



The Influence of Education, Training, Experience and Work Discipline on the Performance of Employees of the Regional Financial and Asset Management Agency

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Article Info

Article history:

Received 7 March 2025

Received in revised form 19 April 2025

Accepted 4 May 2025

Keywords:

Education

Training

Experience

Work Discipline

Employee Performance

Abstract

In supporting the success of an organization in the government sector, employee performance is a vital element. The Yogyakarta City Regional Financial and Asset Management Agency (BPKAD) in this case plays a strategic role in ensuring transparent and accountable management of regional finances and assets. This study aims to analyze the influence of education, training, experience, and work discipline on employee performance in BPKAD Yogyakarta City. This study uses a quantitative approach with a survey method. The results of the study show that education, training, experience, and work discipline have a positive and significant influence on employee performance. This research provides practical implications for policymakers in BPKAD and other government agencies to formulate more effective human resource management strategies. Thus, it is hoped that the results of this study can contribute to improving the quality of public services and regional financial management as a whole.

Introduction

In the era of globalization, effectiveness and efficiency in managing human resources are key factors in the success of organizations, including in the government sector. Organizations that have high-performance employees are able to increase competitiveness and service to the community. However, various studies show that many government agencies still face challenges in improving the performance of their employees. According to a World Bank report (2023), lack of training, minimal work experience, and low work discipline are the main factors that hinder the improvement of employee performance in the public sector in various developing countries, including Indonesia.

In Indonesia, the problem of employee performance in government agencies is also an important issue. The city of Yogyakarta, as one of the economic and educational centers in Indonesia, has a Regional Financial and Asset Management Agency (BPKAD) that plays a strategic role in ensuring accountable and transparent regional financial management. However, the challenges faced by BPKAD include improving employee competence through education and training, as well as improving work discipline so that the regional administrative and financial processes can run optimally. Based on the results of the initial survey, there are still obstacles in human resource management at BPKAD, such as lack of continuous training, limited work experience in certain fields, and low employee discipline in meeting work targets.

Several previous studies have examined the factors that affect employee performance. Found that effective training significantly improves employee performance, especially in technical and interpersonal aspects. In addition, research by shows that work experience has a positive correlation with the level of competence of employees, where employees with more experience

tend to be more able to complete tasks efficiently. It also concluded that work discipline is the dominant factor that affects employee performance, because employees who have high discipline are better able to achieve work targets well (Thwin et al., 2022; Handoko, 2018; Angriani & Eliyana, 2020; Tinovitasari et al., 2017; Kurniawan & Heryanto, 2019; Kirana et al., 2019; Pawirosumarto et al., 2017).

Although there have been many studies on employee performance, studies that specifically analyze the influence of education, training, work experience, and work discipline simultaneously on employee performance at BPKAD Yogyakarta City are still limited. The urgency of this research lies in the urgent need to understand the main factors that can improve employee performance in managing regional finances and assets more effectively. By understanding these factors, policymakers can formulate strategies to improve the quality of human resources that are more targeted.

This study offers a new contribution by combining four main variables—education, training, work experience, and work discipline—in a single model of analysis of employee performance in the government sector. In addition, this study uses a quantitative approach with a survey method involving employees from various fields at BPKAD Yogyakarta City, so that the results of the study can provide a more comprehensive picture of the relationship between these variables. This study aims to analyze various factors that affect employee performance in BPKAD Yogyakarta City. Specifically, this study will evaluate the influence of education, training, work experience, and work discipline on employee performance. In addition, this study also seeks to identify the factors that have the most dominant influence on improving employee performance, so that it can provide insight for policymakers in designing more effective and efficient human resource management strategies.

This research is expected to provide various benefits. Theoretically, this research contributes to the development of human resource management theory, especially in the context of government agencies, by highlighting factors that affect employee performance. From a practical point of view, this study provides recommendations for policy makers at BPKAD Yogyakarta City in improving the quality of human resources through strategies that include education, training, work experience, and improving work discipline. In addition, this study also has academic benefits as a reference for future studies that want to further examine the factors that contribute to the performance of employees in government agencies.

The results of this study are expected to have implications for various parties. For local governments, this research can be the basis for designing policies to increase employee capacity through more structured education and training programs to increase work effectiveness. For BPKAD employees, the results of this study can provide a deeper understanding of the importance of education, training, work experience, and discipline in supporting work productivity and overall organizational performance. Meanwhile, for academics and researchers, this research can be a reference in further studies on human resource management in the public sector, especially in improving employee performance in government agencies.

