

The Effect of Institutional Arrangements and Human Resources Development on Employee Performance in North Sumatra Provincial Suitable Assessment Institutions

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Abstract

Human resource development needs to be implemented to improve the performance of the apparatus in realizing service quality. Increasing the competence of human resources of government officials and institutional arrangements will have an impact on improving the performance of human resources which is an important part in improving the quality of services, which in turn will have a positive impact on regional development. This study aims to determine the effect of human resource development and institutional arrangement on employee performance at the North Sumatra Province Conformity Assessment Institute. This type of research was conducted with an explanatory approach. The variables used are institutional arrangement and human resource development and employee performance. The population of this study were civil servants in the province of North Sumatra as many as 191 people. The sample of this study was 191 people using the census method. The results of this study indicate that institutional arrangement has a direct positive and significant effect on employee performance and human resource development has a direct positive and significant effect on employee performance.

Keywords

*Institutional Arrangement,
Human Resource Development,
Employee Performance*



I. Introduction

Improved employee performance needs to be increased competence in carrying out their duties. This is in accordance with what was stated by Keban (2004) that an increase in the performance of an employee as a human resource will be reflected in the increase in his ability and competence, so that the person concerned can carry out his duties. One of the efforts made to encourage increased performance of human resources, among others, is through the development of human resources. This is as explained in Government Regulation No. 101 of 2000, which is intended to increase the ability and competence of apparatus employees. Human Resources (HR) is the most important component in a company or organization to run the business it does. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020).

Human resource development is really needed by an organization, both government organizations and private organizations to encourage the improvement of the performance of its human resources. Therefore, human resource development needs to be carried out in a planned, systematic and sustainable manner. Thus, the efforts made in order to improve

the performance of human resources as government officials are an important part of the effort to realize the quality of public services, which are expected to be realized.

The problem of the performance of human resources, especially government employees, is still one of the problems or problems that is quite crucial and is in the public spotlight so that serious handling and high commitment from the government itself are needed. The high demands of the community or the public reflect how much they ask the burden and responsibility of human resources as government officials in carrying out their duties. The increasingly heavy burdens and duties of the government apparatus, when various phenomena of the low performance of human resources as government officials so far, have weakened public trust in the government which then has implications for the low quality and quality of services.

Juridically, efforts to improve employee performance, especially in the government environment, have actually been carried out by the government through the declaration of a series of policy packages translated through various provisions, such as TAP MPR RI No. XI of 1998, Law no. 28 of 1999, Presidential Instruction No. 7 of 1999, and MPR Decree No. VII/MPR/2001. This series of policy packages essentially regulates strategic and technical steps in encouraging the improvement of the performance of government institutions. Therefore, institutionally, these various provisions have actually provided clear directions or guidelines for the apparatus (government employees) in carrying out their duties and functions as government officials. However, in practice, these provisions have not been fully translated effectively.

The low or poor performance of human resources as government officials is strengthened when empirical facts show that the quality of service is not clear, the service time is convoluted and unfriendly and friendly in serving the community. This is in accordance with the opinion of Rasul (2000) which explains that there are four problems that always arise in running government organizations, among others: first, the ineffectiveness in running the organization, secondly the inefficiency that arises because of the level of ratio between funds obtained and collected from the community and returns to the community. in the form of public facilities is still very low, thirdly the existence of private inurement, fourth the emergence of excessive risk.

II. Review of Literature

2.1 Human Resource Development

From the perspective of human resource quality management theory, there are two approaches;

- a. The buy approach is an approach that is oriented towards the withdrawal (recruitment) of human resources
- b. The make approach is an approach that is oriented towards the development of human resources in the form of education, training and guidance. (Alwi 2001)

Human resource development is something urgent because through this development employees will increase in terms of knowledge, skills and attitudes and behavior. This is what requires every organization to develop human resources is the changes that occur both within the organization and outside the organization.

