effectively, training of employee is important to do in every single company.

What is training? Training is a learning process that involves the acquisition of knowledge, sharpening of skills, ability, knowledge, concepts, rules, or changing of attitudes and behaviors to enhance the performance of employees while working.

How effective the training impact towards employee performance? Given the fair amount of overlap between them, they can all be summarized into a general typology that classifies both skills and tasks into three broad categories: cognitive, interpersonal, and psychomotor. The effectiveness of a training program may vary as a function of the criteria chosen to measure effectiveness.

There is pro and contra about training. What are reasons for company doing training employee and what are the reasons for company not doing training? Here are the reasons company doing training there are: Employers believe employees already know how to do the job and can learn on-the-job fashion, employers believe they can buy in talent when they need it such as outsourcing, costly training. Reasons for training being required in company there are: Staff (individual) benefits versus organisational benefits, Improved quality and productivity, The flow-on effect of training, Staying competitive, Lower staff turnover, Improved staff morale and attitude, Improved workforce flexibility, Increased job satisfaction and morale among employees, Increased employee motivation, Increased efficiencies in processes, resulting in financial gain, Increased capacity to adopt new technologies and methods, Increased innovation in strategies and products, Reduced employee turnover, Enhanced company image, conducting ethics training (not a good reason for ethics training!), Risk management, training about sexual harassment, diversity training, New hires not perfect, Constantly changing environment and technology, Improved loyalty/retention of employees. In order to implement the right training methods, the training specialist should be aware of the Pros and cons and effectiveness of each training method.

Training practices used by organizations may have an effect, direct or indirect on both employee motivation and organizational commitment Sahinidis and Bouris (2007). Organizational commitment is defined as the relative strength of an individual's identification and involvement in a particular organization. In order to equip their employees with the skills necessary to do their job, companies train them, in an effort to optimize their workforce's potential. Some companies, planning for the long-term, invest in the development of new skills by their employees, so as to enable them to handle issues not currently present, but likely to come up in the future. In an era of continuous change and increased environmental uncertainty and complexity, both management and employees understand their limited capacity to deal with future demands made on them. Training offered to employees, may help them reduce their anxiety or frustration, brought on by work demands, that they are not familiar with, and they are lacking the skills to handle effectively. The larger the gap between the skills required and those possessed by the employees, the greater the lack of job satisfaction of the employees and the turnover intentions, proposed that training may be used as a tool to increase job satisfaction. Trained employees will better satisfy the needs of their customers.

Sahinidis and Bouris (2007) stated that learning (triggered by training) is a variable that may have a positive effect on organizational performance and is considered to be a key element to the attainment of organizational goals. In general, it can be argued that the effect of training on employee outcomes (motivation, job satisfaction and commitment) has not received as much attention as it deserves. Few studies have been carried out that test the possibility that firms can affect their employees' attitudes by implementing training interventions.

On-the-job training is training that takes place while employees are actually working. It means that skills can be gained while trainees are carrying out their jobs. This benefits both employees and the business. Employees learn in the real work environment and gain experience dealing with the tasks and challenges that they will meet during a normal working day. The business benefits by ensuring that the training is specific to the job. It also does not have to meet the additional costs of providing off-the-job training or losing working time. "Either training evaluation is carried out in a very casual way, or it does not exist at all in many organizations and the lack of this information makes it impossible either to prove value of training or to find reasons for its existence Singh and Mohanty (2012). For training to be effective, various methods must be used because adults learn in different ways. Some individuals need written documents while others need to hear the information spoken aloud. Some do well in classroom settings and others excel through e-learning. However, all training should have one thing in common: it should incorporate application. To read or hear about something isn't enough; successful training requires theory, demonstration, as well as application.

PT.PLN (Persero), is an Indonesian government-owned corporation which has a monopoly on electricity distribution in Indonesia. So, we can say that PLN is the largest company in providing electricity in Indonesia, which trying to provide better electricity for Indonesian peoples. This employee's development is performed by realizing consistent and continuous training program that is executed based on level job. According to PLN mission to be an ever-growing, excellent and credible World Class Company supported by complements human resources, the training and materials of training are recommended to create better performance in service and performance. As know that PLN has so many branch offices all over Indonesia. PLN also has a branch office in Manado.

