

The Influence of Training, Career Development and Performance Management on Employee Competencies, Employee Performance and Organizational Capability

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ABSTRACT

The purpose of the study is examining and analyze the effect of training, career development and performance management on employee competencies, employee performance and organizational capability. This research was conducted at an independent state institution which has the sole objective of achieving and maintaining the stability of the rupiah value. The data collection technique was carried out by distributing questionnaires. Before being distributed, the research questionnaire had been tested for validity and reliability using SPSS. The number of respondents was 445 employees. Processing data to prove the hypothesis using the Structural Equation Model (SEM) Lisrel 8.80. The results indicated that training and performance management had significant and positive effect on employee competencies, career development had no significant effect on employee competencies, employee competencies had a significant and positive effect on employee performance, employee performance had a significant and positive effect on organizational capability.

Keywords: “Training”, “Career development”, “Performance management”, “Employee competencies”, “Employee performance”, “Organizational capability” .

1. INTRODUCTION

The development of external factors such as globalization and technology encourage organizations to adjust strategies within the organization's internal environment to increase organizational competitiveness [1]. The external environment of a company is a challenging and complex condition that will have an impact on the sustainability of organizational performance in the long [2]. For this reason, the organization must be able to increase the capabilities of the organization through a series of activities or organizational strategies in allocating, managing, and utilizing its resources so that it could be an added value for the organization to achieve organizational goals. This series of activities in organizational capability will be a source of sustainable competitive advantage for the organization. [2].

The resources owned by organizations consist of tangible and intangible [2]. The four main categories of tangible resources are financial, organizational, physical, and technological. Meanwhile, intangible resources are human, innovation, and reputational [2]. Human resources as intangible resources are one of the most important resources in an organization [3]. Through these

human resources the implementation of organizational goals can be sustainable.

In line with changes in the internal and external environment of the organization above, to remain competitive in a competitive manner, strategic adjustments are made to build organizational capabilities to achieve organizational goals [2]. Included in the adjustment of this strategy in the internal organization is that the existing human resource management strategy must be in line with the company strategy to support the achievement of organizational performance with the support of the right human resources [3].

Fulfillment of human resources appropriate to the needs of the organization's strategy could be done in two ways, namely human resources come from within the organization and outside the organization [4]. In practice, if the organization has human resources whose competencies are in accordance with the needs of the organization, human resources from within the organization could be used. However, when organizations use human resources from within the company, but there is a gap of competence, it is necessary to increase competence.

Further strengthening of the competence of human resources is one of the strategic efforts to increase

the capabilities of the organization in achieving its mission and vision. Therefore, to establish a human resource professional, then the increase in employee competence to be one way in filling the gap of employee competence.

In line with the description above, a state institution whose status is an Independent State Institution (LNI), as a place where this research was conducted, has a fast response to the development of external factors, especially related to the development of digital technology. This response can be seen from the change in vision that wants to make LNI a digital-based institution in making a real contribution to the national and emerging economies. To support the implementation of this vision, this institution has carried out several transformations, namely policy transformation, organizational transformation, and human resource transformation. Special transformation of human resources is intended to encounter the competencies in task by utilizing digital technology. Furthermore, efforts to increase the competence for all employees is structured to encounter the competency gaps.

Why is research conducted in this independent state institution? Research at this institution, in principle, is related to improving the competence of human resources which will affect organizational capability. Related research competency improvement of human resources in the institution of interest to researchers because of its role is very important and strategic to the nation's economy.

So, it is very important for this institution to be supported by human resources who have the appropriate competence to achieve the vision and mission of its strategic role for this nation which is reflected in the sole purpose of establishing this institution in accordance with the law, that is achieve and maintaining the stability of the rupiah value.

The results of this study are expected to be managerial implications for institutions in making decisions, especially those related to human resource development through increasing competence for their employees which are expected to have a positive impact on employee performance to build organizational capability. The results of this study are also expected to carry theoretical implications to provide new insights about the model developed from previous research

2. THEORETICAL BACKGROUND

2.1. Training

Training is a process to teach new employees or current employees related to the basic skills they need to complete the job [5].

Moreover, training is a deliberate attempt by the organization to facilitate learning about job-related knowledge, attitudes, and skills of the employees [6].

The purpose of the training for employees is to master the knowledge, skills, and behaviors that could be applied in everyday activities in work [6]. Furthermore, through a system of continuous learning by the organization it is expected that employees can understand the whole work process, acquire new skills, apply them on the job, and share the knowledge they have learned with other employees [6].

