

The Role of Competency in Strengthening The Impact of Training on The Performance Appraisal of Non-Civil Servants at The Medan Baru District Office

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Abstract

This study analyzes the role of competence in strengthening the influence of training on the performance appraisal of non-civil servant employees at the Medan Baru Subdistrict Office. A quantitative approach was used through a cross-sectional survey with a Likert scale questionnaire that had been tested for validity and reliability; data analysis was performed using SEM-PLS to test the direct influence and moderating effect. The results show that training has a positive and significant effect on the performance appraisal of non-civil servants, and competency also has a positive effect on performance. Furthermore, the findings show a significant training \times competency interaction, indicating that employees with higher competency levels are able to transfer training outcomes to their work more effectively, thereby strengthening the impact of training on performance. The managerial implication is that organizations need to align training design with job competency maps, provide post-training support (coaching/mentoring), and integrate performance indicators with training learning outcomes so that competency improvements are reflected in performance evaluations. Theoretically, this study enriches the public sector performance management literature by confirming competency as a moderator variable in the training–performance relationship in the context of subdistrict-level government, while also providing a basis for formulating more targeted upskilling–reskilling strategies for non-civil servant employees.

Keywords: Training; Competency; Performance Appraisal.

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Introduction

The Medan Baru Subdistrict Office, as the frontline of public services, relies on the performance of non-civil servant employees who handle administration, front office, and operational support. Training programs are widely used to improve service quality, but their impact on performance appraisal often varies between personnel. Recent research in the public sector shows that training has a positive effect on employee performance and service effectiveness, but the results are highly influenced by individual factors and the work environment that facilitates the transfer of training to work (Nor, 2025; Chen et al., 2024).

In line with this, the latest literature confirms that competencies—including knowledge, skills, and attitudes/behaviors—are directly correlated with performance and are closely related to training success. Recent empirical findings show that training improves competency and ultimately performance; in some models, individual characteristics and competency readiness are even essential conditions for training outcomes to be effectively transferred to work behavior (Cunningham et al., 2022; Fauth et al., 2025).

The latest review of training transfer emphasizes determinants at three levels—participants (competence/readiness), training design, and work environment—which together determine the success of transfer. This reinforces the assumption that competency can moderate the training–performance relationship (Aguinis & Kraiger, 2022/2023; Transfer of Training—Revised Review, 2023).

In service organizations, including the public sector, a recent meta-analysis also shows a positive training–performance relationship, but the magnitude of the effect varies across institutional contexts, indicating the importance of testing moderating conditions in specific settings such as subdistricts (Santos et al., 2025).

Based on these gaps, this study focuses on examining the role of competency as a moderating variable that strengthens the effect of training on the performance appraisal of non-civil servants at the Medan Baru Subdistrict Office. Theoretically, the findings are expected to enrich competency-based training-performance models in public services; practically, the results can form the basis for designing competency-map-based training, upskilling/reskilling strategies, and aligning performance assessment indicators so that learning outcomes from training are reflected in employee performance evaluations.

Literature Review

2.1 Performance Appraisal

2.1.1 Definition of Performance Appraisal

Dessler (2020) "Performance appraisal is the process of evaluating an employee's current and/or past performance relative to his or her performance standards."

2.1.2 Factors Affecting Performance Appraisal

According to Dessler (2020), in his book Human Resource Management, several factors that influence performance appraisal include:

- 1) Organizational Goals and Performance Standards
Performance appraisal is greatly influenced by the extent to which organizational goals and performance standards have been clearly defined. An appraisal will be effective if there are specific and measurable measures or indicators.
- 2) Rater Competency
The quality of the assessment depends on the ability and objectivity of the supervisor or party conducting it. Untrained or biased assessors can produce inaccurate assessments.
- 3) Assessment Methods Used
The methods used, such as rating scales, checklists, or management by objectives (MBO), will influence the assessment results. Inappropriate methods can lead to unfairness or fail to reflect actual performance.
- 4) Work Environment and Organizational Culture

A supportive work environment, openness to feedback, and an organizational culture that values performance will encourage more honest and constructive assessments.