Research Objective

The objectives of this research are:

1. To analyze the simultaneous influence of employees skill and employees knowledge on employees job performance at PT.PLN (Persero) SUTG.
2. To analyze the partial influence of employees skill on employees job performance at PT.PLN (Persero) SUTG.
3. To analyze the partial influence of employees knowledge on employees job performance at PT.PLN (Persero) SUTG.

THEORETICAL REVIEW

Theories

Human Resources Management

Human Resource Management is a part of management focused in learning the relationship and the role of people in a company. It involves all management decisions and practices that directly affect or influence the people, or human resources who work for the organization. Human resources can also be defined as the strategic and operational management of activities to enhance the performance of the human resources in organization (Dimitriadis, 2001). Human Resources Management is a specific study about the relation and role of employee in a company. Dessler (2003) argues that "Human Resources Management is the process of acquiring, training, appraising, and compensating employees and attending to their labor relation, health, safety, and fairness concerns". Cashway (1996) adds "that human resource management is a process to determine what is required by human in organization and how to obtain, organize, and use them". Human Resource Management refers to the policies, practices, and systems that influence employees' behavior, attitude and performance.

Job Skill

The employability skills refer to skills, attitudes, and behaviors, other than technical capability, to enable an individual to engage and advance in the constantly changing demands of the work setting (CBC, 2000; Buck & Barrick, 1987; Gregson & Bettis, 1991) and to remain as an asset to employers (Buck & Barrick, 1987; Gregson & Bettis, 1991).

Job Knowledge

Prior definitions have identified job knowledge as technical information, facts, and procedures required to do the job (e.g., Hunter, 1993; Schmidt, Hunter, & Outerbridge, 1986).

Job Performance

Dizgah, et al. (2012) found that job performance as a set of behavior which person show in relation to his job or, in other word, amount of efficiency gained due to the person job type (training, producing or servicing). He added, job performance is the same person efficiency in his job according to his legal tasks and show amount of effort and successfulness of that person.

Previous Research

Sultana, et al. (2012) found that if organizations invest in right type of employee training it can enhance employee performance as well as competencies and skills. In addition, training is seen as a useful means of coping with changes fostered by technological innovation; market competition, organizational structuring and most importantly it plays a key role to enhance employee performance. Singh and Mohanty (2012) found that there definitely exists a relation between these two but the impact and effect of training practices on employee productivity varies for different industry. Hamidun (2003) found that training commitment, training needs assessment, training contents and delivery approaches, and training evaluation positively and significantly influence the employee's work commitment and performance.

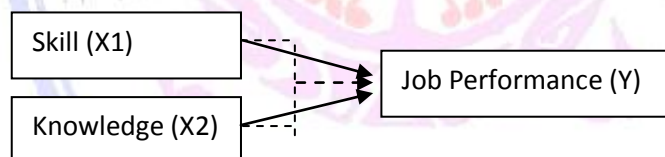


Figure 1 Conceptual Framework

Source: Theoretical Review

- H₁: Employee training skill and employee training knowledge influence employee job performance simultaneously.
- H₂: Employee training skill influence employee job performance partially.
- H₃: Employee training knowledge influence employee job performance partially.

RESEARCH METHOD

Type of Research

This research is a causal type of research where the objective is to determine which variable might be a causing a certain behavior, whether there is a cause and effect relationship between variables. This research investigates the effectiveness of ON – THE – JOB Training skills and knowledge.

Place and Time of Research

The study is conducted in Manado and takes place in PT.PLN (Persero) SUTG between June to November 2013.

Population and Sample

The population was the employee of PT.PLN (Persero) SUTG, Manado. The respondents are already passed the training program and have working experience.

Data Collection Method

Data collected in this research were from primary and secondary sources. The primary data were collected by interviewing the employees of PT.PLN (Persero) and distributing the questionnaires to twenty employees in PT.PLN (Persero) SUTG Manado.

Operational Definition and Measurement of Research Variables

1. Training Skills (X1): the process how the employee skill will increase and teaching an individual how to perform the operations of a particular occupation; distinguished from personal adjustment training and work.
2. Training Knowledge (X2): the process how to teaching the details of a subject. With regard to software, training provides instruction for each command and function in an application, etc.
3. Job Performance (Y): the result of increasing the knowledge and skills of an employee for doing a specified job. This is done with a view to bring about improvement in an employee and thus enabling him to make his contribution in grater measure in meeting the goals and objective of the organization.

