



The Influence of Organizational Climate and Employee Training on Employee Performance with Innovative Work Behavior as an Intervening Variable in North Sumatera Provincial Manpower Office

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Abstract. The problem faced by the Nation, especially in North Sumatera, is the difference between the small number of workers and the availability of employment opportunities. Likewise, the welfare of workers and the placement of workers in North Sumatra which has decreased. Therefore, to overcome the challenges and problems of the workforce, the agency must have productive, innovative, effective, and efficient employees with a high level of professionalism and integrity. The samples in this study were 93 employees of the North Sumatera Provincial Manpower Office. The data analysis model used in this study is Structural Equation Model – Partial Least Square (SEM – PLS) with Smart-PLS software to determine indicators that affect these variables. This research uses descriptive quantitative with probability sampling technique, namely by using simple random sampling. This research was conducted to build employee performance at the North Sumatera Manpower Office through Organizational Climate, Employee Training, and Innovative Work Behavior as Intervening Variables.

Keywords: Employee Performance · Employee Training · Innovative Work Behavior · Organizational Climate

1 Introduction

In the midst of the ongoing economic recovery, employment and welfare conditions are still fraught with challenges. On the employment side, labor absorption decreased in line with the increase in the open unemployment rate. North Sumatra's Open Unemployment Rate (TPT) in 2019 was recorded at 5.41%, increased dramatically in 2020 to 6.91% and 6.33% in 2021 [1].

This problem is a challenge, especially for the relevant agencies, namely the Manpower Office, which assists the Governor of North Sumatra in carrying out the functions of autonomy, assistance, and deconcentration tasks in the workforce. To overcome organizational problems and challenges, the Manpower Office requires the role of human

resources (employees) who will encourage good change and become the foundation for achieving the organization's vision and mission.

In achieving this goal, the most important thing is improving its human resources, which will lead to enhancing employee performance because good management and employee performance are not only beneficial for the employees themselves but have an impact on the growth of the organization's overall performance [2].

The Manpower Office expects employees who are essential assets in the organization to work productively, innovatively, effectively, and efficiently with high professionalism and integrity. One of the factors that can increase employee productivity is employee performance.

Performance is an indicator in determining an employee's success in carrying out his primary duties and functions in his work according to the standards, targets, and criteria that the organization has chosen. The better the employee performance, the better the company performance [3]. Employee performance illustrates how an organization determines its competition and competition [4]. Agree with [5], who state that positive and negative contributions given by employees will be the results of performance to be obtained.

Several phenomena have emerged in the organization concerning employee performance, one of which is the not yet optimal performance of employees. This is reflected in the performance achievements of employees at the North Sumatra Provincial Manpower Office, although it is still categorized as good, with 82.22% (2019), 80.6% (2020), and 82.59% (2021). However, in the last three years, there has still not been a significant increase and even a decline in 2020.

This is supported by data on the placement of workers from North Sumatra in the last three years (2019–2021). Every year the realization has been decreasing with 92.35% (2019), 46.99% (2020), and 44.87% (2021), it is also in line with the decrease in the percentage of companies implementing proper work governance.

The low performance of employees is caused by various factors, one of which is the organizational climate factor. Employee performance cannot be separated from the work atmosphere or climate in the organization [6].

A harmonious organizational climate mostly gets internal support to improve performance effectively and employees' perceptions of the work environment have an additional impact on employee performance [7].

In addition to organizational climate factors that affect employee performance, employee training factors also have a role. With adequate education and training for his position and skills in doing daily work, it will be easier for him to achieve the expected performance [8].

However, workers must compete to improve their competence during competition from the ASEAN Economic Community (AEC) and the industrial era 4.0. In addition, government agencies such as the Manpower Office, which plays a role in human resources and handles employment problems, must have "good performance" and innovative strategies and programs to support, protect and adapt to current and future problems and changes.

The intervening variable of Innovative Work Behavior is also related to employee performance, where everyone has a different level of innovative work behavior. This can

be seen from how innovation is carried out through attitudes and results in employee work both positively and negatively, which in turn will impact employee performance.

Employee Performance

[9] defines performance as a person's achievement in obtaining work and behavior in completing tasks and responsibilities within a predetermined time. Employee performance evaluation has three criteria: work results, behavior, and personal characteristics. Work results are work output in the form of goods and services that can be counted and measured in quantity and quality of their work targets.

Behavior means the attitude of employees related to the assessment of their work, as well as personal traits which are necessary for carrying out their work, such as leadership, honesty, and creativity, cooperation [10–12].

Organizational Climate

Organizational climate is exciting and essential because it benefits employees, society, and the organization. For individuals, having an effective organizational climate will provide a sense of comfort and new energy that motivates them to work. For organizations, leaders need to understand that organizational climate is an essential part of management. Furthermore, it will impact the community through better organizational performance in achieving work targets and in the context of the work of its employees [13]. The organizational climate for each organization will always be different because of the diversity of job designs and the individual nature of employees. This will be able to affect human resources naturally at work. A supportive and challenging organizational climate will encourage innovation in employees. The support intended is in creating new ideas for change, and the willingness to test ideas can influence employee behavior to implement [14].

