

The Role of Employee Retention in Mediating the Effect of Training Culture and Management Support on Employee Performance

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Abstract – This study aims to develop and determine the effect of a culture of training and management support on performance through employee retention. This study uses quantitative research methods with data processing methods and data analysis using the Structural Equation Modeling (SEM) approach. The sample in this study was 140 construction employees in Cilegon City. Data analysis tools use Smart PLS and SPSS using a Likert scale. The variables in this study are training culture using 2 indicators, 4 indicators of management support, 4 indicators of employee retention, and 4 indicators of performance. The number of hypotheses tested in this study was 7 hypotheses. Test results `1) the effect of training culture on employee retention 2) the effect of management support on employee retention 3) the effect of training culture on performance 4) the effect of management support on performance is not significant 5) the effect of employee retention on performance 6) data analysis on the influence of employee mediation retention with training culture on performance is significant 7) data analysis on the mediating effect of employee retention with management support on performance is significant. The conclusion from the results of hypothesis testing is that 6 hypotheses are accepted and 1 hypothesis is rejected.

Keywords – Training Culture, Management Support, Employee Retention and Employee Performance.

INTRODUCTION

In today's era of globalization, the business world is developing very fast, which causes problems such as the growth of the global market, the rapid development of technology, lack of skills, and demands in increasing productivity, which is an important problem for companies. Increasingly fierce competition forces companies to constantly adapt to social and economic developments (Wulandari & Virya, 2019). This creates the need for high-quality innovation. On the other hand, companies struggle to retain a skilled and experienced workforce as many companies compete for potential employees. Businesses can retain their employees by using an employee retention approach that includes organizational culture, salary or compensation, and employee training and development.

According to (Ponkorung et al., 2018) One of the key factors for the success of construction companies in realizing the company's vision and mission is an experienced workforce. The complexity and durability of the construction process require a high level of training

from the workers. In addition to increasing the company's attractiveness in the eyes of stakeholders, the implementation of needs-based personal training strengthens the trust of these stakeholders (Tampubolon, 2016).

The Chairman of Perkindo Banten Province stated that experts in construction companies in Banten are still limited. So construction businesses in Banten find it difficult to compete in the private market. One of the obstacles is the number of construction business entities in Banten that are still struggling because the number of experts is still limited, as well as certification issues.

In 2022, skilled workers experienced inconsistencies in having skilled certificates. Only construction skilled workers have a SKT TK-I (Certificate of Skills for Construction Personnel-I) of 3, while SKT TK-II (Certificate of Skills for Construction Personnel-II) of 3 and SKT TK-III (Certificate of Skills for Construction Personnel-III) of 3. Thus most construction workers do not have a construction skills certificate.

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Table 1. Expert Performance

Banten Province	Number of Construction Expert Manpower by Province and Qualification (Person)								
	Young			Intermediate			Utama		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Experts	3162	3164	2	3616	3676	2	0	0	1

Source: Central Statistics Agency (BPS) data, 2023

Table 1 shows that experts from year to year and based on the level of expertise from young, intermediate to main are still experiencing inconsistencies and tend not many have expertise in the field of construction. With this, companies still have to pay attention to providing training for construction workers to reach the main experts.

According to data on the growth of the construction sector's performance within 10 years, it tends to experience inconsistencies in its growth. The following is data on 10 years of construction sector performance. The construction growth has experienced inconsistent performance from year to year. In 2022, construction performance is at 2.00 lower than in 2021 at 4.00. This means that construction performance still needs to be improved again so that it will get better in the future.

In 2019, a total of 14 projects were implemented, decreasing to 10 projects in 2020. Performance success also declined in 2021, with only 8 projects. Performance in 2022 is still declining, but 6 projects are still running until the end of December. Meanwhile, PT Y also experienced a decline in project achievements. Achievements in 2019 are 2 projects; in 2020 as many as 1 project; in 2021 there will be 3 projects and in 2022 there will be 1 project. Every year PT Y gets a project to complete the shutdown of Project A.