Measurement of the variables used in this research is a Likert scale. Likert Scale as a measurement scale with five response categories ranging from "strongly disagree" to "strongly agree", which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements related to the stimulus object.

Data Analysis Method

Validity and Reliability Test

Validity is defined as the extent to which the instrument measures what it purports to measure. For example, a test that is used to screen applicants for a job is valid if its scores are directly related to future job performance. There are many different types of validity, including: *content validity*, *face validity*, *criterion-related validity* (or *predictive validity*), *construct validity*, *factorial validity*, *concurrent validity*, *convergent validity* and *divergent* (or *discriminant validity*). Not to worry, I will limit this discussion to the first four. Reliability is defined as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials. In short, it is the stability or consistency of scores over time or across raters. Keep in mind that reliability pertains to *scores* not people. Thus, in research we would never say that someone was reliable.

The analysis method that used in this research is: multiple regressions are a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval-scaled dependent variable. So, this method is going to analyze the relationship between the effectiveness of On-The-Job training towards skills, and knowledge. The formulation according Uma Sekaran and Roger Bougie (2009):

$$Y = a + b_1 x_1 + b_2 x_2$$

Description:

Y = Work performance

A = Intercept

b_1 b_2 = The regression coefficient of each variable

X_1 = Training skills

X_2 = Training knowledge

RESULT AND DISCUSSION

Result

Validity and Reliability Test

The value of MSA in Anti-image Correlation of all instruments is more than 0.5. It indicates that the data in the research is valid so the analysis can be continued. The result of reliability test shows the Cronbach's Alpha is 0.813 or more than 0.6 which means the data of this research is reliable.

Multiple Regression Analysis

Multiple regressions analysis is used to determine the influence of the independent variables to dependent variable. Below is the result of multiple regressions.

Table 1. Multiple Regression Result

Model		Coefficients (a)		t	Sig.	
		Unstandardized Coefficients	Standardized Coefficients			
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	-1.321	.638		2.072	.050
	Skill	.805	.127	.654	6.356	.000
	Knowledge	.530	.112	.486	4.725	.000

a. Dependent Variable: Impulsive Purchasing

The Equation is as follows :

$$Y = -1.321 + 0.805 X_1 + 0.530 X_2$$

The explanations of the equation are:

- $a = -1.321$. It states that if ignore two independent variables employee training skill (X_1) and education, the value of job performance (Y) will be -1.321 .
- 0.805 is the slope of skill (X_1), meaning if there is an increase in employee skill while other variables are constant then job performance is predicted to increase by 0.805 .
- 0.530 is the slope of knowledge (X_2), meaning if there is an increase in employee knowledge while other variables are constant then job performance is predicted to increase by 0.101 .

Hypothesis Testing

Hypothesis testing consist of F Test and T Test. F-test is used to determine the simultaneous effect, and T-test is used to determine the partial effect of each independent variable to dependent variable. F-Test is used to test the presence or absence of the effect of independent variables (X_1 and X_2) with the dependent variable (Y) simultaneously (together). To determine the F-Test, if $F_{count} > F_{table}$ (F_{count} is more than F_{table}), then H_0 is rejected and H_a is accepted, if $F_{count} < F_{table}$ (F_{count} is less than F_{table}), then H_0 is accepted and H_a is rejected. $F_{count} = 37.763$, $F_{table} = F_{INV}(0.05, k-1, n-k) = F_{INV}(0.05, 3-1, 25-3) = 3.44$, where: k = the number of variables and n = the number of respondents. The result of F-Test shows that F_{count} is more than F_{table} ($37.76 >$

3.44), then H_0 is rejected and H_a is accepted which means skill (X1) and knowledge (X2) influence job performance (Y) simultaneously.

T table is $TINV(0.05, n-k) = TINV(0.05, 25-3) = 2.073$. Tcount value of skill is 6.356, and the Ttable is 2.073. The result is Tcount (6.356) > Ttable (2.073), then H_0 is rejected and H_a is accepted which means that skill (X1) influences job performance (Y) partially. Therefore, hypothesis 2 is accepted. The table shows that the Tcount value of knowledge is 4.725 and Ttable is 2.073. The result is Tcount (4.725) > Ttable (2.073), then H_0 is rejected and H_a is accepted which means that knowledge (X2) influences job performance (Y) partially. Therefore, hypothesis 3 is accepted.