Literature Review

Employee performance is the result of work achieved by individuals in an organization in accordance with the responsibilities and tasks given (Mangkunegara, 2017; Maryani et al., 2021). According to Gibson et al. (2018), performance is the achievement of a person's work results in accordance with predetermined work standards. Education is a learning process that aims to improve a person's knowledge, skills, and attitudes. According to Sutrisno 2019, it shows that the level of education has a positive relationship with employee performance, where

employees with higher education tend to have better abilities in completing tasks (Tilaar, 2002; Kim & Jung, 2022).

Training is a learning process to improve the competence of employees in carrying out certain tasks (Persada et al., 2022; Burhan Ismael et al., 2021; Niati et al., 2021). Effective training includes identifying training needs, delivering training materials, and evaluating training results. Research conducted by found that training significantly improves employee performance, especially in technical aspects and interpersonal skills (Molina-Azorin et al., 2021; Thwin et al., 2022). Work experience refers to the accumulation of knowledge and skills that a person acquires during work. Long work experience allows individuals to master their tasks better and develop effective strategies in solving problems (Simanjuntak, 2005; Handoko, 2018; Marougkas et al., 2023). Discipline is the employee's compliance with the rules and norms that apply in the organization. Good discipline reflects the responsibility, integrity, and professionalism of employees (Mangkunegara, 2019; Simorangkir et al., 2021; Iskanto, 2022). According to research by, employees with a high level of discipline tend to show better performance because they have a commitment to achieve the targets that have been set (Siagian, 2002; Angriani & Eliyana, 2020).

Methods

This study uses a quantitative approach with a survey method. Data was collected through a questionnaire distributed to BPKAD employees as a total of 74 people as respondents from each field and sub-field based on *random sampling*. From the figure above, it can be seen that the data displayed includes 25 indicators with a sample of 74 respondents. The average score of respondents' answers ranged from 4,421 to 4,432, indicating the tendency of respondents to give relatively high ratings to the measured indicators. Most indicators have a median value of 5,000, which indicates that the majority of respondents chose the highest value on the measurement scale.

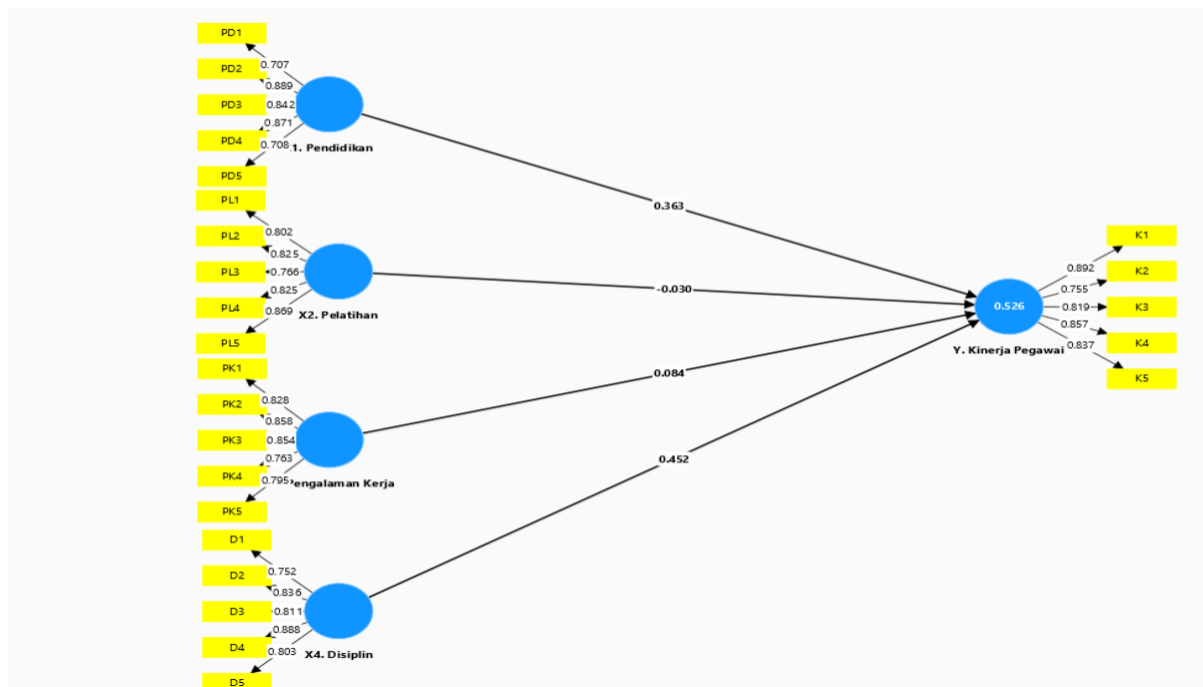


Figure 2. Results of Structural Model Analysis

The standard deviation ranged from 0.380 to 0.489, indicating a relatively small level of variation in respondents' answers, so the distribution of the data was quite centralized. The data

