The Effect Of Human Resource Empowerment On Employee Performance With Training As A Moderating Variable In The Personnel And Human Resource Development Agency Binjai City

Irma Lestari Silaban[1], Abdi Sugiarto[2]
[1] Master of Management Student, Universitas Pembangunan Panca Budi, Medan
E- mail : irmasilaban1901@gmail.com
[2*] Master of Management, Universitas Pembangunan Panca Budi, Medan
*E-mail Correspondence: abdi_sugiarto@dosen.pancabudi.ac.id

Abstract

Optimal employee training and development is an important factor in improving employee performance in the government sector. This study aims to determine and analyze the effect of HR development on employee performance mediated by training at the Office of the Human Resources Development and Personnel Agency of Binjai City. This study uses a causal associative quantitative approach. The sample used was the entire employee population of 145 people, with a saturated sampling technique. Data analysis was carried out using Structural Equation Modeling (SEM) based on Partial Least Square (PLS). The results showed that HR development had a positive and significant effect on employee performance, with a T-statistic value of 2.189> 1.96 and a P-value of 0.031 <0.05, indicating that increasing HR development can improve employee performance. In addition, HR development has a positive and significant effect on training, with a T-statistic value of 40.287> 1.96 and a P-value of 0.000 <0.05, indicating that HR development supports increasing employee training. Training also has a positive and significant effect on employee performance, with a T-statistic value of 3.930 > 1.96 and a P-value of 0.000 < 0.05, indicating that increased training can improve employee performance. In addition, training mediates the effect between HR development and employee performance, indicated by a T-statistic value of 3.884 > 1.96 and a P-value of 0.000 < 0.05. These results provide insight that HR development and training are effective strategies in improving employee performance at the Office of the Human Resources Development and Personnel Agency of Binjai City.

Keywords :
Incentive giving; Employee performance; Human resource development,

1.INTRODUCTION

Human resource (HR) empowerment is an important issue today in improving organizational performance and productivity. Proper HR development can help organizations have skilled, creative, and efficient employees in completing tasks (Mazzetti & Schaufeli, 2022). In addition, HR empowerment can also increase employee satisfaction and loyalty because they feel appreciated and supported in their career development.

HR empowerment is an important process to improve employee performance and loyalty. HR empowerment provides opportunities for employees to grow and develop, so that they have more confidence and the ability to take initiatives in their work (Murray & Holmes, 2021). HR empowerment can be interpreted as a process of developing human resources or society itself in the form of increasing capabilities, independence, and welfare (Choi et al., 2016). To optimize HR development, several types of training are needed such as technical skills, soft skills, and industrial training. Technical skills training is important to improve work skills, soft skills training to improve interpersonal and communication skills, while industrial training focuses on understanding the industry and business trends (Deshpande & Munshi, 2022). However, HR empowerment does not only depend on training. Other factors such as work atmosphere, employee potential, and organizational commitment also affect employee performance. Research shows that a good work atmosphere, developed employee potential, and strong organizational commitment can improve employee performance (Zhenjing et al., 2022).

Based on initial observations made by the author through observations and interviews with the Head of the Office of the Human Resources Development and Personnel Agency of Binjai City, problems related to HR development were found consisting of Lack of Employee Training and Development, Lack of Employee Responsibility and Autonomy, Ineffective Communication and Feedback and Lack of Awards and Appreciation for High-Achieving Employees. Another problem that was seen after conducting observations was that employee performance was not optimal as seen from the Lack of an Objective Performance Assessment System and Unbalanced Workload

According to (Hasibuan, 2014) HR development is an effort to improve the technical, theoretical, conceptual, and moral abilities of employees according to job/position needs through education and training. Meanwhile, according to (Sikula, 2011) HR development refers to staff and personnel issues is a long-term educational process using a systematic and organized procedure by which managers learn conceptual and theoretical knowledge for general purposes. According to (Wayne, 2017) HR development is a planned and ongoing management effort to improve worker competence and organizational performance through training, education, and development programs.

In this research, the indicators for Human Resource Development refer to the opinion of (Hasibuan, 2014), namely:
1. Improvement of technical skills
2. Improve theoretical skills
3. Improvement of conceptual abilities
4. Improving employee morale
5. Education and training that is appropriate to the needs of the job/position

According to (Gustiana et al., 2022) training is a systematic process that aims to improve employee skills, knowledge, and competencies through various educational methods and techniques. Training is designed to fill the gap between the skills and competencies possessed by employees and those needed to carry out their job duties effectively and efficiently.