Table 2. R and R²

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880(a)	.774	.754	.203

a. Predictors: (Constant), Knowledge, Skill

Source: Data Processed

The value of R is 0.880 indicating a very strong positive association between independent and dependent variable. The value of R² is 0.774 meaning skill and knowledge as independent variables have a very strong positive association and influence job performance as much as 77.4% while the rest 22.6% other factor is not included in this research.

Discussion

Training program is important to any company in general. As a big company PT. PLN (Persero) has several training program for their employees who work in different unit and have different positions. All the training programs are aimed at improving the employee's knowledge and skill, and also to prepare them to work in a team or as individuals. Evaluation of and the trainee's are needed to identify whether the quality and effectiveness of training program in PT. PLN (Persero) is good or not. There are four level of effectiveness reactions of trainees, learning result of the training program, and implement the knowledge in working in order to conclude that the training program in PT. PLN (Persero) is effective. In this research, it is found that the trainees are satisfied with the training program at PT. PLN (Persero). It enables them to make decisions on continuing the program, making changes to the content, methodology, etc.

The purpose of on the job training is to improve the employee's working skills, efficiency and productivity. Based this purpose, the supervisor evaluate that the trainee's performance is improved after following the training. In the result shows that based on the employee's evaluation, the quality of training program is good enough. It is because the quality of the training program is more than what the employee expected. From the table result shows that skill influences job performance partially, and knowledge influences job performance partially. Quality of training program can be seen from the program itself and the activities of training whether the quality of training consistent with the employees expectation. In the questionnaire evaluate that the grade of the most employee toward the training program is four (4) and five (5) as the standard grade that they filled in the questionnaire. This is means that the result is very good.

1. Based the table Tcount value employee training skill is 6.356 and Ttable is 2.073. The result is Tcount (6.356) >Ttable (2.073), then Ho is rejected and Ha is accepted which means that employee training skill (X1) influences employee job performance (Y).
2. Based the table Tcount value employee training knowledge is 4.725 and Ttable is 2.073. The result is Tcount (4.725) >Ttable (2.073), then Ho is rejected and Ha is accepted which means that employee training knowledge (X2) influences employee job performance (Y).
3. So the conclusion is between employees training knowledge and employee training skill, employee training skill has higher influence in employee job performance rather than employee training knowledge.

Therefore, based on the result, actually the evaluation toward the training program is very good, based on the employee's performance in pass the training. It is because the performance of the trainees or employees toward the training program is higher than what the supervisor has expected. The supervisor evaluate after the employees follow the training with kinds of evaluation are the useful of training material for the employees, the responsibility of the employees, attitude and behavior, and good relationship between the employee. There is same perception in this research between the employees and the supervisor. The employees perceive that the quality of training program is good, and the same way what the supervisor believe that the training program is effective for the employee. The employees hope that in the next of training program, it can be better from now on, so the employee can improve their skill and knowledge in working while the supervisor said that the effectiveness of the current training program is good enough to improve the employees' skill, knowledge, and performance.

CONCLUSION AND RECOMMENDATION

Conclusion

The conclusions of the research are as follows: (a) employee skill and employee knowledge influence employee job performance partially and simultaneously; (b) employee skill influences employee job performance partially and significantly; (c) employees training knowledge influences employee job performance partially and significantly.

Recommendation

PT.PLN (Persero) has to improve the quality of training program. The employees perceive that the quality of training is not good yet, even though the supervisor perceive that after following the training the knowledge of the employee in facing the working activities has improved. This research suggests PT.PLN (Persero) has to improved the quality of the training program. The particular action that should be done by PT.PLN (Persero) is to find out the expected quality of the training program based on the trainees' opinion in order to improve their skill and knowledge, and then consider the way to develop a better training program.

For the long term, PT.PLN (Persero) also has to consider about developing off-the-job training for the employees away from Manado. By having the experience outside of their own area, the employees may find some new cases or knowledge for solving the problem in the company, particularly in Human Resource Management (HRM) Division.

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FAKULTAS EKONOMI
DAN BISNIS