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The Effect of Training on Employee Performance Mediated by Service Quality

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ABSTRACT

The bank plays an essential role in the Indonesian economy. Service quality and employee performance have become a priority for human development in Malang City. Therefore, this study will examine the effect of training on employee performance mediated by service quality. These study purposes are as follow: 1) knowing the effect of training on service quality of Bank Jatim in Malang Region, 2) knowing the effect of service quality on employee performance of Bank Jatim in Malang Region, 3) knowing the effect of service quality on employee performance of Bank Jatim in Malang Region, 4) knowing the effect of training on employee performance mediated by service quality of Bank Jatim in Malang Region. This is a survey research using an explanatory approach. The research location was Bank Jatim in Malang Region, which 48 respondents. Data was collected using a questionnaire and filled in by respondents. From the data obtained, mediation analysis is done to examine the effect of each variable. This research has four findings. First, training has a positive and significant effect on service quality. Second, training has a positive and significant effect on employee performance. Third, Service quality has a positive and significant effect on employee performance. Service quality mediates the effect of training on employee performance.

Keywords: Training, Service quality, Employee performance, Malang

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INTRODUCTION

Banks have a significant role in the Indonesian economy. The existence of banks is increasingly needed. This condition leads to higher competition between banks. The intense competition has made banks increasingly spoil their customers with various services. As the spearheads to serve customers, employees play an essential role in providing bank services (Dhar, 2015). Good service can be done if employees continue to be developed. Employee development becomes more increasingly crucial for banks. This can be done by increasing skills and good service knowledge through seminars, courses or training (Ekanungrum and Lestari, 2015).

Training for bank employees can make an enormous contribution. Training can become tools to transfer values within the organization and build an organizational culture to improve service quality and increase customer satisfaction based on established standards. Appropriate training can become a solution to improve the service quality in banks (Aragon et al. 2014). Training is a process to increase employee knowledge and skills. Siagian (2012) described the training as a series of activities designed to increase a person's skills, knowledge, experience, or changes in attitude. The training aims to prepare employees who are assigned tasks to do work within the institution. Employees need training because training can provide opportunities for employees to develop the skills in improving service quality to customers (Dessler, 2013).

Tjiptono (2014) defined service quality as an effort to fulfil the needs and desires of consumers and the accuracy of their delivery to meet consumer expectations. The Bank continues to improve customer service quality by providing training or similar activities to increase employee knowledge in providing the best service to customers. Improving the quality of the service will improve employee performance (Dhar, 2015). Good service quality due to proper training should improve employee performance.

Rivai (2013) described performance as actual behaviour displayed by everyone as work performance produced by employees following their role in the organization/company. Performance is a combination of abilities, efforts and opportunities that can be assessed from the results of their work. High employee performance is an expectation that all companies convey to their employees.

Dhar (2015) showed a strong relationship between training and customer service quality. These results support the statement of Ekaningrum and Lestari (2015) that there are differences in in-service training on service quality in tourism destinations between before and after training.

Training effect on service quality and employee performance. Aragón et al. (2014) found that training has a positive and significant effect on performance. The role of organizational learning mediation variables further increases the effect of training on performance. In addition, Saryadi and Wulandari (2017) found evidence that the effect of responsiveness, insurance and integrated communication variables on the performance of health workers was positive but insignificant.

Conditions in the field indicate that although Bank Jatim continues to make efforts to improve performance, there are still many complaints from customers. Some consumers convey that the services provided are still not consistent with expectations. In addition, employee performance is still not optimal. Therefore, Bank Jatim strives to improve service quality and performance by conducting training. Based on this phenomenon, this research will examine the effect of training on service quality and its impact on employee performance at PT Bank Jatim Malang.