In development, the employee is developed to better fit the job and the organization. According to Sikula (2000) states that development is an effort to improve the technical, theoretical, conceptual and moral abilities of employees in accordance with the needs of the job/position through education and training.

Sikula (1981) suggests that: development refers to staff and personal issues is a long-term educational process using a systematic and organized procedure by which managers learn conceptual and theoretical knowledge for general purposes.

The word development (development) according to Mathis and Jackson (2001) is a long-term process to increase potential and effectiveness. Meanwhile, what is meant by human resource development in this context is as described by Handoko (1999), namely wider efforts to improve and enhance knowledge, abilities, attitudes and personality traits. Meanwhile, Riadi (1994) also defines that what is meant by human resource development is a process that is carried out consciously, directed, programmed and integrated, aiming to improve the quality of human life both physically and non-physically, so that later they become empowered human beings. use for the human resources of the nation and state based on moral and religious values.

2.2 Institutional Arrangement

Institutional comes from the word bureaucracy (English, bureau cracy), which is defined as an organization that has a dragon chain with a pyramid shape, where more people are at the bottom level than at the top level, usually found in administrative and military agencies.

In this chain of command, each position and its work responsibilities are clearly described in the organigram. This organization also has strict rules and procedures that tend to be less flexible. Another characteristic is that there are usually many forms to complete and the delegation of authority must be carried out according to the hierarchy of power.

Institutions as a formal organizational system were first introduced by Max Weber in 1947, according to him, institutions are the ideal type for all formal organizations. Max Weber defines an institution as a form of organization characterized by hierarchy, role specialization, and a high level of competence shown by officials who are trained to fill these roles.

The characteristics of organizations that follow this institutional system are division of labor and specialization, impersonal orientation, hierarchical power, rules, long careers, and efficiency. The main goal of the institutional system is to achieve optimal work efficiency. According to Weber, institutional organization can be used as an effective approach to control human work so that it reaches its goals, because institutional organizations have a clear structure of power and people who have power have influence so that they can give orders to distribute tasks to others.

The same thing was expressed by Nugroho (2004) that institutions in practice are described as civil servants. This expression emphasizes the importance of the role of human resources in an institutional context. Institutions are institutions that have great ability Rasyid in moving the organization, because institutions are formally arranged to give birth to rational action in an organization. Institutions are the means and tools in carrying out government activities in an increasingly complex modern era. (Sinambela,2008)

2.3 Employee Performance

In government organizations, the performance of employees in carrying out their duties or work is often not in accordance with what is expected by society. Personnel often make mistakes that should not happen, this will not be good for the organization.

Performance or performance is the work performance of one or more people in carrying out their work, while the appraisal of performance is a system used to assess and

find out whether an employee or employee has carried out their respective jobs as a whole. Assessment of employee performance improvement is a guideline to show employee performance which is very useful for agencies to find out whether the system has been applied consistently in providing service quality.

Improving the performance of government officials is very much needed in line with the changes that occur in society, especially people's expectations for better and quality services. As stated by Kotler (in Supratno 1997) that customer satisfaction is the level of a person's feelings after comparing the performance (or results) he feels compared to his expectations. Suprihatno (2001) defines performance appraisal or performance improvement as a system used to assess and find out whether an employee has carried out their respective jobs as a whole.

Employee performance according to Benardin (1993) is the work achieved by an employee, both individually and in groups in order to achieve the vision, mission and programs that have been set by the organization, so that the contribution of each employee to the organization can be known. The implementation of the work as a whole is not only seen or assessed for its physical results but includes various things such as work ability, discipline, work relations, initiatives, leadership and special matters with the field where the level of work is held and in accordance with the main tasks and functions.

According to Rully (2007) there are certain requirements needed in a performance appraisal system, namely:

- a). Acceptability (acceptability); where the results of the assessment system can be accepted in relation to the success of the implementation of work in an organization.
- b). Can be trusted (reliability); The results of the assessment system can be trusted by taking into account the influence of the time factor and the frequency of the assessment.
- c). Relevance (relevance); An assessment system is used to measure things or activities that have a relationship with the suitability between the results of the work and the goals that have been set.