According to (Gustiana et al., 2022) training indicators from a human resource development perspective consist of:

1. Training Needs *Assessment*
2. Training *Design*
3. Training *Implementation*
4. *Training Evaluation*
5. Training *Impact*
6. Employee satisfaction
7. Technology adaptation

According to (Hussain et al., 2019) performance is the result of work produced by a person based on the job requirements that have been set. Performance can also be measured based on standards that have been set by the organization. Meanwhile, according to (Coulter, 2012)   employee performance is the level of achievement of tasks or work carried out by an employee in fulfilling the responsibilities and targets that have been set by the organization. Employee performance reflects how effective and efficient an employee is in carrying out his duties and his contribution to achieving organizational goals.

To measure employee performance in this study, indicators formulated by (Robbins & Judge, 2012) were used, consisting of:

1. Quality of Work
2. Quantity of Work
3. Completion Time
4. Work Effectiveness and Efficiency
5. Initiative and Creativity
6. Discipline and Compliance
7. Communication

This study aims to investigate the effect of human resource empowerment on employee performance at the Human Resources Development and Personnel Agency of Binjai City by considering the research variables as moderating variables. Thus, the results of this study are expected to provide a deeper understanding of human resource development, employee performance and HR development training at the Human Resources Development and Personnel Agency of Binjai City. The concept of this study is as illustrated in the following conceptual framework :

Gambar 1. Kerangka Konseptual
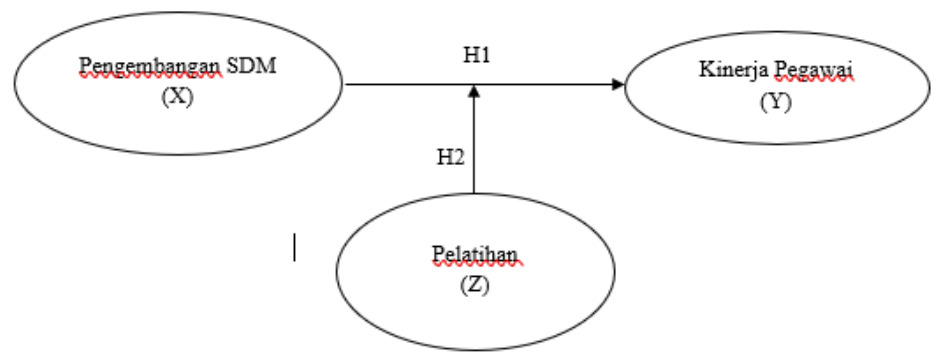
2. RESEARCH METHODS

The type of research that will be used is quantitative associative, namely research that aims to determine the relationship between two or more variables (Sugiyono, 2020). In this study, the exogenous variable is Human Resource Development (X). While the endogenous variable is Employee Performance (Y) and the Immoderation Variable is training (Z).

This research was conducted at the Office of the Binjai City Human Resources Development and Personnel Agency, Binjai City, located at Jl. Wr.Mongonsidi No.24, Satria, Binjai City District, Binjai City, North Sumatra, 20714. The time of this research was carried out from September 2024 to November 2024.

According to several experts, one of them according to (Sugiyono, 2019), population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. In this study, the population used was the entire number of employees at the Office of the Human Resources Development and Personnel Agency of Binjai City, 62 people with the following details.

Table 3.1 Population Details at the Office of the Human Resources Development and Personnel Agency of Binjai City

No.	Employee Status	Number of people)
1.	ASN	38
2.	Honorary	24
	Amount	**62**

Source : **Office of the Human Resources Development and Personnel Agency of Binjai City**

According to (Sugiyono, 2020), a sample is part of the number and characteristics possessed by the population. If the population is large, and researchers cannot study everything in the population, for example due to limited funds , manpower and time, then researchers can use samples taken from that population. However, in this study because the population is relatively small, the sampling technique used is the saturated sample technique, which involves all respondents to become samples, meaning that the sample to be used is 62 employees.

Meanwhile, the feasibility test that will be used in this study is the *outer model test* in order to obtain the *outer loading value* that meets the *validity and reliability requirements.* Structural model testing (Inner model) which includes the determination coefficient test (R2) to measure how far the model's ability to explain the variation of the dependent variable. The determination coefficient value / R^2 is in the range of zero (0) and one (1) (Kuncooro, Munajad, 2017).