THEORETICAL REVIEW

Training

Rivai & Sagala (2013) defined training as a systematic process to change employee behaviour to achieve organizational goals. Training is related to the skills and abilities of employees to do their jobs. Training has its current orientation and helps employees achieve specific skills and abilities to be successful in doing their jobs. Fathoni (2011) defined training as an effort to transfer skills and knowledge to training participants while doing the work. The knowledge and skills development should be specific, and exercises should lead to significant changes in behaviour. The trainer must also learn a particular skill or technique that can be demonstrated and observed at the job site. Ideally, training should be designed to achieve organizational goals while simultaneously realizing the goals of individual workers.

Training is often seen as the most common activity, and leaders support training because, through training, workers will become more skilled and more productive even though these benefits must be accounted for the time spent while workers are being trained. Meanwhile, Fajar & Tri (2013) stated that the training was a learning process aimed at employees to improve job implementation. Based on the understanding of these experts, training can be interpreted as an activity designed to develop human resources through a series of identification activities, assessment and a planned learning process. This is done through efforts to help develop the skills needed to make the employees do their duties properly for the present and the future. Therefore, training can be used to improve organizational or company performance problems, such as effectiveness, efficiency and productivity.

Service Quality

Service quality is an intangible marketing activity that must be done correctly, especially for service providers. Tjiptono (2014) defined service quality as an effort to fulfil the needs and desires of consumers and the accuracy of their delivery in balancing consumer expectations. Kotler & Amstrong (2014) defined service as any action or activity offered by one party to another, intangible and does not result in any ownership. Boediono (2013) defined the definition of quality or as a dynamic condition related to products, human services, processes, and the environment that meets or exceeds customer expectations. The quality here is a dynamic condition that can produce: (1) products that meet or exceed customer expectations, (2) services that meet or exceed customer expectations, (3) a process that meets or exceeds customer expectations, and (4) an environment that meets or exceeds customer expectations.

Service quality is an abstract and elusive conception. It has intangibility, variability and perishability, where the service production and consumption co-occur (Parasuraman et al., 1988; Sedarmayanti, 2011). The concept of service quality can be understood through consumer behaviour, which is a behaviour consumers play in finding, buying, using and evaluating the product or service to satisfy their needs. Ibrahim (2008) described service

quality as a dynamic condition related to products, services, people, processes, and the environment where the quality assessment is determined when the service is provided. Zeithaml and Gremler (2009) stated that service quality was influenced by two main factors, namely expected service and perceived service. The service received equally with the perceived service means that the service quality is excellent and satisfying. If the service received exceeds customer expectations, then service quality is perceived as ideal quality.

Performance

The definition of performance comes from the word job performance or actual performance. Job performance is generally influenced by the skills, experience, and sincerity of the workforce. Performance is the implementation of the plan that has been prepared. Performance implementation is done by human resources who have the ability, competence, motivation and interests. Performance is assessed through results that are also influenced by the culture implemented in the organization (Widijanto, 2017).

Rivai & Sagala (2013) defined performance as a natural work performance produced by employees following their role in the organization/company. Performance is a combination of abilities, efforts and opportunities that can be assessed from work results. Ambar (2009) defined performance as the implementation of a plan prepared based on the views and goals of an organization described through the vision, mission, and values set following the organization goals. Performance measurement can be seen in terms of a certain quantity and quality based on the standards set by the organization or company. The form can be tangible or intangible, depending on the form and process of implementation. Employee performance in a company is determined by several factors and conditions that either come from within or outside the individual employee.

Conceptual Framework

The conceptual framework is a line of thought patterns from research to producing representative empirical research. The conceptual framework of this study is presented in Figure 1.

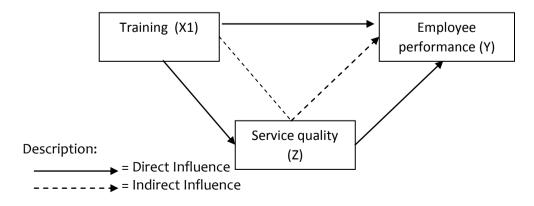


Figure 1. Research Conceptual Framework

Hypothesis

The hypothesis is an estimation of the relationship between variables. The hypothesis is the basis to test the relationship of studied variables. This research hypothesis can be presented below.

