HUMAN CAPITAL EXCELLENCE : HUMAN RESOURCE INVESTMENT AND GOVERNANCE IN IMPROVING THE COMPETITIVENESS OF ISLAMIC BANKING EMPLOYEES

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Abstract

Islamic banking in Indonesia faces significant challenges in managing competitive human capital (HC), despite its rapid development in line with the growing awareness of Sharia-based finance. This study aims to analyze the effect of human capital investment, namely salary and training, on employee performance in Islamic commercial banks, and to examine the role of Good Corporate Governance (GCG) as a moderating variable. The research employs a quantitative approach using panel data from seven Islamic commercial banks over a ten-year period (2015–2024), analyzed with multiple regression and Moderated Regression Analysis (MRA) through EViews software. The results reveal that salary has a significant effect on employee performance, while training shows no significant impact. Furthermore, GCG significantly influences performance and strengthens the effect of salary on performance, but does not moderate the relationship between training and performance. These findings indicate that financial compensation supported by sound governance is a key factor in enhancing employee productivity and competitiveness, whereas the effectiveness of training still requires improvement in terms of planning and implementation. In conclusion, the application of GCG principles is not only crucial as a governance instrument but also strategic in optimizing human capital investment aligned with Sharia values, thereby providing a foundation for managerial policies of Islamic banks as well as regulators to strengthen sustainability and competitive advantage in Indonesia's Islamic banking sector.

Keywords: Human Capital Investment; Salary; Training; Employee Performance; Good Corporate Governance

Abstrak

Perbankan syariah di Indonesia menghadapi tantangan dalam pengelolaan sumber daya insani (SDI) yang berdaya saing, meskipun telah mengalami perkembangan signifikan seiring meningkatnya kesadaran masyarakat terhadap keuangan berbasis syariah. Penelitian ini bertujuan menganalisis pengaruh investasi SDI berupa gaji dan pelatihan terhadap kinerja karyawan pada bank umum syariah, serta menguji peran Good Corporate Governance (GCG) sebagai variabel moderasi. Metode yang digunakan adalah pendekatan kuantitatif dengan data panel sekunder selama sepuluh tahun (2015–2024) dari tujuh bank umum syariah, dianalisis menggunakan regresi berganda dan Moderated Regression Analysis (MRA) melalui perangkat lunak E-Views. Hasil penelitian menunjukkan bahwa gaji berpengaruh signifikan terhadap kinerja karyawan, sedangkan pelatihan tidak menunjukkan pengaruh signifikan. GCG terbukti berpengaruh signifikan terhadap kinerja dan mampu memoderasi pengaruh gaji terhadap kinerja, namun tidak memoderasi hubungan antara pelatihan dan kinerja. Temuan ini mengindikasikan bahwa kompensasi finansial yang didukung tata kelola yang baik menjadi faktor kunci peningkatan produktivitas dan daya saing karyawan, sedangkan efektivitas pelatihan masih membutuhkan penguatan dalam aspek perencanaan dan implementasi. Penerapan prinsip GCG tidak hanya penting sebagai instrumen tata kelola, tetapi juga strategis dalam mengoptimalkan investasi SDI yang sesuai nilai syariah, sehingga dapat menjadi dasar bagi kebijakan manajerial bank syariah maupun regulator dalam meningkatkan keberlanjutan dan keunggulan kompetitif sektor perbankan syariah di Indonesia.

Kata Kunci: Investasi SDI; Gaji; Pelatihan; Kinerja Karyawan; *Good Corporate Governance*

A. Introduction

Islamic banking in Indonesia is an integral part of the national financial system based on Islamic sharia principles. As public awareness of Islamic Finance increases, so does the need for excellent and ethical human resource management. Human resources in Islamic banking are better known as Human Resources (HR). In this context, investment in HRD is not only an operational necessity but also a key strategy in enhancing the competitiveness of Islamic banks. This investment is primarily realized through fair compensation and effective training. Human Capital Excellence emphasize that organizations that continuously develop HRD capacity will gain sustainable competitive advantage

through employee productivity and loyalty.[1] [2].

Challenges in managing human resources in Islamic banks remain significant. Many Islamic bank employees do not have a strong background in Islamic economics, requiring so in-depth training that is not only technical, but also ethical and spiritual [3][4]. On the other hand, suboptimal compensation practices also hinder the creation of superior performance. In this situation, GCG becomes an important instrument for directing human resource investment to be more effective and results - oriented[5][6].