The Goodness fit test is used to determine the extent to which the observed data is in accordance with the theoretical distribution assumed by the model or hypothesis (Ghozali & Latan, 2015) and the hypothesis test (T-Statistic Test) which consists of the *path coefficients test* to test how the direct influence of each independent variable

individually on the dependent variable and the indirect influence of the intervening variable in influencing the independent variable on the dependent variable.

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between variables is stated as positive. While if the value is 0 to -1, then the direction of the relationship between variables is stated as negative. The hypothesis is said to be accepted if the value of the t statistic is greater than the t table. According to (Ghozali & Latan, 2015) the criteria for the t table value is 1.96 with a significance level of 5%

3. RESULTS AND DISCUSSION

3.1. Research result

Outer Model Analysis

outer model testing in this study uses algorithm analysis on *SmartPLS software version 3.0,* in order to obtain *outer loading values* that meet the *validity and reliability requirements.*

1) Convergent Validity Test Results

Convergent validity of the measurement model with reflective indicators can be seen from the correlation between the item/indicator score and the construct score. Indicators that have individual correlation values greater than 0.7 are considered valid, but in the development stage of research, indicator values of 0.5 and 0.6 are still acceptable. Based on the results for outer loading, it shows that there are indicators that have loadings below 0.60 and are not significant. The following are the results of the outer loading values in the following table.

Table 2. *Outer Loading*

Indicator	*Outer Loading*	Information
Human Resource Empowerment (X)		
PSDM1	0.776	Valid
PSDM2	0.818	Valid
PSDM3	0.943	Valid
PSDM4	0.813	Valid
PSDM5	0.939	Valid
Employee Performance (Y)		
KP1	0.915	Valid
KP2	0.798	Valid
KP3	0.757	Valid
KP4	0.877	Valid
KP5	0.842	Valid
KP6	0.876	Valid
KP7	0.847	Valid
Human Resources Development (Z)		
PL1	0.866	Valid
PL2	0.753	Valid
PL3	0.845	Valid
PL4	0.821	Valid

Indicator	Outer Loading	Information
PL5	0.838	Valid
PL6	0.833	Valid
PL7	0.850	Valid

Based on Table 2, it can be seen that all indicators have a *loading factor value* > 0.60. According to (Ghozali, Imam & Latan, 2015) an indicator is declared valid if it has a *loading factor value* > 0.60. Thus, it can be stated that all indicators in this study are declared valid and can be further researched. The following is displayed in the form of a structural model as in the following figure:
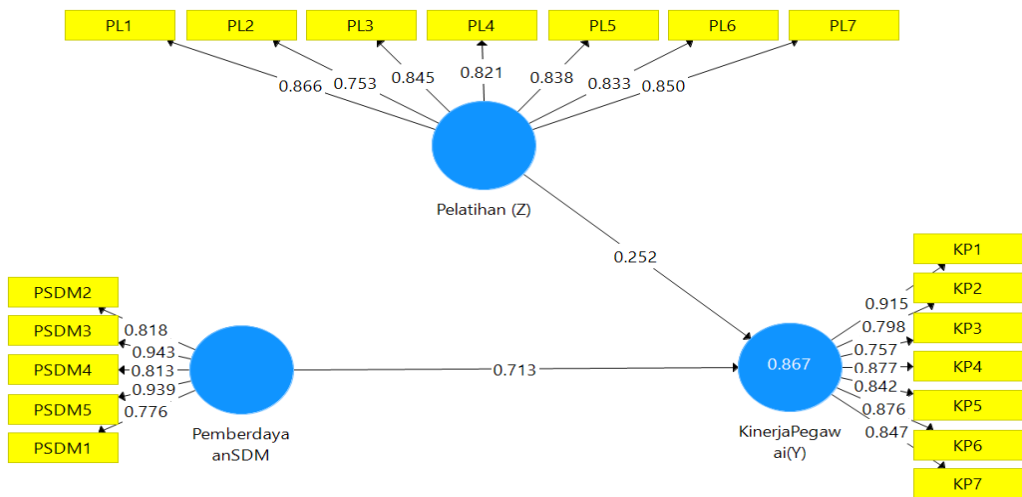

Figure 1. *Outer Model Test Results*

2) *Discriminant Validity* **Test Results**

The next test is to test the discriminant validity, this test aims to determine whether a reflective indicator is a good measurement for its construct based on the principle that the indicator is highly correlated to its construct. The following are the cross loading results from the discriminant validity test as in the following table.