Measuring performance (according to the Regulation of the Minister of State for Empowerment of State Apparatus, Number: PER/09/M.PAN/5/2007 Article: 1), is a management activity in particular comparing the level of performance achieved with standards. Plans or targets using predetermined performance indicators.

III. Research Method

3.1 Research Design

The research will be carried out with an explanatory approach that will explain the influence of human resource development and institutional arrangement on the performance of the apparatus and service quality in regional development through the implementation of ISO/IEC 17025 at the Conformity Assessment Institute in North Sumatra Province. Then the quantitative technique will be complemented by a qualitative analysis technique that utilizes the results of observations and in-depth interviews with several sources (respondents) as well as the results of previous research.

Based on the formulation of the problem and the research objectives that have been determined previously, this research can be viewed as a causal expouse facto research, because the purpose of this research is to reveal the causal relationship between research variables. Thus, the data to be collected in this study is data based on the facts of the variables studied in the field. Therefore, the method that will be used is a survey method based on explanatory or confirmatory which explains the causal relationship and hypothesis testing.

This research method will also explain the observed variables, based on data that has occurred. It can also be called *expost facto* research (Sugiono, 2009), because it examines something that has happened to the Conformity Assessment Institute in North Sumatra Province.

In terms of research objectives, this research is applied (Sugiono, 2009). The results of this study are expected to be applied by the government in North Sumatra Province to assess the development of Human Resources and institutional arrangements at the Conformity Assessment Institute for the implementation of ISO/IEC 17025 standards in North Sumatra.

3.2 Research Location

This research will be conducted in the Provincial Government of North Sumatra, and the concentration of research is on the Conformity Assessment Institute in UPTD. Medan Goods Quality Testing and Certification Center, North Sumatra Province Industry and Trade Office, UPT. Protection of Food Crops and Horticulture, Department of Agriculture, North Sumatra Province and Center for Research and Industrial Standardization in Medan, Ministry of Industry.

3.3 Population and Sample

a. Population

Many definitions given by experts about population, among others, according to Sugiono (2009) states that: Population is a generalization area consisting of objects/subjects that become certain quantities and characteristics determined by researchers to be studied and then drawn conclusions, while Riduwan (2009) states that: population is the whole of the characteristics or units of measurement results that are the object of research. According to the type of population can be divided into two types, namely a). Limited population that has clear data sources quantitatively so that the number can be calculated, b). Infinite population, that is, the data source cannot be defined so that the relative limits cannot be expressed in terms of numbers.

The type of population in this study is a limited population, where the population is all employees who work at the Conformity Assessment Institute in UPTD. Medan Goods Quality Testing and Certification Center, North Sumatra Province Industry and Trade Office, UPT. Protection of Food Crops and Horticulture, Department of Agriculture, North Sumatra Province and Center for Research and Industrial Standardization in Medan, Ministry of Industry. With each population of 47 people, 41 people and 103 people so that the total population is 191 people.

b. Sample

According to Roscoe in Sugiono (2009) that: the appropriate sample size used in research is between 30 to 500. The sample according to Herlina (2011) is part of the population used to estimate population characteristics. Samples taken from the population must be truly representative or representative. Sugiono (2009) states that: the sample is part of the number and characteristics possessed by the population. Considering that the total population of this study was 191 and the criteria and characteristics were known, the entire population was used for sampling. This study used a population study of 3 Conformity Assessment Institutes, namely the Conformity Assessment Institute in UPTD. Medan Goods Quality Testing and Certification Center, North Sumatra Province Industry and Trade Office, UPT.