Training consists of formal training and informal learning [6]. Formal training is a training and development program, courses and events developed and implemented by a company. This formal training must be attended by appointed employees [6]. The material in formal training refers to explicit knowledge, which is well documented, easily articulated, and easily transferred from one person to another [6].

Informal learning is a learning process which is usually performed in the work process / actions take place motivated by the intention to better understand. This informal learning carried out with or without an instructor and breadth of learning material depends on the desire and motivation of employees. Informal learning could occur through a variety of ways, including casual unplanned interaction with peers, e-mail, informal mentoring or through social media [6].

Informal learning can explain up to 75% of work processes in organizations [6]. Through informal learning, tacit knowledge of a person who is a personal knowledge based on the experience of individuals that are difficult to be codified could be obtained [6]. Both types of training that is formal training and informal learning contribute to the development of human resources as human capital.

2.2. Career Development

An employee's career development plays an important role in engaging and retaining employees; therefore, it should be understood by employers through career management. Furthermore, there should be a

discussion between employers and workers leaders to support the career development needs of employees [5].

Career development is a lifelong series of activities that contribute to exploration, establishment, success, and fulfillment of one's career [5]. It includes career development activities to prepare an individual on the progress of the planned career path [7].

Basically, career development involves two main processes, the career planning and career management [8]. Career planning includes occupational choices, organizational choices, choice of job assignments and career self-development. Meanwhile, the career management includes recruitment and selection, human resource allocation, appraisal, and evaluation as well as training and development.

2.3. Performance Management

Performance management is defined as a continuous process to identify, measure, and develop individual and team performance and align their performance with organizational goals [5]. Performance management is a strategic and integrated approach to deliver successful results within the organization to improve performance and develop teams and individuals [9]. Moreover, performance management process where managers ensure that the activities of employees and the output is the same as the goals of the organization [6]. Performance management system in the company is where managers integrate activity's goal setting, monitoring and evaluation, providing feedback and training, and reward employees on an ongoing basis [10]. Performance management is the core to achieve a competitive advantage to an organization.

The performance management system which includes the performance appraisal process has three main parts, (1) defining performance or setting work standards, (2) measuring performance and (3) providing feedback on performance information [5]. First, the system that defines performance is to determine meaningful performance aspects for the organization as outlined in the job analysis. Second, a system that measures performance aspects through performance appraisal, is the process by which an organization obtains information about how well an employee is performing his/her job. This information is immensely useful in managing employee performance. Third, deliberations system that provides performance feedback to employees is intended to allow employees to understand the achievements and furthermore the results of this evaluation could adjust employee performance with organizational objectives.

2.4. Employee Competencies

Competence is an individual's ability to organize or apply a combination of knowledge, skills, and abilities consistently over time to complete work in the required work situation [7] and is reinforced by the work attitude demanded by the job. Employee skills or abilities demonstrated by the ability to consistently provide adequate performance levels or higher in a job function.

Competency is a person's underlying characteristics relating to the effectiveness of individual performance on the job or the basic characteristics of individuals who have a causal relationship or a causal criterion referenced (Spencer & Spencer, 1993). Competence is located on the inside of each human being and always there on the personality of a person who can predict the behavior and performance broadly in all situations and work tasks [11].

Competency as knowledge skills, abilities, or personal characteristics of individuals which directly affects the performance of the work [12]. Competence is the mastery of tasks, skills, attitudes, and appreciation necessary to support the success [12].

2.5. Employee Performance

Performance can be defined as the result of a specific job function or activity within a certain period [13]. Performance is the work achieved by a person based on job requirements [13]. A job has certain requirements to be made in achieving the objectives referred to also as a standard job. To determine an employee's performance is good or not, depending on the results of the comparison with the standard of work [14].

Some of the reasons for assessing employee performance is described as follows [5]. First, the assessment should play an integrated role in the organization's performance management process [5]. If managers translate the organization's strategic objectives into specific objectives, then train employees but does not review the employee's performance on a regular basis, it is of little benefit. Secondly, the assessment allows superiors and subordinates develop a plan to correct all the deficiencies found in the assessment and to affirm the things that have been finished correctly by subordinates [5]. Third, the assessment should serve the purpose of career planning by providing an opportunity to review career plans of employees with due regard to the specific strengths and weaknesses [5]. Finally, the assessment is almost always having an impact on the decision to increase the salary and promotion [5].

Employee performance can be measured using the following dimensions, Punctuality, Job Result Quantity and Job Result Quality [7]. Punctuality is the standard time with regards to the time value held by employees in the company include a standard set by the company to complete the work and the difficulties to be able to meet the standards set by the company's presence [7]. Job Result Quantity is the result that can be achieved person or group of people within an organization, this dimension relates to the amount of work required and the number of hours that employees received to determine the number of jobs that can be completed [7]. Job Result Quality is the working process becomes shaper of performance and this dimension relates to the process at work includes the difficulty to follow the company's main objectives in the work and the difficulty to follow standards set by the company results in the work [7].