Table 3 . *Discriminant Validity*

Variable Indicator	Employee Performance (Y)	Training (Z)	Human Resource Empowerment (X)
KK1	**0.915**	0.727	0.861
KK2	**0.798**	0.672	0.686
KK3	**0.757**	0.626	0.710
KK4	**0.877**	0.712	0.897
KP5	**0.842**	0.824	0.759

Variable Indicator	Employee Performance (Y)	Training (Z)	Human Resource Empowerment (X)
KP6	**0.876**	0.625	0.766
KP7	**0.847**	0.750	0.739
PL1	0.523	**0.866**	0.496
PL2	**0.847**	0.753	0.935
PL3	**0.826**	0.845	0.784
PL4	0.534	**0.821**	0.487
PL5	0.521	**0.838**	0.476
PL6	0.810	**0.833**	0.771
PL7	0.516	**0.850**	0.488
PSDM1	0.593	0.351	**0.776**
PSDM2	**0.863**	0.118	0.818
PSDM3	0.887	0.267	**0.943**
PSDM4	0.699	0.100	**0.813**
PSDM5	0.854	0.253	**0.939**

Sumber: Output Smart PLS,

Based on table 3, it can be seen that the *cross loading value* in each indicator and variable is greater than other variables and indicators, the cross loading of the Employee Performance variable shows that the cross loading of the variable indicator is greater than the cross loading of other latent variables, the cross loading of the Incentive variable indicator shows that the *cross loading indicator value* is greater than other latent variables, *the cross loading* of Human Resource Development also shows a greater cross loading indicator value than the cross loading of its latent variables. Based on these data, it can be stated discriminatively that *the cross loading* results are considered valid.

3) *Composite reliability* **test results**

The next test determines the reliable value with *the composite reliability* of the indicator block that measures the construct. A construct value is said to be reliable if the *composite reliability value is* above 0.60 . In addition to looking at the *composite reliability value,* the reliable value can be seen from the variable construct value with *the cronbachs alpha* of the indicator block that measures the construct. A construct is declared reliable if *the cronbachs alpha* value is above 0.7 . The following is a table of loading values for the research variable constructs produced by running the Smart PLS program in the following table.

Table 4. *Construct Reliability and Validity*

Indicator	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)

Employee Performance(Y)	0.933	0.946	0.716
Human Resources Development (X)	0.911	0.934	0.689
Training (Z)	0.928	0.939	0.741

Source: Smart PLS Output, 2024

Based on Table 5, it can be explained that the AVE value for each tested variable has a value of > 0.5 , indicating that all variables in this study meet *the criteria of discriminant validity* . To determine the reliability in this study, *the composite reliability value is used* . The value accepted for the level of reliability is > 0.7 . Based on these criteria, it can be seen that all variables in this study have a value of > 0.70 so that it can be stated that all variables tested meet the construct reliability.

Structural Model Evaluation (*Inner Model*)

Structural model evaluation (*inner model*) is conducted to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the structural model evaluation are seen from several indicators, namely:

1) Results of the Determination Coefficient Test (R^2)

The determination coefficient test (R2) is used to see the influence of certain independent latent variables on dependent latent variables whether they have a substantive influence. Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as in the following table.

Table 5. R Square Results (excel 1)

Variables	R Square	Adjusted R Square
Employee Performance(Y)	0.869	0.862

Source: Smart PLS Output, 2024

Based on table 5, it is known that the Adjusted R square value of the employee performance variable is 0.862 or 86.20%, which means that the influence of Human resource empowerment on employee performance is in the very high category. This means that the more Human resource empowerment increases, the more employee performance will increase. Meanwhile, the R Square value of the employee performance variable is 0.869 or 86.90%, which means that the influence of Human resource empowerment on employee performance is 86.90% and the remaining 14.10% is influenced by other variables that have not been studied.

2) *Goodness of Fit* Test Results

Goodness of Fit Test is a statistical method used to evaluate how well a statistical model or distribution being tested fits the observed data. The Goodness of Fit Test aims to determine the extent to which the observed data fits the theoretical distribution assumed by the model or hypothesis. The goodness of fit test of the model can be seen

by looking at the NFI value in the program. If the NFI value> SRMR and is getting closer to 1, the better the model (good fit). Based on the data processing that has been done using the SmartPLS 3.0 program, the Model Fit value is obtained as follows.

Table 6. Fit Model

	Saturated Model	Estimated Model
SRMR	0.162	0.162
d_ULS	4,960	4.972
d_G	119,380	119,745
Chi-Square	3480.916	3481.260
NFI	0.222	0.222

Source: Smart PLS Output, 2024

Based on table 6, it can be seen that the NFI value is 0.222 > 0.195 so it can be stated that the model in this study has sufficient *goodness of fit* and is suitable for testing the research hypothesis.