- 5) **Communication between Evaluators and Those Being Evaluated**
According to Dessler, effective and two-way communication between superiors and subordinates in the assessment process is very important so that the results do not cause conflict or misunderstanding.
- 6) **Reward and Consequence Systems**
Appraisals will be influenced by what is at stake, for example, whether the appraisal results have a direct impact on promotions, bonuses, or further training. A misaligned reward system can affect motivation and appraisal results.

2.1.3 Performance Appraisal Indicators

Indicators commonly used based on Dessler's approach include:

- 1) **Work Quality** – The level of accuracy, precision, and quality of work results.
- 2) **Work Quantity** – The amount of work achieved within a certain period of time.
- 3) **Timeliness** – The ability to complete tasks according to deadlines.
- 4) **Resource Efficiency** – How economical and effective a person is in using time, funds, and materials.
- 5) **Teamwork** – The ability to work together with colleagues.
- 6) **Initiative and Creativity** – Efforts to find new ways to complete tasks.
- 7) **Responsibility** – Willingness to accept and perform tasks well.

2.2 Competency

2.2.1 Definition of Competence

Armstrong (2021) "Competence refers to the ability to perform tasks effectively using knowledge, skills, and behaviors required in the role." (Competency refers to the ability to perform tasks effectively using the knowledge, skills, and behaviors required in that role).

2.2.2 Factors that influence Competency

According to Armstrong (2021) in his book *Armstrong's Handbook of Human Resource Management Practice* (15th Edition), the factors that influence a person's competency include:

- 1) **Education and Training**
Formal education and on-the-job training directly influence the development of knowledge and skills, which are core components of competency.
- 2) **Work Experience**
Practical experience helps individuals develop relevant skills and work attitudes that are not always gained from formal training.
- 3) **Work Environment and Organizational Culture**
An organizational culture that supports learning and innovation will strengthen competency development. An unsupportive work environment can limit a person's potential.
- 4) **Motivation and Personal Attitude**
Individuals who are highly motivated to develop will improve their competencies more quickly. Attitudes such as discipline, confidence, and responsibility also have a significant influence.
- 5) **Leadership and Management Style**
Effective leadership—such as providing feedback, coaching, and mentoring—will accelerate the improvement of employee competencies.
- 6) **Technology and Access to Information**
Technological advancements create new learning opportunities and influence the types of competencies required, particularly in digital-based roles.
- 7) **Performance Management Systems**

A fair and objective performance appraisal and development system will facilitate the identification and development of competencies required by the organization.

2.2.3 Competency Indicators

Competency indicators according to Armstrong (2021):

1) Technical Competence

Indicators:

- Mastery of technical tasks or procedures
- Ability to use specific tools, systems, or software
- Ability to complete work according to professional standards

2) Functional Competence

Indicators:

- Understanding of work processes in a specific field
- Effectiveness in completing assigned job functions
- Ability to make decisions in the context of tasks

3) Behavioral Competence

This competency focuses on the attitudes, values, and work behaviors required in an organization.

Indicators:

- Effective communication
- Teamwork
- Adaptability and flexibility
- Integrity and honesty
- Leadership (for managerial positions)

4) Managerial Competence

Indicators:

- Ability to manage a team
- Planning and decision making
- Delegation and staff empowerment
- Performance monitoring and evaluation

5) Intellectual Competence

Indicators:

- Analytical and problem-solving skills
- Strategic and innovative thinking
- Learning and critical thinking skills

6) Personal Competence

Indicators:

- Discipline and personal responsibility
- Work motivation
- Resilience

2.3 Training

2.3.1 Definition of Training

Noe (2017) explains that training is a planned effort by a company to facilitate employee learning in terms of job-related competencies.