2.6. Organizational Capability

Organizational capability is a set of the company's ability to allocate, manage and utilize its resources to be an added value for an organization to achieve organizational goals [2]. Organizational capability are the various capabilities of the organization to carry out its activities [15]. In the smaller scope of organizational capability is the ability of each business unit owned for executing business strategy to achieve organizational goals.

Each company's strategy further is subjective for each company so that there is no organizational capability measurement method to be applied universally [16]. In other words, the capability refers to the ability of the organization to exploit its resources.

There is no standard on capabilities that must be owned by any organization but at least there are 11 elements that are likely to achieve the capability of the organization. 11 capabilities are talent, speed, shared mindset, accountability, collaboration, learning, leadership, customer connectivity, strategic unity, innovation, and efficiency [17].

2.7. Relationship between Training, Career Development, Performance Management, and Employee Competencies

The role of the Human Resource Department (HRD) in human resource development on organizational effectiveness through employee Competencies built from several types of HRD interventions [18]. The selected HRD interventions include training, career development and performance

management [18]. The study was conducted at two medium-sized Indian cement manufacturing companies with 290 respondents who worked as executives and non-executives at the company [18].

The results showed that HRD interventions model that have an effect on improving the competence of employees which in turn plays a role in enhancing the effectiveness of the organization [18].

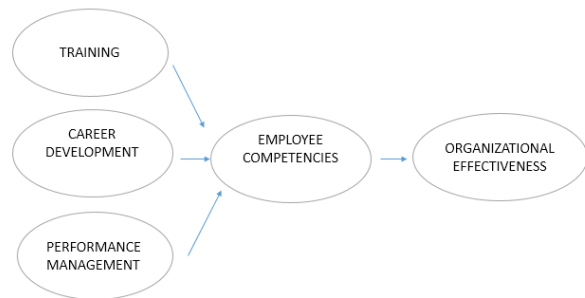


Figure 1. HRD interventions model [18]

2.8. Relationship between Employee Competencies and Employee Performance

Employee competency is key for assessing the performance of individuals [19], to such an extent that the competency of employees will greatly affect the performance of employees.

Competence as an underlying characteristic of a person related to the effectiveness of the performance of the individual (employee performance) in its work or the basic characteristics of individuals who have a causal relationship or a causal criterion referenced [11].

Martini [20] in his research work analyzes the influence of competencies (knowledge, skills, and attitudes) towards the commitment and performance of employees, work commitments influence on employee performance, and the role of work commitments in mediating the relationship competencies with employee performance. Research was conducted on 168 workers weaving in Bali and data collection is done through the distribution of questionnaires to survey respondents [20].

The results showed that the competencies consist of knowledge, skills and attitude showed a significant positive effect on commitment and performance of employees, work commitments are also significant positive effect on employee performance [20].

Commitment also works as mediator competency relationship with employee performance [20].

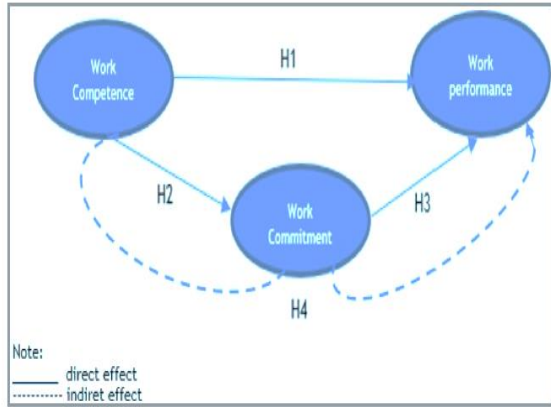


Figure 2 Concept model influences of competency [20]

2.9. Relationship between Employee Performance and Organizational Capability

One of the main resources that an organization has to achieve its organizational goals is human resources. Training, career development and performance management activities are part of a series of activities to build organizational capability carried out by organizations in allocating, managing, and utilizing their resources so that they can be added value to the organization. This series of activities will have an impact on increasing employee competencies, which in turn will affect employee performance appraisal.

Based on the description above, employee performance, which is the result of employee performance in one period, shows the company's ability to allocate, manage and utilize human resources to build organizational capability. This hypothesis will be tested in this study.