Hypothesis Testing Results

relationship between latent constructs in order to answer the hypothesis in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics and P-Values. The hypothesis is declared accepted if the *T-Statistics value is > 1.96* and P-Values < 0.05. The following are the results of *the Path Coefficients* of the direct influence between variables as in the following table.

Table 7. *Path Coefficients* (Direct Effect)

|	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Results
Human Resource Development (X) -> Employee Performance (Y)	0.132	0.125	0.092	1,434	**0.154**	**Rejected**
Human Resources Development (X) -> Training (Z)	0.881	0.883	0.015	56,862	**0.000**	**Accepted**
Moderating Effect 1 (Z) -> Employee Performance (Y)	0.639	0.654	0.083	7,667	**0.000**	**Accepted**

Source: Smart PLS Output, 2023

Based on the data in Table 7, it can be stated that human resource development does not have a positive and significant effect on employee performance. This can be seen from the T-statistic value of 1.434> 1.96 with a P-Value of 0.154 <0.05. This means that if human resource development is increased, employee performance will not increase significantly. These results answer the first hypothesis in this study, namely that human resource development does not have a positive and significant effect on employee performance at the Binjai City Human Resources Development and Personnel Agency

Furthermore, on the influence of human resource development on training, the T-Statistic value data obtained was 56.862> 1.96 with a P-Value of 0.000 <0.05 so that it can be stated that human resource development has an effect on training at the Human Resources Development and Personnel Agency of Binjai City. This can be interpreted that if human resource development is increased, training will increase. This statement answers the second hypothesis, namely that human resource development has a positive and significant effect on training.

Meanwhile, in the Moderated Regression Analysis (MRA) Test, the T-Statistic value was obtained at 0.7667 <1.96 with a P-Value of 0.000> 0.05, which means that the moderating variable, namely training, is able to significantly strengthen the influence of human resource development on employee performance. This result does not answer the third hypothesis in this study, namely that training can strengthen the influence of human resource development on employee performance at the Binjai City Human Resources and Development Agency Office, so it can be stated that Ha is accepted and Ho is rejected or it can be stated that training can strengthen the development of human resources on employee performance at the Binjai City Human Resources and Development Agency. There are likely other factors outside of training that influence the relationship between human resource development and employee performance that need to be considered further in further research. The following is a picture of the results of the path test
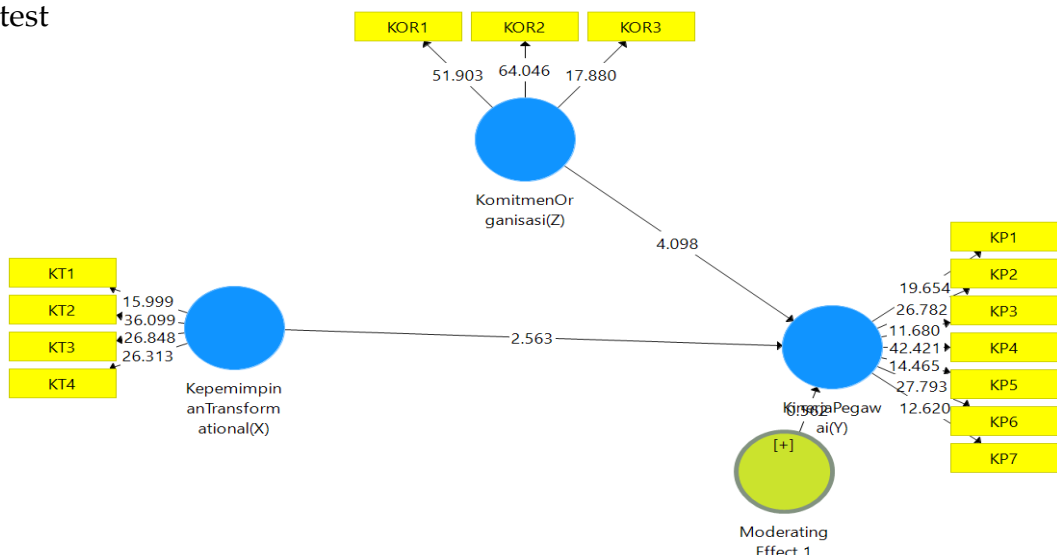
***Path Coefficients* Test Results**

3.2 Discussion

Human resource empowerment has been shown to have a positive and significant impact on employee performance. This shows that when employees feel empowered through support for skills development, autonomy in tasks, and recognition for their contributions, their performance improves. Employees who feel valued and empowered tend to be more motivated and committed to giving their best performance in their work. This finding is supported by research by Mazzetti and Schaufeli (2022), which shows that employee empowerment through increased capabilities and responsibilities has a positive effect on productivity and work quality. Another study by Murray and Holmes (2021) also supports that HR empowerment increases employees' sense of ownership of their tasks, which contributes to improved organizational performance.