2.3.2 Factors Affecting Training

1) Individual Readiness for Training (Trainee Readiness)

- This includes motivation to learn, basic skills, and individual attitudes toward training.
- Employees who are mentally prepared and eager to learn will find it easier to absorb the material.

2) Organizational Support

- Support from immediate supervisors, company culture, and reward systems greatly influence the success of training.
 - Employees are more motivated when they know that training is valued and supported by the organization.
- 3) Alignment of Training Content with Job Requirements (Training Needs Assessment)
 - Training should be designed based on actual job requirements, not assumptions.
 - Training needs analysis is conducted at the organizational, task, and individual levels.
 - 4) Training Design
 - Teaching methods, learning media, curriculum structure, and training time affect the effectiveness of the program.
 - An engaging and interactive design will improve training outcomes.
 - 5) Learning Environment
 - A comfortable, interactive, and distraction-free training environment supports a more effective learning process.
 - This includes the role of the instructor, facilities, and classroom atmosphere.
 - 6) Training Evaluation and Transfer of Learning
 - Evaluating training outcomes is crucial for determining the effectiveness of the program.
 - Training transfer, which refers to the extent to which participants can apply training outcomes in their work, serves as an indicator of training success.

2.3.3 Training Indicators

Training indicators, according to Noe (2017), emphasize the effectiveness of training in improving employee work competencies:

- 1) Reaction (Participants' reactions)
The extent to which participants feel satisfied and consider the training useful and enjoyable.
- 2) Learning
The extent to which participants acquire knowledge, skills, and attitude changes after training.
- 3) Behavior (Behavior)
Changes in participants' work behavior after returning to the work environment, and whether there is application of the training material.
- 4) Results
The impact of training on organizational performance, such as increased productivity, efficiency, or customer satisfaction.

2.4 Conceptual Framework

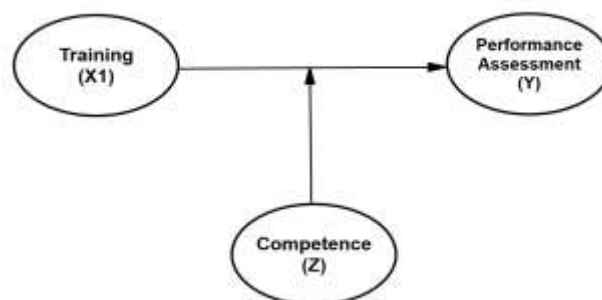


Figure 1. Conceptual Framework

2.5 Research Hypothesis

- H₁: Training has a positive and significant effect on performance appraisals at the Medan Baru Subdistrict Office of the Ministry of Home Affairs.
- H₂: Competence has a positive and significant effect on performance appraisal in Medan Baru District.
- H₃: Training has a positive and significant effect on performance appraisal, which is reinforced by competence in Medan Baru District.

Research Method

3.1 Type of Research

The type of research used by the researcher is quantitative research. According to Sugiyono (2022), quantitative research can be defined as a method based on positivist philosophy, used to study a specific population or sample, with sampling techniques generally conducted randomly, data collection using research instruments, and quantitative/statistical data analysis with the aim of testing predetermined hypotheses. This type of quantitative research was conducted to create a study aimed at adjusting a study and analyzing training and career development in relation to the performance appraisal of non-civil servants with competence as a moderating variable in the Medan Baru District.

3.2 Research Location and Time

The research location was at the Medan Baru Subdistrict Office, located at Jl. Rebab No. 34, Titi Rantai, Kecamatan Medan Baru, Kota Medan, North Sumatra. The research was conducted over a period of 3 months, from May to July 2025.

3.3 Population and Sample

According to Sugiyono (2022), a population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied, and then conclusions are drawn. In this study, the population consists of non-civil servant employees in the Medan Baru District, comprising 64 neighborhood heads. Due to the small population size, the entire population was used as the sample, which is better known as a saturated sample.

3.4 Research Data Sources

The data source used in this study is primary data.