3. HYPOTHESIS AND RESEARCH METHOD

Hypothesis is a provisional statement proposed to solve a problem, or to explain a symptom [21]. Another opinion hypothesis is that it is a temporary answer to a research problem whose truth must be tested empirically [22]. From the above understanding, the hypothesis is a temporary answer to a problem that is still presumptive

because it still has to be proven first and then through research.

Based on the formulation of the problem discussed above, the hypothesis that can be used in this study are as follows:

- H1: The training has a significant effect on employee competencies.
- H2: Career development has a significant effect on employee competencies.
- H3: Implementation of performance management has a significant effect on employee competencies.:
- H4: Increased employee competencies significant effect on the achievement of employee performance.
- H5: Achievement of employee performance has a significant effect on organizational capability.

The place or location of the research is the place where the research was carried out while the time of the research is the date, month, and year in which the research was carried out [23]. The primary data source where this research was conducted at an independent state institution with a research period of 6 (six) months, which was conducted from June 2020 to November 2020.

This study uses primary data collected and obtained by researcher directly from the first source or point of the research object. In this study, researchers used questionnaires to obtain information.

In this study, the sampling is done nonprobability sampling, the sampling is not based on a probability that can be calculated. The sampling technique in this research using accidental sampling where the sampling is done by taking the case or the respondent accidental or available somewhere within the context of research [24]. Sampling is to estimate the population or in other words, want to generalize. Determination of the number of samples using Slovin following formula [25]:

$$n = \frac{N}{1 + Ne^2}$$

- Information:
- n = minimum sample size
- N = total population
- e = error tolerance of 0.05 (5%)

Based on calculations using the method Slovin samples obtained sample number (n) of the respondents 347.83 rounded to 348 respondents to the population (N) of 2667 employees. Thus, the minimum sample size in

this study was 348 respondents. The number of respondents who obtained 445 respondents.

Researchers used Structural Equation Modeling (SEM) using lisrel 8.80 software. Structural equation modeling can be described as an analytical method which combines factor analysis approach, a model structural and path analysis. This study used a technique Confirmatory Factor Analysis or confirmatory factor analysis in the SEM is used to confirm the factors most dominant in a group of variables. Grouping test fit of the data to the model is done through several stages: overall suitability model, the model fit the measurement and structural model fit

4. RESULTS

4.1. Validity and Reliability Pre-test

Validity testing is needed in a study, especially those using a questionnaire to obtain data. Validity testing intended to determine the validity of the concerns about the validity of understanding between concepts and empirical reality. Test the validity is a measure that indicates the level of validity and the validity of an instrument. An instrument is said to be valid if it can measure what you want to measure or to disclose the data of the variables studied properly. The level of validity of the instrument indicates the extent to which the collected data does not deviate from the description of the variable in question.

Testing the validity of the instrument was done by correlating each item's score with the total score using the Pearson Product Moment Correlation technique. Testing criteria stated if the correlation coefficient ($r \geq r_{table}$) means the items in the questionnaire declared invalid or be able to measure the variables measured. If $r_{count} > r_{table}$, then it can be said to be an instrument or item declared valid statement and vice versa if the value of count $r < r_{table}$ rated item statement is not valid. For more details are presented in Table 1.

Reliability test shows the level of stability, constancy or accuracy of a measuring instrument used to determine the extent to which the measurement is relatively consistent when measurements were repeated. Reliability testing technique is to use Cronbach's Alpha. Criteria for making the decision is if the value of the coefficient of Cronbach's Alpha ≥ 0.6 means the items in the questionnaire expressed a reliable or consistent in measuring the variables measured. The questions which were declared invalid in the validity of the test will be

determined by the criteria of reliability if the alpha value > 0.60 then reliable, if the alpha value < 0.60 then not reliable. Reliability test results are shown in Table 2.

4.2. SEM Validity and Reliability

Construct validity testing is needed to determine whether valid indicators used in measuring latent variables. The validity of each indicator in measuring the latent variable indicated by the size of the loading factor (Standardized Weights). An indicator loading factor declared invalid if an indicator is positive and greater 0.5. SEM validity of test results can be seen in Table 3.

Construct reliability testing performed using Cronbach Alpha technique. Testing criteria stated when Cronbach Alpha coefficient ≥ 0.7 meaning can be expressed constructs have reliable or consistent indicator to measure the variables measured. Reliability test results are shown in Table 4.