Thus, the sample size is 191 respondents, as in the population and sample table (Table 1)

Table 1. Population and Sample

No	Population	Number of Samples
1	UPTD. Medan Goods Quality Testing and Certification Center, North Sumatra Province Industry and Trade Office	47
2	UPT. Protection of Food Crops and Horticulture Department of Agriculture, North Sumatra Province	41
3	Center for Research and Industrial Standardization of Medan Ministry of Industry	103
Number of Samples		191

Data source processed

In accordance with the type of data required, the data collection techniques used in this study are through:

c. Primary data

Data collection techniques in this study were carried out by conducting field research, namely distributing questionnaires to respondents and conducting interviews. By using a survey method, namely sending questionnaires to 191 research respondents, namely 47 people from the UPTD Conformity Assessment Institute. Center for Testing and Certification of Quality of Goods in Medan, North Sumatra Industry and Trade Office, 41 UPT. Protection of Food Crops and Horticulture of the North Sumatra Province Agricultural Service and 103 people from the Medan Research and Industrial Standardization Center, Ministry of Industry, North Sumatra Province.

The research instruments used in this research are human resource development questionnaires, institutional arrangement questionnaires, performance questionnaires, service quality questionnaires and regional development. Questionnaires or questionnaires are a number of written statements used to obtain information from respondents. The type of questionnaire used in this study is partly a closed type of questionnaire, namely a questionnaire whose answers have been provided so that respondents only need to choose a score while to deepen the results of further research, interviews are carried out. The questionnaire used is a closed form questionnaire with five answer choices using a Likert scale model.

The Likert scale is a form of psiometric scale answer that is mainly used to obtain the degree of agreement with one statement or a number of statements. The scoring of each item in the questionnaire with a positive statement is as shown in Table .2 below. The list of questions for the questionnaire is listed in Table 2 in addition to using available data from institutions related to this research variable as the main data support. Each statement item in the closed questionnaire has provided an answer, so that respondents simply choose the answer of their choice, with choices and weights as shown in the following table:

Table 2. Options and Weights of Answer Item Statements (sample scale used in the Likert scale questionnaire according to Bertram, 2010)

STATEMENT	WEIGHT	
	POSITIVE	NEGATIVE
- Strongly agree	5	1
- Agree	4	2
- Don't know	3	3
- Don't agree	2	4
- Strongly Disagree	1	5

Source: Bertram, 2010

According to Riduwan (2009) provides an illustration that the Likert scale in the following interpal ranges:

- Score 5 = very strong = 81% - 99%
- Score 4 = strong = 61% - 80%
- Score 3 = enough = 41% - 60%
- Score 2 = weak = 21% - 40%
- Score 1 = very weak = 0% - 20%

d. Secondary Data

Secondary data were obtained directly from receipt publications and agencies of the National Standardization Agency (BSN), National Accreditation Committee (KAN), North Sumatra Province Industry and Trade Service, Agriculture Service, Baristan, Print Media, Annual Reports, Journal Books, SNI Valuation, Standardization Magazine National by way of copying, taking notes and so on.

IV. Result and Discussion

4.1 Research result

The variables that will be explained below include Human Resource Development (PSDM), Institutional Arrangement (PK) and Employee Performance (KP) for Employees at the Conformity Assessment Agency of the Industry and Trade Service, Agriculture Service and North Sumatra Standardization Research Institute. The data was obtained from the results of questionnaires and employee performance observations which were distributed to employees of the Research Sample Conformity Assessment Institute. The number of questionnaires distributed was 191 sets to employees at the North Sumatra Conformity Assessment Institute. The data analysis techniques used are validity and reliability

The discussion of research results in principle is the researcher's interpretation based on the results of statistical calculations, interviews and theoretical observations that are relevant to the research findings. Therefore, in this discussion, the researcher not only conveys the calculated figures but is also based on a number of maximal and empirical arguments.

In discussing the results of the study, it will be seen from two perspectives, namely the discussion of direct influence and indirect influence. The results of the research in question can be explained below.