Investment in human resource in the form of training activities can improve the technical capabilities and work ethics of employees, while adequate compensation encourages motivation and loyalty. In the context of Islamic banking, these aspects cannot be separated from Islamic spiritual values. However, the effectiveness of such investment does not stand alone, but is greatly influenced by good corporate governance, or GCG. GCG ensures that human resource management is carried out in an accountable, transparent, and fair

[1] Mokhtari, Dadash Karimi, and Rahimi, 'The Role of Human Capital Excellence in Improving Employee Performance: A Case Study of the Judiciary', *JSIED*, 4.3 (2024), pp. 317–29, doi:https://doi.org/10.61838/jsied.4.3.18.

[2] Helena R Costakis and Jay S Pickern, 'Managing Human Capital Through the Use of Performance Improvement Plans', *Journal of Applied Business and Economics*, 24.6 (2022), pp. 216–22, doi:10.33423/jabe.v24i6.5749.

[3] Eny Lestari Widarni and Suryaning Bawono, 'The Role of Human Capital on the Performance of Islamic Banks in Indonesia, Malaysia, and Thailand', *Proceedings of the Brawijaya International Conference on Economics, Business and Finance 2021 (BICEBF 2021)*, 206.August (2022), doi:10.2991/aebmr.k.220128.023.

[4] Titik Husnawati Amini and Muhammad Sanusi, 'Analisis Kinerja Karyawan Lulusan Non-Perbankan Syariah Di Bank Syariah', *ABHATS: Jurnal Islam Ulil Albab*, 4.2 (2023), pp. 1–11.

[5] Riyad Goza Rahmat and Istianingsih, 'Pengaruh Good Corporate Governance Terhadap Manajemen Laba Dan Efeknya Terhadap Kinerja Keuangan (Pada Perusahaan Perbankan Di BEI Tahun 2015 – 2017)', *Jurnal Keuangan Dan Perbankan*, 16.1 (2023), pp. 9–22, doi:10.35384/jkp.v16i1.308.

[6] Anggraini Triaski Ramadhani and Erna Sulistyowati, 'Pengaruh Intellectual Capital Dan Implementasi Good Corporate Governance Terhadap Peningkatan Kinerja Keuangan', *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 7.2 (2023), pp. 969–86, doi:10.31955/mea.v7i2.3091.

manner[78]. GCG mechanisms are implemented to ensure that the company remains within reasonable control and limits [9].

Sharia commercial banks, as business entities and public trust institutions, requires a governance system that can facilitate the implementation of effective SDI strategies. GCG creates a work environment that is transparent, accountable and conducive to human resource development[1011]. GCG helps ensure that investment in human resource development are not only merely costs, but can deliver maximum results in individual performance[12].

Previous studies have discussed the effect of salary and training on employee performance, but the results have been inconsistent. Some studies show that salary has a significant effect on performance[13], while others show the opposite[14]. Similarly, the effect of training on performance is still debated;

[7] Taraweh Harahap and Rini Antika Ritonga, 'Peran Good Corporate Governance Dalam Meningkatkan Transparansi Laporan Keuangan', *JISOSEPOL: Jurnal Ilmu Sosial Ekonomi Dan Politik*, 2.2 (2024), pp. 353–60, doi:10.61787/56ny9959.

[8] Yosina Ivon Wanane, 'Analisis Penerapan Good Corporate Governance Pada PT. Bank Papua', *Journal of Economics and Business UBS*, 12.5 (2023), pp. 3195–3206, doi:10.52644/joeb.v12i5.628.

[9] Andika Pramukti and others, 'Membongkar Hubungan Good Corporate Governance Dan Kinerja Keuangan: Bukti Dari Sektor Consumer Goods', *Management Studies and Entrepreneurship Journal*, 5.2 (2024), pp. 3198–3207 <http://journal.yrpipku.com/index.php/msej>.

[10] Dadi Sunardi and Mayang Sari Edastami, 'Pengaruh Kinerja Keuangan Dan Pengungkapan Keberlanjutan Terhadap Nilai Perusahaan Dengan Tata Kelola Perusahaan Sebagai Pemoderasi', *Syntax Literate; Jurnal Ilmiah Indonesia*, 9.4 (2024), pp. 2877–91, doi:10.36418/syntax-literate.v9i4.15268.

[11] Eko Wirawan Bakkara and Mafajri Dwi Praja, 'Pengaruh Implementasi Good Corporate Governance, Komunikasi Organisasional Dan Kompetensi Teknis Terhadap Kinerja Karyawan PT Finnet Indonesia', *Journal of Economics and Business UBS*, 12.6 (2023), pp. 3595–3614.