Employee Training

Training is a powerful tool to overcome challenges in the future quickly. Training is a systematic process to change a person's work behavior to improve performance and specific abilities in his field [15, 16]. Practical training can be achieved by systematic training programs in the management planning framework and according to the needs and goals of the organization [17].

Innovative Work Behavior

Innovative behavior is the behavior of organizational members to create, process, and implement new ideas, including products, technology, procedures, and work processes that aim to increase the effectiveness of organizational members' performance and benefit the organization. Innovation is essentially an idea that comes from an individual, and the individual is the originator and implementer of the innovative idea [18]. The process of interaction between individual potential and system conditions in the work environment determines the high and low conditions of Innovative Work Behavior in employees [19].

In this study, it is assumed that organizational climate variables (X1) and employee training (X2) partially and simultaneously influence employee performance (Y) with the

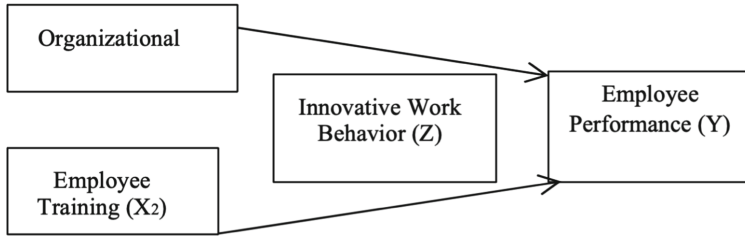


Fig. 1. Conceptual Framework

intervening variable of innovative work behavior (Z). The conceptual framework of this study is as in Fig. 1.

Based on the phenomena described above, the authors are interested in conducting research under the title “The Influence of Organizational Climate and Employee Training on Employee Performance with Innovative Work Behavior as an Intervening Variable in North Sumatera Provincial Manpower Office”.

2 Methods

2.1 Population and Sample

The population in this study was 123 employees. The sample was taken by a probability sampling technique, simple random sampling. There were 93 employees taken as the respondents.

2.2 Data Analysis

The data analysis model used in this study is Structural Equation Model – Partial Least Square (SEM – PLS) with Smart-PLS software. SEM can perform structural equation modeling with a relatively small sample size and does not require multivariate normality assumptions and multicollinearity problems between exogenous variables. The latent variables in this study are organizational climate, employee training, innovative work behavior, and employee performance. The PLS test has two evaluation models: the outer and inner. Some tests were also carried out in the Outer Model, including:

1. Convergent validity

Convergent validity is a test between manifest variables and latent variables. The criteria can be seen through the loading factor value for each construct indicator. The loading factor value must be more than 0.7. Nevertheless, the loading factor value of 0.5–0.6 is still acceptable.

2. Discriminant Validity

Discriminant validity is said to be valid if the cross-loading value for each variable manifest must be > 0.7 . Another way is to compare the value of the square root AVE of each latent variable with the correlation of other latent variables. If the AVE is greater than the correlation with all other latent variables, it has good discriminant validity.

3. Composite Reliability

The acceptable value is the value of composite reliability, and the value of Cronbach's alpha is greater than 0.70.

In assessing the structural model (inner model) with PLS, the R-square value for each endogenous latent variable acted as the predictive power of the structural model. The model is robust, moderate, and weak, with R² values of 0.75, 0.50, and 0.25. The results of the PLS R² represent the sum of the variances of the constructs described by the model [20].

3 Results and Discussion

The performance achievements of employees at the North Sumatra Provincial Manpower Office, although still categorized as good. However, in the last three years, there has not been a significant increase or decline until 2020. This is due to a lack of a good organizational climate, employee training, and innovative work behavior. The questionnaire data found that in the organizational climate, many employees still feel that decision-making is not always through discussion or consideration from colleagues in the unit. This policy can be an obstacle because it does not involve colleagues, resulting in a passive and less communicative work atmosphere and a lack of support and appreciation from colleagues and superiors. These results align with previous research conducted by [21, 22] show that the more conducive the organizational climate, the higher the employee's performance, and vice versa. Support is the most significant indicator of organizational climate.

Based on the descriptive and questionnaire analysis of the variables, most employees say that employee training is rarely held in the last three years of training because it considers the employees' readiness to participate in it and the length of time. However, the employee stated that the training significantly improved their skills and knowledge of the job specification. The results of this study support the studies conducted by [23] found that training had a positive and significant effect on employee performance. The activity will impact the development of a person's behavior patterns in knowledge, skills, and attitudes to achieve work standards in the agency.

Likewise, the innovative work behavior of the North Sumatra Provincial Manpower Office shows that they are still not able to develop innovative ideas in their work. The lack of creativity and innovation impacts the agency's programs which still require many changes to create innovative organizations in carrying out their vision and mission and facing the challenges of employment problems in North Sumatra. [24] Stated in their research that innovative behavior variables affect employee performance. Thus, the higher level of employee innovative behavior is indicated by how an employee finds new opportunities in serving customers, has new ideas for solving problems, and finds new ways of working.

4 Conclusion

Based on the research results, it is assumed that organizational climate and job training positively influence employee performance. Both directly and through innovative work behavior. This means that the better the organizational climate that exists between

employees, leaders in the work environment, and training that reaches the target, it will bring good changes to employee performance supported by innovative work behavior from employees.

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