Based on the results of the survey, overall employee performance is still problematic. When the quality and quantity of employees are still not improved, it has an impact on the performance itself. Skills in working and achieving targets are very

important for companies to support the sustainability of their operations. However, if employees do not have good skills and cannot achieve the target well, then employee performance will decrease, resulting in a decline in the performance of the company itself. A job requires good skills and target achievement every employee must be able to achieve organizational goals.

In previous studies, there was an inconsistency in the existing results. First, there is a positive correlation between training culture and employee retention (Putra & Rahyuda, 2016); (Suta & Ardana, 2019); (Yonatan, 2019); (Arhensa, 2022); (Millena & Donal Mon, 2022), while (Wulandari & Virya, 2019) stated that training does not have a significant influence on employee retention.

OBJECTIVES OF THE STUDY

The word "management" is a combination of the word "management" and the verb "manage" which means "to organize". Furthermore, the definition of management means "the art of making people do work", in other words, the art of making others do work (Susan, 2019). Management is the science and art of managing the process of managing human resources and other resources to achieve certain goals effectively and efficiently (Hasibuan, 2005).

Based on the above explanation, it can be synthesized that management is a person's activity in managing an organization to achieve goals.

Human resource management is the policy and movement of human resources in managerial aspects such as recruitment, training, compensation, and evaluation activities (Silas et al., 2019).

According to Dr. Malayu S. P Hasibuan in his book, MSDM is defined as the science and art of managing labor relations and roles effectively and efficiently, contributing to the achievement of organizational goals, employees, and society (Hasibuan, 2005).

Human resources are activities that need to be carried out by organizations based on knowledge and competencies so that skills are by job requirements (Kadarisman, 2013). By Exposure Above it can be synthesized that MSDM is about empowering employee performance in the workplace to achieve goals in business, employees, and society.

Mangkunegara (2017) expressly stipulates that the work results achieved by employees in carrying out their work must be qualitatively and quantitatively by the responsibilities given to them. Performance is also the result of qualitative and quantitative work carried out by employees in completing tasks according to the responsibilities they are given (Hidayat, 2016). Based on the definition above, it can be concluded that employee performance is the result of work done by employees in a certain period to achieve their goals.

According to Putri & Arwiyah (2019), employee retention is the maintenance and improvement of the physical, mental, and behavioral state of employees so that they remain loyal and can effectively support the achievement of organizational goals. Employee retention is the process of ensuring that employees remain in the company which is the responsibility of the employer to retain talented employees. Otherwise, the company will lose talented people (Robbins & Coulter, 2016).

Based on the explanation above, it is synthesized that employee retention is a company's effort as a determining factor for the company's success in retaining the best employees.

Putra & Rahyuda (2016) stated that the dimensions of employee retention are divided into several of them: a) Career opportunities b) Awards c) Employee relationships.

The training by Fathurahman & Ahman (2020) is to create strategies that aim to increase worker morale and knowledge. Training is a process in which a person acquires special skills that contribute to the achievement of organizational goals. It is concluded that training is a learning that trains employees' ability to improve the quality of their work by their current field of work. This dimension includes goals and objectives, while the indicators include increasing knowledge and improving skills (Mangkunegara, 2004).

Based on the above explanation, it can be synthesized that management support is support carried out by management to provide support to employees for the success of company goals. The dimensions and indicators synthesized by the researcher are awards; employee complaints; Appreciation; and satisfaction, while the indicators include appreciating employee contributions; paying attention to employee complaints; Pride in employee success, and care about general satisfaction.

Research Hypothesis

H1: It is suspected that there is a significant direct influence of training culture on employee retention

H2: It is suspected that there is a significant direct influence of management support on employee retention

H3: It is suspected that there is a significant direct influence of training culture on employee performance

H4: It is suspected that there is a significant direct influence of management support on employee performance

H5: It is suspected that there is a significant direct influence of employee retention on employee performance

H6: It is suspected that there is a significant indirect influence of training culture on employee performance through employee retention

H7: It is suspected that there is a significant indirect influence of management support on employee performance through employee retention.