4.2 Validity test

Validity test is carried out on the content of an instrument. The purpose of this validity test is to measure/test the determination of the instrument used in a study. Validity testing is done by comparing the correlation value of r-count with r-table, with the test criteria is the item is said to be valid if the value of r-count > r-table. The results of the validity of the questionnaire items from each research variable are as follows:

a. Institutional Arrangement Variables

Table 3. Validity Test of Institutional Arrangement Items

Correlation	Correlation Value	r-table N = 191, α = 5%	Information	Conclusion
Item 1 Against Total	0.524	0.138	rcount > rtable	Valid
Item 2 Against Total	0.501		rcount > rtable	Valid
Item 3 Against Total	0.565		rcount > rtable	Valid
Item 4 Against Total	0.559		rcount > rtable	Valid
Item 5 Against Total	0.343		rcount > rtable	Valid
Item 6 Against Total	0.519		rcount > rtable	Valid
Item 7 Against Total	0.593		rcount > rtable	Valid
Item 8 Against Total	0.593		rcount > rtable	Valid
Item 9 Against Total	0.595		rcount > rtable	Valid
Item 10 Against Total	0.634		rcount > rtable	Valid
Item 11 Against Total	0.664		rcount > rtable	Valid
Item 12 Against Total	0.668		rcount > rtable	Valid
Item 13 Against Total	0.606		rcount > rtable	Valid

Source: Data processed

In Table 3 above, the corrected Item-total correlation value for all question items for the Institutional Arrangement variable is greater than 0.138. It can be concluded that the thirteen items are valid.

b. Human Resource Development Variables

Table 4. Test the Validity of Human Resource Development Items

Correlation	Correlation Value	r-table N = 191, α	Information	Conclusion
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		= 5%		
Item 1 Against Total	0.569		rcount > rtable	Valid
Item 2 Against Total	0.584		rcount > rtable	Valid
Item 3 Against Total	0.596		rcount > rtable	Valid
Item 4 Against Total	0.546	0.138	rcount > rtable	Valid
Item 5 Against Total	0.508		rcount > rtable	Valid
Item 6 Against Total	0.673		rcount > rtable	Valid
Item 7 Against Total	0.616		rcount > rtable	Valid
Item 8 Against Total	0.515		rcount > rtable	Valid
Item 9 Against Total	0.565		rcount > rtable	Valid
Item 10 Against Total	0.649		rcount > rtable	Valid
Item 11 Against Total	0.610		rcount > rtable	Valid
Item 12 Against Total	0.643		rcount > rtable	Valid
Item 13 Against Total	0.608		rcount > rtable	Valid

Source: Data processed

In Table 4 above, the corrected Item-total correlation value of all question items for the Human Resource Development variable is greater than 0.138. It can be concluded that the thirteen items are valid.

c. Employee Performance Variables

Table 5. Test the Validity of Employee Performance Items

Correlation	Correlation Value	f-table N = 191, α = 5%	Information	Conclusion
Item 1 Against Total	0.651	0.138	rcount > rtable	Valid
Item 2 Against Total	0.693		rcount > rtable	Valid
Item 3 Against Total	0.619		rcount > rtable	Valid
Item 4 Against Total	0.476		rcount > rtable	Valid
Item 5 Against Total	0.581		rcount > rtable	Valid
Item 6 Against Total	0.577		rcount > rtable	Valid
Item 7 Against Total	0.512		rcount > rtable	Valid

Item 8 Against Total	0.487		rcount > rtable	Valid
Item 9 Against Total	0.395		rcount > rtable	Valid
Item 10 Against Total	0.576		rcount > rtable	Valid
Item 11 Against Total	0.433		rcount > rtable	Valid
Item 12 Against Total	0.429		rcount > rtable	Valid

Source: Data processed

In Table 5 above, the corrected item-total correlation value of all question items for the Employee Performance variable is greater than 0.138. It can be concluded that the twelve items are valid.