4.3. Model Fit Analysis

Testing the feasibility / suitability of the model (construct) is intended to determine whether the constructs formed are appropriate (feasible) or not. There are several test indices in SEM analysis, namely Chi-Square, Comparative Fit Index (CFI), Goodness-of-Fit Index (GFI), Root Mean Square of Approximation (RMSEA), Adjusted Goodness-of-Fit Index (AGFI), Tucker Lewis Index (TLI), Normed Fit Index (NFI), Parsimonious Normal Fit Index (PNFI), and Parsimonious Goodness-of-Fit Index (PGFI). Adapaun results of feasibility testing models that have been summarized in Table 5.

4.4. Hypothesis Testing

Structural model fit test is an evaluation of the structural model relating to the testing of the relationship between the latent variables exogenous to endogenous latent variables, or testing conducted on the relationship between an endogenous latent variable with hypotheses that have been sorted in a study.

There are some things that need to be addressed [26]: (1) the sign (direction) the relationship between each latent variable identifies whether the results of the relationship between these variables have effect in accordance with the hypothesized; (2) significance of the estimated parameters provide very useful information on the relationship between latent variables. Limits to accept or reject a relationship with a significant level of 5% was 1.96 (absolute), wherein if the value of t lies

between -1.96 and 1.96, then the hypothesis must be rejected, while if the value of t greater than 1.96 and smaller than -1.96 must be received by the significant level of 5% is $t > (-1.96)$; (3) terminated coefficient (R^2) in structural equation indicates the amount of variance in the endogenous latent variable that can be explained simultaneously by exogenous variables. The higher the value of R^2 , the greater the exogenous variables explain the endogenous variables so that the better the structural equation.

The first hypothesis (H1) in this study states that attending training has a significant effect on employee competencies. Testing the effect of training (T) on employee competencies (EC) produces a Z statistic of 2.59. The test results showed that the statistic $Z (2:59) > 1.96$, which means there is a significant effect of the training on employee competencies. A positive coefficient of 0.24 indicates that training has a positive

The second hypothesis (H2) states that career development significant effect on employee competencies.

Test the effect of career development (CD) on employee competencies (EC) produced a statistically Z at 0.32. The test results showed that the Z statistic (0.32) < 1.96 , which means that there is no significant effect of career development on employee competencies. This is not in line with previous research. (Potnuru & Sahoo, 2016). The research hypothesis is not universally accepted.

The third hypothesis (H3) in this study states that implementation of performance management has a significant effect on employee competencies. The test of the effect of performance management (PM) on employee competencies (EC) produces a Z statistic of 2.46. The test results show that the Z statistic (2.46) > 1.96 , which means that there is a significant effect of performance management on employee competencies. A positive coefficient of 0.23 indicates that performance management has a positive effect on employee competencies. This means that the good performance management is done then it can improve employee competencies. This hypothesis is consistent with previous studies, and this means that the hypothesis is accepted

The fourth hypothesis (H4) states that increased employee competencies significant effect on the achievement of employee performance. Test of the influence of employee competencies (EC) on employee performance (EP) produces a Z statistic of 11.22. The test results showed that the Z statistic (11.22) > 1.96 ,

which means that there is a significant effect of employee competencies on employee performance. The positive coefficient of 0.83 indicates that employee competencies have a positive effect on employee performance. This means that the hypothesis is accepted.

The fifth hypothesis (H5) states employee performance achievement has a significant effect on organizational capability. Test the influence of employee performance (EP) on organizational capability (OC) resulted in a Z statistic of 8.48. The test results show that the Z statistic (8.48) > 1.96 which means that there is a significant influence on employee performance on organizational capability. A positive coefficient of 0.58 indicates that employee performance has a positive effect on organizational capability. This means that the hypothesis is accepted.

The conversion of path diagrams into structural equations is intended to determine how the shape of the influence between constructs is based on their mathematical equations. Based on the above hypothesis test then can be seen that the mathematical model is formed:

$$\text{Equation 1: } EC = 0.24 * T + 0.04 * CD + 0.23 * PM, \text{ Errorvar.} = 0.23, R^2 = 0.20$$

$$\text{Equation 2: } EP = 0.83 * EC, \text{ Errorvar.} = 0.10, R^2 = 0.70$$

$$\text{Equation 3: } OC = 0.58 * EP, \text{ Errorvar.} = 0.44, R^2 = 0.33$$

The total coefficient of determination (R_m^2) is obtained through the formula:

$$(R_m^2) = 1 - (1 - R21) (1 - R22) (1 - R23) = 1 - (1 - 0.20) (1 - 0.70) (1 - 0.33) = 0.8392$$

The results of calculation of 83.92% accuracy of the model explains that the ability of the model to explain the structural relationship of the six variables studied amounted to 83.92%. While the rest of 16.08% explained by other variable structures that are not included in this research model.