MATERIALS AND METHODS

The type of research used in the research is quantitative descriptive. Descriptive quantitative is a method of describing an object or sample through data collected as it is without analysis, providing recommendations to draw general insights and conclusions.

The study population is construction employees in Cilegon City. Based on 2022 data, the number of companies in the construction sector of Cilegon City is 677 companies with legal entities. (Directory of Construction Companies, 2022).

The sample is part of the population that represents all the characteristics of the population (Ferdinand, 2006). The research sample is construction employees in Cilegon City. The number of indicators in this study is 14 indicators, including 2 indicators of training culture, 4 indicators of management support, 4 indicators of

employee retention, and 4 indicators of employee performance, so a minimum of 14 x 5 or 70 samples is needed with a maximum sample of 14 x 10 or 140 samples. So the sample of this study is 140 respondents. The primary data in this study was taken from the results of the distribution of questionnaires to construction employees in Cilegon City. This analysis technique uses SmartPLS software version 3.2.9 and SPSS running on a laptop. PLS (Partial Least Square) is a method of simultaneous variance-based equation analysis.

RESULTS AND DISCUSSION

Based on the analysis of research data using questionnaires, the following results were obtained:

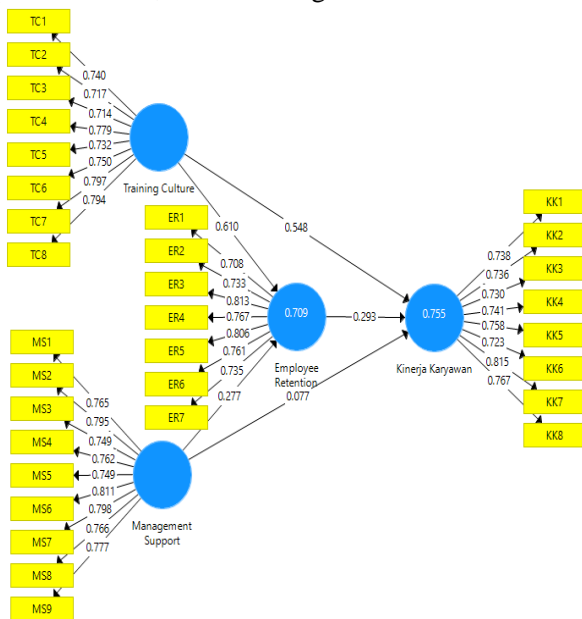


Fig 2. Research Model Analysis

Source: SmartPLS data processing results (2023)

Based on chart 3. above, it can be seen that the average of each manifest variable studied has a loading factor value of > 0.70. So based on these results, it can be concluded that all statements for each research variable are declared valid or able to measure all variables and can be used for further analysis.

Based on the presentation of the data output in Table 2, it can be seen that the composite reliability value of all research variables > 0.70. These results show that each variable has consistent and good indicators so it can be concluded that the entire variable has a high level of reliability.

Table 2. Composite Reliability

	Composite Reliability
Employee Retention	0,906
Employee Performance	0,912
Management Support	0,931
Training Culture	0,913

Source: SmartPLS Data Processing Results (2023)

Inner Model Analysis

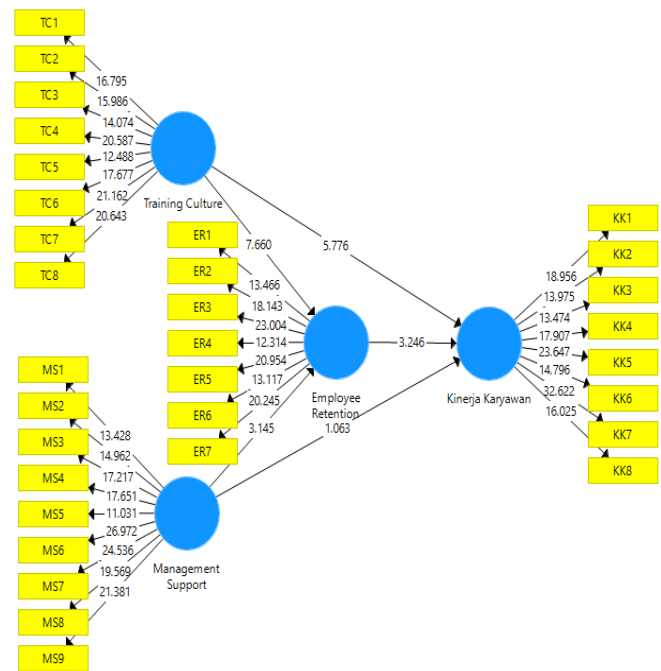


Fig 3. Results of bootstrapping analysis

Source: SmartPLS data processing results (2023)