4.3 Discussion

a. The Effect of Institutional Arrangements on Employee Performance

The Influence of Institutional Arrangement on Employee Performance at the Conformity Assessment Institute of North Sumatra Province, was carried out based on the dimensions of institutional arrangement. The results of statistical tests show that institutional arrangements directly affect employee performance. Institutional arrangement has a significant and positive effect on employee performance, this is shown by the value of $t\text{-statistics} > t\text{-table}$ or $4.13 > 1.65$. Because the $t\text{-statistical value} > 1.65$, the hypothesis is accepted where the institutional arrangement variable has a positive and significant effect on employee performance.

The magnitude of the coefficient of the structural equation of the Institutional Arrangement variable on the Performance of 0.50 means that every increase of the Institutional Arrangement variable by one unit will increase the Performance variable by 0.50. This implies that changes in employee performance are caused by changes in institutional arrangements. Where is the institutional arrangement consisting of organizational culture, organizational structure and strategy.

Institutional arrangement reflected in the organizational culture dimension can also be seen as a tool that can make changes and improve performance within the Conformity Assessment Institute. This is in accordance with the findings of Aucamp (1996) which states that institutional arrangement through the dimensions of organizational culture has a very strong power over the overall performance of the organization. Culture determines acceptable behavior, and the degree to which organizational members cooperate. Culture determines how information is managed, responding to internal demands and challenges within the institution or organization.

According to Sempene (2002) organizational culture is deeply rooted in the organizational system and arises all the time, which makes it difficult to change. Kusumah (2006) found that institutional arrangement through the dimensions of organizational culture has a direct effect on performance. Colquitt, Lepine and Welson (2009) concluded that institutional arrangement through the dimensions of organizational structure has an effect on performance.

b. The Influence of Human Resource Development on Employee Performance

The results of data analysis that Human Resource Development shows a positive and significant influence on Employee Performance at the Conformity Assessment Institute for North Sumatra Province with a large effect of reaching 0.47 meaning that every increase in

the Human Resource Development variable by one unit will increase the Employee Performance variable by 0,47. These results mean that changes that occur in employee performance are influenced by changes that occur in the implementation of human resource development at the North Sumatra Conformity Assessment Institute.

Hypothesis testing of Human Resource Development shows that Human Resource Development has a direct positive effect on employee performance because the value of t-statistics > t-table or $3.57 > 1.65$. Because of the value of t-statistics > t-table, the hypothesis is accepted where Variable Human Resource Development has a positive and significant effect on employee performance. The results of this study are in accordance with the opinion of Mathis & Jackson (2002) which Human Resource Development will produce the most effective results and will reduce the number of errors in work so that the achievement of employee performance will be better. Likewise, the opinion of Irawan (1993) which explains that Human Resource Development has a broad scope of meaning,

This finding is in line with the findings of several previous studies such as that conducted by Luhgianto (2006) and Anggraeni (2011) who conducted research in Semarang and Bandung, that individual abilities have been shown to have an effect on performance. In research Gelade (2003) shows that between Human Resource Development and Organizational Performance. Likewise, research by Boselie (2000) shows that there is a linear relationship between HRM or human resource management system with organizational performance, where training and human resource development results in higher performance and productivity in organizations. Gunawan's research (2012) explains that the management and development of aspects of human resources at PT. Royal Standard in Surabaya. The method used is descriptive qualitative with purposive sampling method and SWOT analysis shows that the management of the company which consists of planning, organizing, directing, controlling, human resource planning, recruitment, selection, training and development, overall performance appraisal has been going well. Human resource development is carried out to support the company's performance in achieving the company's goals and objectives. In developing the company more focus on training and development for employees as well as providing additional compensation for employees. Overall performance appraisal has gone well. Human resource development is carried out to support the company's performance in achieving the company's goals and objectives. In developing the company more focus on training and development for employees as well as providing additional compensation for employees. Overall performance appraisal has gone well. Human resource development is carried out to support the company's performance in achieving the company's goals and objectives. In developing the company more focus on training and development for employees as well as providing additional compensation for employees.