[12] Maretha Kris Dwi Anggreni and Robiyanto, 'Pengaruh Struktur Modal Dan Struktur Kepemilikan Terhadap Kinerja Perusahaan Dengan Corporate Governance Sebagai Variabel Moderasi', *Jurnal Ekonomi Bisnis Dan Kewirausahaan*, 10.2 (2021), p. 100, doi:10.26418/jebik.v10i2.45162.

[13] Imam Muhtadin, Edi Purwanto, and Vira Pingky Lestari, 'Pengaruh Kompensasi Dan Stres Kerja Terhadap Kinerja Karyawan Pada Bank Syariah Indonesia Cabang', *Media Riset Bisnis Ekonomi Sains Dan Terapan*, 1.2 (2023), pp. 98–111.

[14] Arifin and others, 'Pengaruh Kompensasi, Kompetensi Dan Konflik Kerja Terhadap Kinerja Karyawan', *GLOBAL: Jurnal Lentera BITEP*, 1.01 (2023), pp. 24–33, doi:10.59422/global.v1i01.130.

employee training affects employee performance[15], but some studies find that it has no effect[16]. This research gap indicates the need for further study with a more comprehensive approach, including the integration of GCG as a moderating variable.

This study specifically aims to analyze the effect oh human resource investment on employee performance at Islamic commercial banks in Indonesia, considering GCG as a moderating variable. The novelty of this study lies in the utilization of Human Capiltal Excellence in a shatia-based organizational framework and the simultaneous testing of the variables of HR investmenr, employee performance, and GCG. This study is expected to not only contribute theoretically to the the HR management literature but also provide practical input for Islamic banks and regulators to improve the effectiveness of their HR strategies through an ethical and structured approach.

B. Research Methodology

This study uses a quantitative approach with an associative design to analyze the relationship between human resource investment (salaries and training), employee performance, and Good Corporate Governance (GCG) in Islamic commercial banks in Indonesia. The research population include all Islamic commercial banks, while the sample was determined purposive sampling based on the following criteria: non- regional banks, complete annual reports for the 2015–2024 period, and data on SDI expenses (salaries and training), number of employees, net profit, and GCG reports. Based on these criteria, seven banks were selected as the research sample. Secondary data were

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[15] Yandra Rivaldo and Septa Diana Nabella, 'Employee Performance: Education, Training, Experience and Work Discipline', *Quality - Access to Success*, 24.193 (2023), pp. 182–88, doi:10.47750/QAS/24.193.20.

[16] Ahmad Yani Kosali, 'Pengaruh Pelatihan Dan Pengembangan Karir Terhadap Kinerja Karyawan Dengan Employee Engagement Sebagai Variabel Intervening (Studi Kasus Pada Karyawan Lembaga Sinergi Sriwijaya Peduli)', *Tirtayasa EKONOMIKA*, 18.2 (2023), pp. 114–47, doi:10.54371/jiip.v6i2.1648.

collected through annual reposrts and GCG reports obtained from the bank's official websites and the OJK portal.

The research variables included salaries and training costs as indicators of SDI investment, employee performance measured by net profit per number of employees, and GCG measured by the banks' self-assessment score. Data analysis was performed using E-Views software with panel data regression. The regression model was selected through the Chow test, Hausman test, and Lagrange Multiplier test to determine the best model (common, fixed, or random effect). Next, classical assumption test, F-test, coefficient of determination (R^2), and Moderated Regression Analysis (MRA) were conducted to test the role of GCG as a moderation variable. This approach allows for comprehensive empirical testing of research hypotheses and produces findings relevant to strengthening SDI management strategies in Islamic banks.

C. Research Result and Discussion

The hypothesis test used in this study is moderate regression analysis, this study uses panel data, so the testing tool used is E-Views 13. Therefore, a model determination tests must be carried out first, followed by a classical assumptions test and moderate regression analysis.

1. Model Specification Test

a. Chow Test

Table 1. Chow Test Result

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.694752	(6,58)	0.0224
Cross-section Chi-square	17.212768	6	**0.0085**

Source: Eviews. 13 Output, data processed in 2025

Table 1 presents the results of comparing the FEM (Fixed Effect Model) and CEM (Common Effect Model) using Chow test. If the probability value

in the cross-section chi-square circle exceeds 0.05, then CEM is the most appropriate model to used. Conversely, if the cross-section chi-square probability value is below 0.05, then the FEM is considered the most appropriate model[17]. Based on the results of the Chow test, the cross-section Chi-square probability value obtained is 0.0085 which is below 0.05, so the model is considered appropriate is the FEM.