Analysis on Bootstrapping produces a value contained in the coefficient for each relationship between the highest value which can be seen from the relationship that occurs between training culture and employee retention, which is with a value of 7,660, while the lowest value can be seen from management support to employee performance, which is 1,063. The T-statistical value obtained in this study varies, namely there are 2 relationships that have a T-statistical value below 1.96 which illustrates the absence of significance that occurs in the relationship between each variable, namely the relationship that occurs between management support and employee performance with a value of 1.063. And for the relationship of the other structural model, it has a T-statistical value above 1.96 which illustrates the

significance between the relationships in the research model.

Hypothesis Test Results

Table 3. Summary of Mean, STDEV, T-Values, and P-Values Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Employee Retention -> Employee Performance</i>	0,293	0,287	0,090	3,246	0,001
<i>Management Support -> Employee Retention</i>	0,277	0,269	0,088	3,145	0,002
<i>Management Support -> Employee Performance</i>	0,077	0,082	0,072	1,063	0,288
<i>Training Culture -> Employee Retention</i>	0,610	0,619	0,080	7,660	0,000
<i>Training Culture -> Employee Performance</i>	0,548	0,550	0,095	5,776	0,000
<i>Management Support -> Employee Retention -> Employee performance</i>	0,081	0,076	0,034	2,414	0,016
<i>Training Culture -> Employee Retention -> Employee Performance</i>	0,179	0,178	0,063	2,837	0,005

Source: SmartPLS Path Coefficient Results (2023)

Based on Table 3, the seven research hypotheses can be interpreted as follows:

- a. The first hypothesis, training culture on employee retention has a T-statistical value of 7.660 > a Z-Score of 1.96 which illustrates that there is a significant direct influence of training culture on employee retention.
- b. The second hypothesis, management support for employee retention has a T-Statistical value of 3.145 > a Z-Score of 1.96 which illustrates that there is a significant direct influence of management support on employee retention.
- c. The third hypothesis, training culture on employee performance has a T-statistical value of 5.776 > Z-Score of 1.96 which illustrates that there is a significant direct influence of training culture on employee performance.
- d. The fourth hypothesis, management support for employee performance has a T-Statistical value of 1.063 > Z-Score of 1.96 which illustrates that there is no significant direct influence of management support on employee performance.
- e. The fifth hypothesis, employee retention on employee performance has a T-statistical value of 3.246 > a Z-Score of 1.96 which illustrates that there is a significant direct influence of employee retention on employee performance.
- f. The sixth hypothesis, training culture on employee performance through employee retention has a T-statistic value of 2.837 where this value is greater than the Z-Score of 1.96 which illustrates that there is a significant indirect influence of training culture on employee performance through employee retention.
- g. The seventh hypothesis, management support for employee performance through employee retention has a T-statistic value of 2.414 where this value is greater than the Z-Score of 1.96 which illustrates that there is a significant indirect influence of management support on employee performance through employee retention.

Discussion

The Influence of Training Culture on Employee Retention

The first hypothesis results in the finding that training culture affects employee retention. When the Company conducts training and becomes a culture every year, employee retention will be high Conversely, if the

Company never conducts training, employee retention will decrease.

In line with research conducted by (Arhensa, 2022) and (Millena & Donal Mon, 2022), which states that training culture has a significant influence on employee retention.

The Influence of Management Support on Employee Retention

The second hypothesis results in the finding that management support affects employee retention. This happens when there is management support for employees, so the employees can survive in the company itself. But on the other hand, if employees do not get support from management, there is no guarantee for employees to stay with the company.