Setyowati (2003) conducted research on the development of competency-based human resources solutions to improve organizational performance. The results of his research show that competency-based human resource development can help organizations have managers who can carry out their leadership appropriately and will have employees who know what the organization should have and develop towards its members. Competency-based human resource development is carried out in order to provide results in accordance with the goals and objectives of the organization with established performance standards.

Research conducted by Susilowati (2012) on the influence of aspects of human resource management on improving organizational performance in the automotive industry in Indonesia. The problem under study is to examine how the influence of aspects of human resource management on improving organizational performance in the technology

driven automotive industry in Indonesia. The method used is the Structural Equation Modeling (SEM) analysis technique. The results of the study show that aspects of human resource management have a direct and significant positive effect on organizational performance in the automotive industry in Indonesia. The factor load of strategic human resource management, organizational culture (BO) and leadership (KPPM) on the human resource management variable is 0.90, 0.93 and 0, respectively. 82 shows that the three variables that become indicators of the aspect of human resource management provide standardization activities at the Conformity Assessment Institute, which are process activities for formulating, establishing, implementing, enforcing, maintaining and supervising standards that are carried out in an orderly manner and in collaboration with all stakeholders. Meanwhile, conformity assessment is an activity to assess that goods, services, systems, processes or personnel have met the reference requirements (Law No. 20 of 2014 concerning standardization and conformity assessment). maintain and supervise standards that are carried out in an orderly manner and in cooperation with all stakeholders. Meanwhile, conformity assessment is an activity to assess that goods, services, systems, processes or personnel have met the reference requirements (Law No. 20 of 2014 concerning standardization and conformity assessment). maintain and supervise standards that are carried out in an orderly manner and in cooperation with all stakeholders. Meanwhile, conformity assessment is an activity to assess that goods, services, systems, processes or personnel have met the reference requirements (Law No. 20 of 2014 concerning standardization and conformity assessment).

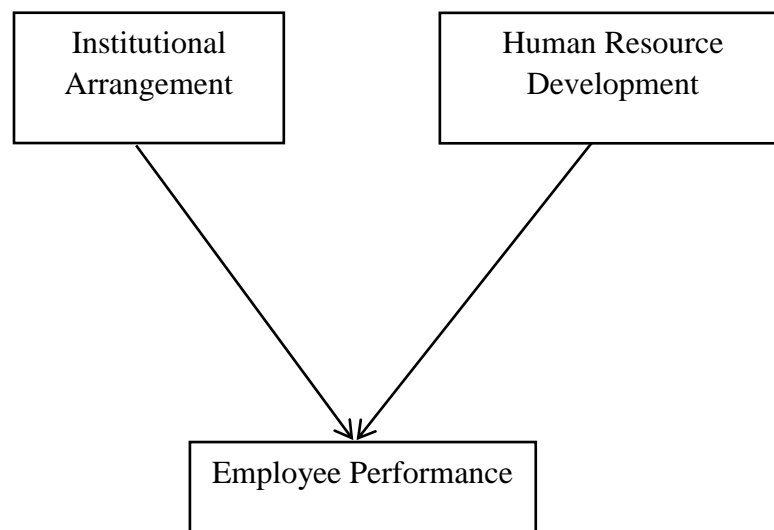


Figure 1. *The Effect of Institutional Arrangement and Human Resource Development on Employee Performance*

V. Conclusion

Based on the results of the research and discussion as described above, the researcher can then choose the following conclusions;

Institutional Arrangement has a positive and significant direct effect on Employee Performance at the Conformity Assessment Institute of North Sumatra Province. This

Institutional Arrangement which is reflected in the dimensions of organizational culture can also be seen as a tool that can make changes and improve performance within the Conformity Assessment Institute.

Human Resource Development has a positive and significant direct effect on Employee Performance at the Conformity Assessment Institute of North Sumatra Province. This reflects that changes that occur in Employee Performance are influenced by changes that occur in the development of Human Resources or employees at the Conformity Assessment Institute of North Sumatra Province.

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