Referring to the analysis of hypothesis testing on research variables, research at this institution resulted in one hypothesis that was rejected, namely career development did not have a significant effect on employee competencies. This right will be an input for the institution so that in the career development process it needs other policies related to increasing non-technical competence in the career development process that will support the employees concerned for promotion at a level one level above the current one.

Table 1. Validity Pre-Test Result

Variable	Dimension	Item	Validity Coefficient (r Count)	Criteria (r Table)	Remarks
TRAINING		T1	0.823	0.242	Valid
		T2	0.819	0.242	Valid
		T3	0.835	0.242	Valid
		T4	0.682	0.242	Valid
		T5	0.889	0.242	Valid
CAREER DEVELOPMENT		CD1	0.835	0.242	Valid
		CD2	0.838	0.242	Valid
		CD3	0.867	0.242	Valid
		CD4	0.832	0.242	Valid
		CD5	0.726	0.242	Valid
PERFORMANCE MANAGEMENT		PM1	0.766	0.242	Valid
		PM2	0.827	0.242	Valid
		PM3	0.700	0.242	Valid
		PM4	0.525	0.242	Valid
		PM5	0.851	0.242	Valid
EMPLOYEE COMPETENCIES	SELF COMPETENCE	EC1	0.637	0.242	Valid
		EC2	0.770	0.242	Valid
		EC3	0.802	0.242	Valid
		EC4	0.882	0.242	Valid
		EC5	0.902	0.242	Valid
		EC6	0.855	0.242	Valid
		EC7	0.840	0.242	Valid
		EC8	0.805	0.242	Valid
	TEAM COMPETENCE	EC9	0.825	0.242	Valid
		EC10	0.757	0.242	Valid
		EC11	0.741	0.242	Valid
		EC12	0.817	0.242	Valid
		EC13	0.813	0.242	Valid
		EC14	0.847	0.242	Valid
		EC15	0.830	0.242	Valid
	CHANGE COMPETENCE	EC16	0.906	0.242	Valid
		EC17	0.918	0.242	Valid
		EC18	0.952	0.242	Valid
		EC19	0.871	0.242	Valid
		EC20	0.602	0.242	Valid
	COMMUNICATIONS COMPETENCE	EC21	0.660	0.242	Valid
		EC22	0.621	0.242	Valid
		EC23	0.754	0.242	Valid
		EC24	0.718	0.242	Valid
		EC25	0.654	0.242	Valid
	ETHICAL COMPETENCE	EC26	0.653	0.242	Valid
		EC27	0.808	0.242	Valid
		EC28	0.856	0.242	Valid

Variable	Dimension	Item	Validity Coefficient (r Count)	Criteria (r Table)	Remarks
		EC29	0.726	0.242	Valid
		EC30	0.837	0.242	Valid
EMPLOYEE PERFORMANCE		EP1	0.860	0.242	Valid
		EP2	0.851	0.242	Valid
		EP3	0.786	0.242	Valid
ORGANIZATIONAL CAPABILITY		OC1	0.837	0.242	Valid
		OC2	0.728	0.242	Valid
		OC3	0.928	0.242	Valid
		OC4	0.911	0.242	Valid
		OC5	0.932	0.242	Valid
		OC6	0.932	0.242	Valid
		OC7	0.908	0.242	Valid
		OC8	0.894	0.242	Valid
		OC9	0.899	0.242	Valid
		OC10	0.691	0.242	Valid
		OC11	0.906	0.242	Valid

Table 2. Reliability Pre-Test Result

Variable	Dimension	Cronbach's Alpha	Criteria	Remarks
TRAINING		0.870	0.6	Reliabel
CAREER DEVELOPMENT		0.865	0.6	Reliabel
PERFORMANCE MANAGEMENT		0.791	0.6	Reliabel
EMPLOYEE COMPETENCIES	SELF COMPETENCE	0.927	0.6	Reliabel
	TEAM COMPETENCE	0.906	0.6	Reliabel
	CHANGE COMPETENCE	0.910	0.6	Reliabel
	COMMUNICATIONS COMPETENCE	0.687	0.6	Reliabel
	ETHICAL COMPETENCE	0.815	0.6	Reliabel
EMPLOYEE PERFORMANCE		0.766	0.6	Reliabel
ORGANIZATIONAL CAPABILITY		0.966	0.6	Reliabel

Table 3. SEM Validity Result

Variable	Dimension	Indikator	Standardized Weights	Criteria	Remarks
TRAINING		T1	0.62	0.5	Valid
		T2	0.86	0.5	Valid
		T3	0.89	0.5	Valid
		T4	0.73	0.5	Valid
		T5	0.86	0.5	Valid
CAREER DEVELOPMENT		CD1	0.74	0.5	Valid
		CD2	0.79	0.5	Valid
		CD3	0.83	0.5	Valid
		CD4	0.78	0.5	Valid
		CD5	0.73	0.5	Valid