Results And Discussion

4.1 Outer Model Analysis

Outer Model Analysis using the *PLS Algorithm* produced the following results:

4.1.1 Validity Test

Table 1. Outer Loadings Values

| | Competence | Performance Assessment | Training | Training * Competence |
|-----------------------|------------|------------------------|----------|-----------------------|
| Training * Competence | | | | 1,626 |
| X1.1 | | | 0.712 | |
| X1.2 | | | 0.735 | |
| X1.3 | | | 0.775 | |
| X1.4 | | | 0.738 | |
| Y.1 | | 0.745 | | |
| Y.2 | | 0.635 | | |

| | Competence | Performance Assessment | Training | Training * Competence |
|-----|------------|------------------------|----------|-----------------------|
| Y.3 | | 0.741 | | |
| Y.4 | | 0.705 | | |
| Y.5 | | 0.703 | | |
| Y.6 | | 0.690 | | |
| Y.7 | | 0.766 | | |
| Z.1 | 0.713 | | | |
| Z.2 | 0.804 | | | |
| Z.3 | 0.681 | | | |
| Z.4 | 0.712 | | | |

Source: Smart PLS Output, 2025

Based on the values in Table 1 above, which show the results of outer model testing through loading factor/outer loadings values, all indicators in each variable have a loading value ≥ 0.60 . This indicates that each indicator is measured validly and strongly. Therefore, it can be concluded that all items in the questionnaire have met the validity criteria, as shown in the following figure.

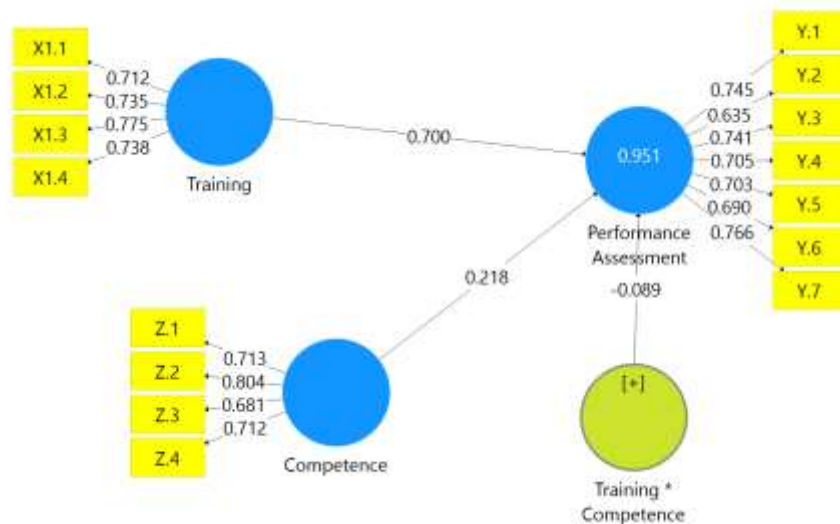


Figure 1. Outer Loading

4.1.2 Reliability Test

Table 2. Construct Reliability and Validity Test

| | Cronbach's Alpha | rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|------------------------|------------------|-------|-----------------------|----------------------------------|
| Competence | 0.704 | 0.710 | 0.819 | 0.531 |
| Performance Assessment | 0.838 | 0.841 | 0.879 | 0.509 |
| Training | 0.724 | 0.726 | 0.829 | 0.548 |
| Training * Competence | 1,000 | 1,000 | 1,000 | 1,000 |

Source: Smart PLS Output, 2025

From Table 2 above, the reliability test results show that Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70. This indicates that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and suitable for use in structural model testing. The

AVE values of all variables are above 0.5, so all variables are declared reliable. All indicators can reflect the four variables being measured.

4.1.3 Coefficient of Determination (R^2)

In assessing the model with PLS, we begin by looking at the R-square for each dependent latent variable. The table below shows the Rsquare estimation results using SmartPLS.