- H1. Training directly has a positive and significant effect on employee service quality of Bank Jatim in Malang.
- H2. Training directly has a positive and significant effect on employee performance of Bank Jatim employees in Malang.
- H3. Service quality directly has a positive and significant effect on employee performance of Bank Jatim in Malang.
- H4. Service quality mediates the effect of training on employee performance of Bank Jatim in Malang.

METHODOLOGY

The research was conducted at Bank Jatim in Malang, East Java. The research time was from August 2019 to November 2019. The research population is all Bank Jatim Malang region employees who directly serve consumers, namely tellers and customer service. The reason for choosing these criteria was because they became the spearhead for Bank Jatim and were easier to contact. This was done to increase the response rate. A total of 48 respondents are selected. Data is analyzed by path analysis method that requires a minimum of 40people (Ghozali 2014), Solimun (2010). Because the number of Bank Jatim Malang region employees is 48 people, all populations are sampled, so this study uses a census sample.

The data were collected using a 5-point Likert scale questionnaire, starting from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree. The questionnaire was sent to the respondents directly, and the results were taken the next day. This was done to increase the response rate. The data obtained were analyzed by multiple regression analysis and path analysis.

RESEARCH RESULTS

The total number of respondents are 48 people. The characteristics of respondents based on gender indicate that the majority of respondents are women (62.5%), the ages between 21-30(58.33%) and have Bachelor's degrees (52.08%). The questionnaire validity test showed the Pearson coefficient correlation value > 0.30 and significance at 0.000. These results indicate that all statements in the questionnaire are valid. All instruments are also reliable, as indicated by the value of Cronbach's alpha greater than 0.6. These results indicate that all statements in the questionnaire can be used in further analysis. Therefore, the analyses are done, and the results are shown in Tables 1 and 2.

Table 1. Regression analysis Result from X to Z

Variables	Regression Coefficient (b)	Standard Error Deviation (B)	Beta (β)	count	Sig.	Description
Constant	9.901	1.511		6.552	.000	
Х	·557	.078	.726	7.168	.000	Significant
Independent variable R Square e1		= Service quality (Z) = 0.528 = 1-R ² = 1-0.528=0.472				

Table 2. Regression analysis Result from X and Z to Y

Variables	Regression Coefficient (b)	Standard Error Deviation (B)	Beta (β)	count	Sig.	Description		
Constant	3.183	2.601		1.224	.227			
Х	.288	.140	.318	2.058	.045	Significant		
Z	.517	.182	·437	2.835	.007	Significant		
Dependent Variable		= Employee performance (Y)						
R Square		= 0.494						
e1 = $1-R^2$ = 1-0.494 = 0.506								

Hypothesis test

Hypothesis H1 states that training directly has a positive and significant effect on employee's service quality at Bank Jatim in Malang. Table 1 indicates that Training (X) has a beta coefficient of 0.726, value of 7.168 and significance (p-value) of 0.000<0.05. H1 is accepted. This finding shows that training (X) directly has a significant and positive effect on improving the service quality. This means that better training (X) can improve the customer services quality.

Hypothesis H2 states that training directly has a positive and significant effect on employee performance of the employees of the Jatim bank in Malang. Table 2 shows that the Training (X) has a beta coefficient of 0.318, $_{a \text{ value}}$ of 2.058 and a significance (*pvalue*) of 0,045 <0.05. This means that H2 is accepted. This study finding shows that training (X) directly has a significant and positive effect on the employee's performance. The increase in training (X) can reduce employee performance.

Hypothesis H₃ states that service quality directly has a positive and significant effect on employee's performance of Bank Jatim in the region Malang East Java. Table 2 indicates that the service quality (Z) has a beta coefficient of 0.437, v_{alues} of 2.835 and significance (p-value) of 0.007 <0.05. This means that H₃ is accepted. This finding shows that service

quality (Z) directly has a significant and positive effect on employee performance. The increase in service quality (Z) can improve employee performance.