Variable	Dimension	Indikator	Standardized Weights	Criteria	Remarks
PERFORMANCE MANAGEMENT		PM1	0.69	0.5	Valid
		PM2	0.87	0.5	Valid
		PM3	0.6	0.5	Valid
		PM4	0.55	0.5	Valid
		PM5	0.78	0.5	Valid
EMPLOYEE COMPETENCIES	SELF COMPETENCE	EC1	0.70	0.5	Valid
		EC2	0.77	0.5	Valid
		EC3	0.75	0.5	Valid
		EC4	0.84	0.5	Valid
		EC5	0.86	0.5	Valid
		EC6	0.87	0.5	Valid
		EC7	0.85	0.5	Valid
		EC8	0.82	0.5	Valid
	TEAM COMPETENCE	EC9	0.77	0.5	Valid
		EC10	0.81	0.5	Valid
		EC11	0.74	0.5	Valid
		EC12	0.87	0.5	Valid
		EC13	0.86	0.5	Valid
		EC14	0.77	0.5	Valid
		EC15	0.79	0.5	Valid
	CHANGE COMPETENCE	EC16	0.82	0.5	Valid
		EC17	0.86	0.5	Valid
		EC18	0.86	0.5	Valid
		EC19	0.81	0.5	Valid
		EC20	0.68	0.5	Valid
	COMMUNICATIONS COMPETENCE	EC21	0.63	0.5	Valid
		EC22	0.57	0.5	Valid
		EC23	0.61	0.5	Valid
		EC24	0.76	0.5	Valid
		EC25	0.82	0.5	Valid
	ETHICAL COMPETENCE	EC26	0.63	0.5	Valid
		EC27	0.81	0.5	Valid
		EC28	0.78	0.5	Valid
		EC29	0.75	0.5	Valid
		EC30	0.78	0.5	Valid
EMPLOYEE PERFORMANCE		EP1	0.56	0.5	Valid
		EP2	0.74	0.5	Valid
		EP3	0.75	0.5	Valid
ORGANIZATIONAL CAPABILITY		OC1	0.75	0.5	Valid
		OC2	0.75	0.5	Valid
		OC3	0.80	0.5	Valid
		OC4	0.81	0.5	Valid
		OC5	0.82	0.5	Valid
		OC6	0.87	0.5	Valid
		OC7	0.85	0.5	Valid
		OC8	0.82	0.5	Valid
		OC9	0.84	0.5	Valid
		OC10	0.80	0.5	Valid
		OC11	0.72	0.5	Valid

Table 4. SEM Reliability Result

Variable	Dimension	Cronbach's Alpha	Criteria	Remarks
TRAINING		0.894	0.7	Reliabel
CAREER DEVELOPMENT		0.882	0.7	Reliabel
PERFORMANCE MANAGEMENT		0.826	0.7	Reliabel
EMPLOYEE COMPETENCIES	SELF COMPETENCE	0.937	0.7	Reliabel
	TEAM COMPETENCE	0.923	0.7	Reliabel
	CHANGE COMPETENCE	0.901	0.7	Reliabel
	COMMUNICATIONS COMPETENCE	0.718	0.7	Reliabel
	ETHICAL COMPETENCE	0.855	0.7	Reliabel
EMPLOYEE PERFORMANCE		0.707	0.7	Reliabel
ORGANIZATIONAL CAPABILITY		0.951	0.7	Reliabel

Table 5. Goodness of Fit Model

Index	Goodness Of Fit	Cut Off Value	Remarks
Chi-Square	8691.80	Small numbers are expected	<i>Poor of Fit</i>
CFI	0.95	≥ 0.90	<i>Good of Fit</i>
GFI	0.60	≥ 0.90	<i>Marginal of Fit</i>
RMSEA	0.10	≤ 0.08	<i>Marginal of Fit</i>
AGFI	0.57	≥ 0.90	<i>Marginal of Fit</i>
TLI/NNFI	0.95	≥ 0.90	<i>Good of Fit</i>
NFI	0.94	≥ 0.90	<i>Good of Fit</i>
PNFI	0.90	0.60 - 0.90	<i>Good of Fit</i>
PGFI	0.56	0.60 - 0.90	<i>Marginal of Fit</i>

Table 6. Hypothesis Testing

Hypothesis	Path	Coefficient	Std. Error	z Test	Remarks
H1	T → EC	0.24	0.081	2.59	Significant
H2	CD → EC	0.04	0.093	0.32	Not Significant
H3	PM → EC	0.23	0.066	2.46	Significant
H4	EC → EP	0.83	0.081	11.22	Significant
H5	EP → OC	0.58	0.095	8.48	Significant

5. DISCUSSION AND CONCLUSION

The results of the research and discussion that have been carried out are to answer research questions related to the relationship between the variables of training, career development, performance management, employee competencies, employee performance and organizational capability.