distribution was further analyzed through skewness values, which were in the range of -0.576 to -0.181, indicating that the data distribution tended to be slightly skewed to the left. Meanwhile, the kurtosis value ranged from -0.497 to 0.070, which indicates that the data distribution is close to the normal distribution without extreme value spikes. In addition, the Cramer-von Mises p-value for all indicators was recorded at 0.000, which indicates that the data distribution of each indicator differs significantly from the expected distribution.

This figure displays the results of structural model analysis that describes the relationship between four independent variables, namely education (X1), training (X2), work experience (X3), and discipline (X4) to the dependent variable, namely employee performance (Y). Each variable has an indicator indicated in the form of a yellow box with a loading factor number next to it, which indicates the extent to which the indicator represents the latent variable being measured.

Based on the results of the analysis, the indicators in the education variable (X1) have a loading factor value ranging from 0.707 to 0.842, showing a strong contribution to the education variable. The training variable (X2) had a loading factor with a range of 0.706 to 0.802, while work experience (X3) had a value between 0.584 to 0.820, and work discipline (X4) had a value between 0.752 to 0.885. The employee performance variable (Y) also has indicators with a loading factor value between 0.802 to 0.857, which shows that all indicators have a significant contribution to their respective variables. In addition, this image also shows the direct relationship between the independent variable and the employee's performance, which is represented by an arrow line with a path coefficient number. The value of the path coefficient from education (X1) to employee performance (Y) is 0.362, while training (X2) has a negative influence with a value of -0.030. Work experience (X3) has a track coefficient of 0.084, and work discipline (X4) shows the greatest influence with a score of 0.452 on employee performance. These values show that work discipline has the greatest influence on employee performance, while training shows a small negative influence in this model.

Results and Discussion

Validity Test

Table 1. Loading Factor Value

	Education	Training	Work Experience	Discipline	Employee Performance
PD1	0.707				
PD2	0.889				
PD3	0.842				
PD4	0.871				
PD5	0.708				
PL1		0.802			
PL2		0.825			
PL3		0.766			
PL4		0.825			
PL5		0.869			
PK1			0.828		
PK2			0.858		
PK3			0.854		
PK4			0.763		
PK5			0.795		

D1				0.752	
D2				0.836	
D3				0.811	
D4				0.888	
D5				0.803	
K1					0.892
K2					0.755
K3					0.819
K4					0.857
K5					0.837

The table above presents the loading factor value of each indicator used in the study regarding the influence of education, training, work experience, and discipline on the performance of employees of the Yogyakarta City Regional Financial and Asset Management Agency (BPKAD). The charge factor reflects the extent to which each indicator is able to represent the latent variable being measured.

From the *loading factor* data above, it can be concluded that all indicators have a value of >0.70 , which shows that each indicator has good validity in measuring its variables. Here is the analysis: 1) Education: all indicators (*PD1 - PD5*) have a *loading factor* above 0.70, ranging from 0.707 to 0.889, with the highest value in PD2 (0.889). This shows that education has a strong relationship with the variables measured; 2) Training: all indicators (*PL1 - PL5*) also show a good *loading factor*. The training indicator has a *loading factor* value between 0.766 to 0.869, with the highest value at PL5 (0.869). This means that training has a significant contribution to the variables measured; 3) Work Experience: The indicator (*PK1 - PK5*) has a *loading factor* above 0.70, with values varying from 0.763 to 0.858, with PK2 having the highest value (0.858). This shows that work experience is well measured by the indicators used; 4) Discipline: All indicators (*D1 - D5*) are valid. The discipline variable had a *loading factor* value between 0.752 to 0.888, with the highest value on D4 (0.888). This shows that discipline has a strong influence on the variables studied; 5) Employee Performance: all indicators (*K1 - K5*) have a high *loading factor* value between 0.755 to 0.892, with the highest score in K1 (0.892). This shows that the indicators used are very good at measuring employee performance.

Overall, these results show that the indicators used in the study have good convergent validity because all *loading factor values* are more than 0.70. This means that the measurement model used is strong enough to analyze the influence of education, training, work experience, and discipline on the performance of BPKAD employees.

