SUMMARY

HERLI ANIA. The Effect of Training and Motivation on Employee Performance of PT Asuransi XYZ. Supervised by AIDA VITAYALA HUBEIS and SADIKIN KUSWANTO.

PT Asuransi XYZ is a state-owned enterprise insurance company Badan Usaha Milik Negara (BUMN). The result of employee performance in PT Asuransi XYZ in 2014 is 63.38% of PT Asuransi XYZ’s employee acquire an excellent performance, therefore the performance drastically decreased in every year until 2016. Otherwise, the amount of employee that acquire deficient performance increase to 77.6% in 2014 to 2016. The growth and declinement of the employee performance is allegedly influenced by the motivation and training that provided by PT Asuransi XYZ to the employee.

This study uses quantitative approach with questionaries that distributed to 116 respondents with quota sampling method. The number of samples are from heads of division as many as 11 person, heads of department as many as 20 person, heads of section as many as 38 person, and executors as many as 47 person. The results showed that training variable was in good category, where the indicator of knowledge had the highest score. Hygienic factor and motivator factor in the motivation variable is in the good category, where the indicator of interpersonal relationship in the hygienic factor had the highest value and the indicator of work in the motivator factor had the highest value. Furthermore, employee performance variable is in good category, where the indicator of attendance had the highest value.

The result of Structural Equation Modeling (SEM) analysis showed that the training had a direct positive and significant effect on employee performance, meaning that the better training provided by the company the higher PT Asuransi XYZ’s employee performance improvement will be achieved. Motivation had a direct positive and significant effect on the employee performance, meaning that the better motivation provided by the company the higher PT Asuransi XYZ’s. The training had a direct positive and significant effect on motivation, meaning that the better training provided by the company the higher PT Asuransi XYZ’s employee performance improvement achieved. The training had an indirect effect on employee performance through motivation. Motivation had a greater effect than performance training that stated by the t-value of motivation is greater than training. Thus, the training will improve the employee performance depending on the motivation earned by the employee in PT Asuransi XYZ.

Keywords: employee performance, motivation, structural equation modeling, training