Work motivation has been proven to have a positive and significant influence on employee performance. This means that the higher the work motivation possessed by employees, the better the performance they show. Strong work motivation encourages employees to work more effectively and contribute more to achieving organizational goals. Employees who feel motivated, both intrinsically (personal satisfaction, responsibility) and extrinsically (rewards, support), tend to show more consistent and productive performance. This finding is in line with research conducted by Robbins and Judge (2015), which shows that motivation is an important factor in driving employee performance. High motivation helps employees to work harder, overcome challenges, and achieve better results. Research by Meyer et al. (2018) also supports that employees with high levels of motivation show greater commitment to their work, which has a positive impact on their performance.

Work motivation is proven to mediate the influence between HR empowerment and employee performance at the Human Resources Development and Personnel Agency of Binjai City. This means that HR empowerment is more effective in improving employee performance when accompanied by high work motivation. With empowerment, employees feel appreciated and have autonomy in working, which then increases their motivation. This motivation becomes a driver for employees to work better, thus contributing positively to their performance. This finding is in line with research conducted by Mazzetti and Schaufeli (2022), which shows that work motivation strengthens the relationship between empowerment and performance, because motivated employees tend to feel more empowered and motivated to show optimal performance. In addition, research by Murray and Holmes (2021) supports that work motivation is an important mediator in the relationship between HR empowerment and performance, with high motivation strengthening the impact of empowerment on employee productivity and work quality. Work motivation helps explain how and why HR empowerment can improve performance more significantly.

4. CONCLUSION AND SUGGESTIONS

4.1 Conclusion

From the results of the analysis of research data and the discussion described above, it can be concluded that:

1. The analysis shows that HR development has no positive and significant effect on employee performance, with a T-statistic value that meets the significant requirements (more than 1.96) and a P-value of less than 0.05. This indicates that HR development efforts, such as skill improvement and career development, contribute to increasing

employee productivity and work effectiveness. Hypothesis H1 is accepted, indicating that HR development has a positive and significant effect on employee performance.

2. The results of the study indicate that training has a positive and significant effect on employee performance, with a T-statistic value that meets the significant requirements (more than 1.96) and a P-value of less than 0.05. This means that effective training improves employee skills and competencies, which has a direct impact on improving their performance. Hypothesis H2 is accepted, indicating that training has a positive and significant effect on employee performance.

3. Training mediates the effect of HR development on employee performance positively and significantly, with a T-statistic value of more than 1.96 and a P-value of less than 0.05. This means that training not only improves employee performance directly, but also strengthens the effect of HR development on employee performance. When employees are given relevant training, HR development becomes more effective in driving optimal performance. Hypothesis H3 is accepted, indicating that training mediates and significantly strengthens the influence of HR development on employee performance.

4.2 Suggestions

Based on the findings of this study, here are some suggestions that can be directed at institutions to improve employee performance:

1. Given that HR development has a significant impact on employee performance, it is recommended that this program be more focused on improving skills and competencies that are relevant to the needs of the organization. A targeted development program will help employees adapt to job demands and strengthen their contribution to achieving organizational goals.

2. Strengthening Continuous Training Programs: Since training has a direct impact on employee performance, organizations are advised to strengthen their training programs by implementing periodic and continuous training. Training should be designed to meet the specific needs of employees, with relevant and practical topics. This will enhance both technical and managerial skills of employees, thus positively impacting their performance.

3. Integration of HR Training and Development to achieve more effective results, HR training and development need to be integrated strategically. Training programs that are aligned with HR development plans will increase the positive impact on employee performance. Employees who are given training according to their career development path will be more motivated to contribute optimally.

4. Evaluation and Adjustment of Development and Training Programs: In order for HR development and training programs to remain relevant and effective, it is advisable to conduct periodic evaluations of the impact of these programs. This evaluation will help the organization to understand their effectiveness in improving employee performance and to adjust the programs according to the changing needs of employees and the organization.

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