The results of this study can show that the training variable has a significant and positive effect on the employee competencies variable. The performance management variable has a significant and positive

effect on variables on employee competencies. The employee competencies variable has a significant and positive effect on employee performance. Employee performance variable has a significant and positive effect on organizational capability. While the career development variable has no significant effect on employee competencies.

Based on the analysis results, it can be concluded that the competence of employees in support of the implementation of the tasks leading role to achieve organizational objectives are reflected in the vision and mission. For this reason, the process of increasing

employee competencies and evaluating employee performance periodically at each period must be carried out continuously in supporting the achievement of the organization's vision and mission that moves dynamically to respond to developments in the organization's external and internal environment. so that the organizational capability of its organization will continue to exist and to improve its competitiveness.

5.1. Managerial Implications

From the analysis of the results of research on the relationship between the variables, it is seen that the relationship between the variables of employee competencies and employee performance has a positive value highest at 0.83 and Z statistics 11.22, this indicates that the employee wants the evaluation of its performance is adjusted to the competency of the achievement performance. So as to maintain the performance of employees in accordance with their competence in supporting the implementation of the tasks, then there are some things that need to be a concern that institutions related performance assessment as follows:

1. Conducting exploration performance evaluation system, most appropriately applied in the institutions.
2. Evaluate the rewards received by employees on the value of its performance.
3. Ensuring a balance between performance ratings given by agencies to their competence in the implementation of employment targets.
4. There is openness to employees and between employees in the process of scoring the performance of employees and minimize the subjective element in determining the value of the performance.
5. Still maintaining employee performance evaluation benchmarks that objective.
6. Conduct a survey to the relevant employee satisfaction with the system and rewards received from implementation of performance assessment.
7. Conduct a study to a similar institution on the performance appraisal system

5.2. Theoretical Implications

This study modification to the model developed by Potnuru & Sahoo (2016), by adding a variable employee performance and organizational capability replaces organizational effectiveness. The addition of the employee performance variable in this study was to fill the limitations of previous research and be a suggestion for further research. Addition of employee performance variables associated with employee competencies

resulted in a highly significant association with the highest score compared to other studies the relationship between variables.

The relationship between the employee's competencies with employee performance which gives results very significant relationship highs and positive, proving that the employee wants valuation gain on employee performance in accordance with the competencies dimiliknya employee in performing the tasks. So that the entire cycle and process of performance management has been determined by the institution, where at the end of the period an employee performance assessment must be carried out consistently and with full responsibility, so that at the end of the period employees will receive a performance appraisal that is as expected by employees and line managers.

Furthermore, the relationship between employee performance variables and organizational capability resulted in the second highest score. This shows that a series of employee competencies development activities will result in a significant increase in employee performance, so that it will be useful to improve organizational capability in managing its human resources which will provide added value to the organization.

The addition of employee performance variables and the replacement of organizational effectiveness variables into organizational capability are expected to provide new insights into the model developed by Potnuru & Sahoo (2016)

5.3. Research Limitations

In this study, researchers realized the limitations of the study. This research is expected to be very useful for science and organizations in making policies or decisions related to human resource management related to competence, performance appraisal and organizational capabilities. However, the results of this study can only test and analyze research variables consisting of training, career development, performance management, employee competencies, employee performance and organizational capability in one organization.

Researchers feel this institution has carried out a minimum of human resource management cycles associated with variables research at least have followed the theories of human resource management. Therefore, researchers confirm that the organization being researched complies with supporting theory. Implementation of comparative research on similar institutions is a research between countries, would be limited by time and costs that is a consideration of this study. However, this researched would be thoroughly if it is carried out in several similar institutions in order to do comparisons to see the effectiveness of the practical

implementation of human resource management on the study variables comprised of training, career development, performance management, employee competencies, employee performance and organizational capability.

AUTHORS' CONTRIBUTIONS

Erlis Ermawati and Dudi H.S worked on idea and research topic.

Erlis Ermawati executed the research on the field and did the computation of the data.

Dudi H.S helped Erlis Ermawati to construct the theory and theoretical framework.

Dudi H.S performed as an advisor until the completion of the research and paper.

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