In line with research conducted by (Pramono et., al., 2020) which states that management support has a significant influence on employee retention. These results prove the hypothesis that if management support increases, employee retention will also increase. Companies that usually have management support will increase employee retention to maintain each other and realize company goals.

The Influence of Training Culture on Performance

The third hypothesis produced findings that training culture affects performance. This means that the higher the training culture in the Company, the higher the employee performance, but on the contrary, if the training culture is low in the Company, it will cause a decrease in employee performance.

In line with research conducted by (Girsang et al., 2021) and Park et al (2018), which stated that training culture has a significant influence on performance. These results prove the hypothesis stated that if the training culture increases in height then employee performance

will also increase. Companies that usually have a training culture and are relevant to employees, of course, will improve employee performance in realizing the Company's goals.

The Influence of Management Support on Performance

The fourth hypothesis results in the finding that management support does not affect performance. This indicates that management support does not guarantee improved employee performance.

In line with research conducted which states that management support does not have a significant influence on performance. These results prove the hypothesis that if management support is low, employee performance will also be low. Companies that usually do not have management support for employees will reduce employee performance (Masithoh, 2018).

The Influence of Employee Retention on Performance

The fifth hypothesis results in the finding that employee retention affects performance. When employee retention is high, employee performance will also increase. This means that a company that can retain its best employees will improve the performance of the employees themselves and also improve the company's performance.

In line with research conducted by (Rasyid & Ikhran, 2022) and (Putri & Arwiyah, 2019), which state that employee retention has a significant influence on performance. These results prove the hypothesis that if employee retention increases, employee performance will also increase. Companies that usually have employee retention and are relevant to employees, of course, will improve employee performance in realizing the Company's goals.

Table 4. Summary of the specific indirect effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Management Support -> Employee Retention -> Employee performance	0,081	0,076	0,034	2,414	0,016
Training Culture -> Employee Retention -> Employee Performance	0,179	0,178	0,063	2,837	0,005

Source: SmartPLS Path Coefficient Results (2023)

The Influence of Training Culture on Performance through Employee Retention

In addition to the specific indirect effect test of the output of PLS Bootstrapping, to further strengthen the proof of the significant value of the influence of employee retention mediation on training culture and management support, the researcher conducted a Sobel test calculation.

Based on the results of the specific indirect effect test of the output of PLS Bootstrapping and the Sobel test, it can be concluded that the influence of training culture on performance mediated by the employee retention variable is significant because of the t-statistical value based on the specific indirect effect test of the output of PLS Bootstrapping is 2.837 and based on the Sobel test is 2.9098 where the value is greater than the Z score of 1.96, meaning that there is an indirect influence of training culture on performance through employee retention.

The Influence of Management Support on Performance through Employee Retention

In addition to the specific indirect effect test of the output results of PLS Bootstrapping, to further strengthen the proof of the significance value of the influence of employee retention mediation on management support and performance, the researcher conducted a Sobel test calculation. The data used to calculate the Sobel test is the data from the path result of the coefficient summarized in the table above.

Based on the results of the specific indirect effect test of PLS output results Using the Sobel test, it can be concluded that there is no influence of management support on performance mediated by the employee retention variable because the value based on the Sobel test is 1.051 where the value is smaller than the Z score which is 1.96. But it is possible that it can be significant because this is evidenced by a T-statistical value of 2.414 where this value is greater than the Z-Score of 1.96

CONCLUSION AND RECOMMENDATION

Based on the results of the research that has been carried out, it can be concluded that as follows:

1. Training culture has a significant direct effect on employee retention in construction employees in Cilegon City.
2. Management support has a significant direct effect on employee retention in construction employees.
3. Training culture has a significant direct effect on the performance of construction employees in Cilegon City.
4. Management support does not have a significant direct effect on the performance of construction employees in the city of Cilegon.
5. Employee retention has a significant direct effect on the performance of construction employees in Cilegon City.
6. Training culture has a significant indirect effect on performance through employee retention in construction employees in Cilegon City.

Management support has a significant indirect effect on performance through employee retention in construction employees in Cilegon City.

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