Table 3. R Square Results

| | R Square | Adjusted R Square |
|------------------------|----------|-------------------|
| Performance Assessment | 0.951 | 0.950 |

Source: Smart PLS, 2025

Table 3 shows the R-squared value for the dependent variable for the performance assessment variable, which is 0.951, meaning that training and competence contribute 95.1% to the performance assessment, with the remainder coming from other variables outside the model.

4.2 Structural Model Testing (Inner Model)

4.2.1 Hypothesis Testing

a. Direct Influence Between Variables

The direct effect between variables can be seen in the *path coefficients*. The data processing results show the direct effect values in the following table.

Table 4. *Path Coefficients* (Direct Effects)

| | Original Sample | T Statistics | P Values | Conclusion |
|---|-----------------|--------------|----------|------------|
| Training -> Performance Assessment | 0.700 | 14.863 | 0.000 | Accepted |
| Competence -> Performance Assessment | 0.218 | 4,612 | 0.000 | Accepted |
| Training*Competence -> Performance Assessment | -0.089 | 8,566 | 0.000 | Accepted |

Source: Smart PLS Output, 2025

The results in Table 4 show the following direct effect values:

1. Training has a positive and significant effect on performance appraisal with a t-statistic value of 14.863 above 1.96 and a significance of 0.000 below 0.05, meaning that training has a real effect on performance appraisal because the significance value is below 0.05.
2. Competence has a positive and significant effect on performance appraisal with a t-statistic value of 4.612 above 1.96 and a significance of 0.000 below 0.05, meaning that competence has a significant effect on performance appraisal because the significance value is below 0.05.
3. Training has a negative but significant effect on performance appraisal, reinforced by competency, with a t-statistic value of 8.566 above 1.96 and a significance level of 0.000 below 0.05, meaning that training reinforced by competency has a significant effect on performance appraisal because the significance level is below 0.05.

b. Indirect Influence Between Variables

The indirect effect between variables can be seen in the *specific indirect effects* value. The data processing results show that the indirect effect value can be seen in Table 5 below.

Table 5. *Specific Indirect Effects*

| | Original Sample | T Statistics | P Values | Conclusion |
|---|-----------------|--------------|----------|------------|
| Service Innovation -> Trust -> Satisfaction | 0.200 | 3.220 | 0.001 | Accepted |

Source: Smart PLS, 2025

Table 5 shows the indirect effect between variables, namely service innovation has a positive and significant effect on satisfaction through trust with a t-statistic value of 3.220 and a significance value of 0.001, meaning that trust acts as an intervening variable between service innovation and satisfaction.

Conclusion

1. Training has a positive and significant effect on performance appraisal in Medan Baru District.
2. Competency has a positive and significant effect on performance appraisal in Medan Baru District.
3. Training had a negative and significant effect on performance appraisals reinforced by competence in the Medan Baru District.

Recommendations

1. In performance evaluations with the lowest rating being "Training helps me increase the amount of work I can complete," the recommendation that can be given, especially to the Medan Baru Subdistrict Office and non-civil servant employees, is to provide training that is more practical and directly related to their daily tasks. Focus training on skills that can improve work efficiency, such as the use of administrative applications, time management, or communication skills. With more practical material, non-civil servant employees will find the training more useful and be able to increase the amount of work they complete.
2. The competency with the lowest score was "I demonstrate a professional attitude at work." In this case, the Medan Baru Sub-District Office should conduct training or workshops related to work ethics and professionalism. This training can cover effective communication, discipline, responsibility, and how to maintain a professional attitude when interacting with colleagues and the community. Providing examples of good behavior from leaders and rewarding employees who demonstrate professionalism can encourage employees to be more serious about maintaining a professional attitude in the workplace.
3. Training with the lowest score of "I am satisfied with the material presented in the training." In providing training, the Medan Baru Sub-District Office should ensure the relevance and quality of the training material to the needs of employees. Ensure that the material is always updated in line with developments in tasks and challenges in the field, delivered using interesting methods, and supplemented with practical examples that are easy to apply. This will make employees feel that the training material is useful and increase their satisfaction.

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