Hypothesis H4 states that service quality mediates the effect of training on employee performance of Jatim Bank in the Malang area. The indirect effect of the independent variable on the dependent variable can be determined by multiplying the value of the direct effect (standardized beta coefficient) in each equation. The calculation between the variables is presented in Table 3.

Direct **Indirect** Sig. Value Information Positive and X - Z 0,726 0.000 significant Positive and X - Y 0, 318 0.045 significant Positive and 0,437 Z - Y 0.007 significant 0.318 + (0,726)Positive and X - Z - Y x 0, 437) =Significant 0.635

Table 3. Mediation Testing

The above calculations can be explained below.

- 1. Variable X has a significant and positive effect on Z at 0.726.
- 2. Variable X has a significant and positive effect on Y at 0.318.
- 3. Variable Z has a significant and positive effect on Y at 0.437.
- 4. Variable X has a significant and positive effect on Y mediated by Z at 0.635.

DISCUSSION

The training directly has a significant and positive influence on the employees' service quality at Jatim Bank in the Malang region. Training for Jatim bank employees in Malang will have an impact on improving the service quality. The results of this study are consistent with research conducted by Dhar (2015), which found that training can improve service quality.

From the above research results, it can be seen that training has a direct and significant influence on the employees of Jatim bank employees in the Malang area. The training for employees of Jatim bank in the Malang region can increase the level of employee performance. The implementation of the training can make the employees of Jatim bank in the Malang region have better service quality, and it can improve employee performance. The training of Jatim bank employees in the Malang region improves work completion. The results of this study are consistent with research conducted by Aragón et al. (2014) found that training can increase employee performance.

Service quality has a direct and significant influence on employee performance of Bank Jatim in Malang region. Improving the service quality can improve employee performance of Jatim bank in the Malang area. High service quality will certainly make Jatim bank employees in the Malang region contribute to improving the service quality. This contribution will undoubtedly be more needed and appreciated. This will make them provide even better service. These study results are consistent with Saryadi and Wulandari (2017), who found that service quality can improve employee performance.

Testing the indirect effect of training on employee performance of Jatim bank in Malang through service quality as a mediation variable shows a significant result. This indirect effect shows a more excellent value than the direct effect, which is also significant. This shows that the indirect effect of training on employee performance is higher through the variable of training quality. Training directly affects service quality. Service quality also mediates the effect of training on employee performance. Because both have a significant effect, this is a partial mediation, in which both the direct and mediation effects are equally significant. The results of this study are consistent with research that training will improve service quality (Dhar, 2015, Ekaningrum and Lestari, 2015), which increases employee performance levels (Jaacob, 2014; Aragón et al., 2014; Saryadi and Wulandari, 2017).

CONCLUSION

Training directly has a significant and positive effect on service quality. This means that proper training will improve the service quality for employees of Jatim banks in Malang Region.

Training directly has a significant and positive on employee performance. This means that proper training can improve the employee performance of Jatim bank in Malang area.

Service quality directly has a significant and positive on employee performance. Good service quality can improve employee performance of the Jatim bank in Malang area.

Training indirectly has a significant effect on employee performance mediated by service quality. This means that training indirectly affects employee performance mediated by the service quality of the Jatim bank in Malang area.

Above conclusions indicate several opportunities to improve service quality. The following suggestions can be made. The training organizer in Malang should improve the service quality and increase employee performance to determine the training needed. Therefore, training should be done based on needs to improve service quality and improve employee performance. Future researchers are expected to do further research regarding the generalization of theory by adding three things. First, increasing the number of samples by including the scope of Jatim or the national level. Second, this study only uses the training variable as an independent variable. Outside training, many other variables affect service quality and employee performance, such as work

experience or compensation. Therefore, these variables can be added to future research.

The analytical tool used in this research is Path Analysis that only sees the relationship between variables. Thus does not disclose the relationship between indicators of each variable. Therefore, a future researcher can use SmartPLS.

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