AVE > 0.50

Table 2. Average Variance Extracted (AVE)

	Average Extracted Variance (AVE)
Education	0.652
Training	0.669
Work Experience	0.673
Discipline	0.671
Employee Performance	0.694

The table above presents the Extracted Mean Variance (AVE) values for each of the study variables, namely Education, Training, Work Experience, Discipline, and Employee Performance. AVE is an indicator of convergent validity in a research model based on Partial

Least Squares Structural Equation Modeling (PLS-SEM), where an AVE value greater than 0.50 indicates that the latent variable is able to explain more than 50% of the variance of the indicators that measure it.

The results of the analysis in the table show that all variables have an AVE value above 0.50, with the following details: the Education variable has an AVE value of 0.652, Training of 0.669, Work Experience of 0.673, Discipline of 0.671, and Employee Performance of 0.694. These values show that each variable has a good level of convergent validity, so it can be used for further analysis in this research model.

An AVE value exceeding 0.50 indicates that each variable has a good level of convergent validity. This means that the indicators used in this study are able to explain the variables that are well measured and have high internal consistency. Thus, the measurement model in this study can be considered valid in representing the concept being studied.

Dicriminant HTMT Validity < 0.90

Table 3. Discrimination Validity Matrix (Fornell-Larcker Criterion)

	Education	Training	Work Experience	Discipline	Employee Performance
Education					
Training	0.666				
Work Experience	0.601	0.666			
Discipline	0.490	0.491	0.532		
Employee Performance	0.647	0.440	0.519	0.681	

This table presents a Discrimination Validity Matrix using the Fornell-Larcker Criterion method, which is used to measure the extent to which a variable in the research model has good discrimination against other variables. Discriminatory validity indicates whether a construct is empirically different from other constructs in the model. In the Fornell-Larcker Criterion method, the validity of discrimination is said to be satisfied if the square root of the Average Variance Extracted (AVE) value on each variable is greater than the correlation between that variable and other variables in the model.

The results shown in the table show that the square root value of AVE for each variable is at the diagonal of the table and is marked with a higher number than the correlation between other variables. The Education variable has an AVE square root value of 0.666, which is higher than its correlation with other variables. The Training variable also had an AVE square root value of 0.666, which was higher than its correlation with other variables. The Work Experience variable has an AVE square root value of 0.601, while the Discipline variable has a value of 0.532 and the Employee Performance variable has a value of 0.681.

An HTMT value of less than 0.90 indicates that each variable has good discriminatory validity, which means that each variable in this study has a clear difference and there is no excessive correlation between constructs. Thus, the measurement model used in this study has met the criteria of good criminal validity and can be used for further analysis.

Reliability Test

Conbach's Alpha and Composite Reliability > 0.70

Table 4. Reliability Test Results Using Cronbach's Alpha and Composite Reliability

	Cronbach's alpha	Composite reliability (rho_c)
Education	0.865	0.903

Training	0.879	0.910
Work Experience	0.879	0.911
Discipline	0.880	0.911
Employee Performance	0.889	0.919

The table above displays the results of reliability tests of the research variables which include Education, Training, Work Experience, Discipline, and Employee Performance. The reliability of a construct in the study was tested using Cronbach's Alpha and Composite Reliability (rho_c), where higher values indicated a better level of internal consistency.

The criteria used in this study are: 1) Cronbach's Alpha > 0.70, which indicates that the indicator in a construct has good reliability; 2) The Composite Reliability (rho_c) > 0.70, which indicates that the construct has high reliability in measuring the variable in question.

The test results showed that all variables had a **Cronbach's Alpha** value that exceeded 0.70, with values ranging from 0.865 to 0.889. This shows that each variable has good internal consistency, so it can be concluded that this research instrument is reliable in measuring the constructed being studied. In addition, the **Composite Reliability (rho_c)** value is also above 0.70, with a range of 0.903 to 0.919. This indicates that each construct has a high level of reliability, so that the indicators used in this study are able to represent the variables consistently. Thus, based on the results obtained in Table 4, it can be concluded that all the constructs in this study have met the reliability requirements, both based on Cronbach's Alpha and Composite Reliability.

Conclusion

Based on the results and discussions, it can be concluded that education has an effect and is significant on the performance of employees of the Regional Financial and Asset Management Agency. In addition, training also has a significant influence on employee performance. However, experience does not have a significant influence on the performance of employees in the agency. Meanwhile, work discipline has proven to be influential and significant on employee performance. Overall, education, training, experience, and work discipline together have a significant influence on the performance of employees of the Regional Financial and Asset Management Agency.

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