b. Hausman Test Result

Table 2. Hausman Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	15.731854	5	**0.0077**

Source: Eviews. 13 Output, data processed in 2025

Table 2 compares theFixed Effect Model (FEM) with the Random Effect Model (REM). If the Chow test has been conducted and the result is Common Effect Model (CEM), then The Hausman test is not necessary, and the Lagrange Multiplier test can be conducted directly. The Hausman test is determined if the probability value in the cross-section random exceeds 0.05 (> 0.05), then the appropriate model approach is REM. However, if the probability value of Cross-section random is below 0.05 (< 0.05), the more appropriate model is FEM [18]. Based on results of the Hausman test, the probability value of Cross-section random is 0.0077, which is below o.05, so the most appropriate model to use in this study is FEM.

Referring to the two tests above, it is proven that the research model used is FEM, and there is no need to continue with the Lagrange Multiplier test because FEM has defeated CEM and REM, whereas the comparison in the Lagrange Multiplier test is between CEM and REM.

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[17] C Savitri and others, *Statistik Multivariat Dalam Riset* (Widina Bakti Persada, 2021).
[18] Savitri and others, *Statistik Multivariat Dalam Riset*.

2. Classical Assumption Test

Based on the results of the model selection, it can be concluded that the Fixed Effect Model (FEM) is the most appropriate and relevant estimation method to use in this study. In line with this decision, before proceeding to a more in-depth regression analysis, it is necessary to test the classical assumptions. The classical assumption testing conducted on the Common Effect Model (CEM) and Fixed Effect Model (FEM) must satisfy two classical assumptions, namely the multicollinearity test and the heteroscedasticity test[19]:

a. Multikolinearitas Test

Table 3. Multikolinieritas Test Result

	X1	LOG(X1Z)	X2	LOG(X2Z)	Z
X1	1	0.8165166	0.4068805	0.4704925	0.1533054
LOG(X1Z)	0.8165166	1	0.2724195	0.4603323	0.6395468
X2	0.4068805	0.2724195	1	0.8840411	-0.0302722
LOG(X2Z)	0.4704925	0.4603323	0.8840411	1	0.2178232
Z	0.1533054	0.6395468	-0.0302722	0.2178231	1

Source: Eviews. 13 Output, data processed in 2025

Table 3 presents the multicollinearity test, which measures the existence of correlation between independent variables. If the coefficient is < 0.9 (the model does not contain multicollinearity), if the coefficient is > 0.9 (multicollinearity is present). After conducting the multicollinearity test, the values of X1-X1Z (0.8165166), X1-X2 (0.4068805), X1-X2Z (0.4704925), X1-Z (0.1533054), X1Z-X1 (0.8165166), X1Z-X2 (0.2724195), X1Z-X2Z (0.4603323), X1Z-Z (0.6395468), X2-X1 (0.4068805), X2-X1Z (0.2724195), X2-X2Z (0.8840411), X2-Z (-0.0302722), X2Z-X1 (0.4704925), X2Z-X1Z (0.4603323), X2Z-X2 (0.8840411), X2Z-Z (0.2178231), Z-X1 (0.1533054), Z-X1Z (0.6395468), Z-X2 (-0.0302722), Z-X2Z (0.2178232), each less than 0.90 (<0.90), then this study is free from multicollinearity.

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[19] R. B Napitupulu and others, *Penelitian Bisnis, Teknik Dan Analisa Dengan SPSS - STATA - Eviews*, 1st edn (Madenatera, 2021).

b. Heteroskedastisitas Test

Table 4. Heteroskedastisitas Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.34E+10	8.34E+09	-1.601350	**0.1147**
X1	-5.712445	3.049036	-1.873525	**0.0660**
LOG(X1Z)	7.69E+08	4.98E+08	1.543787	**0.1281**
X2	-9.996912	23.92843	-0.417784	**0.6776**
LOG(X2Z)	25411297	1.73E+08	0.146717	**0.8839**
Z	-3.07E+08	3.02E+08	-1.014218	**0.3147**

Source: Eviews. 13 Output, data processed in 2025

Table 4 shows the results of the heteroscedasticity test, which tests whether there is variance inequality from one observation to another[20] in the linear regression model. If the probability value of each variable is greater than 0.05 (>0.05), then there are no signs of heteroscedasticity[21]. while if the probability value of each variable is less than 0.05 (<0.05), there are symptoms of heteroscedasticity. After conducting the heteroscedasticity test, the probability values for each variable were obtained, namely X1 (0.0660), X1Z (0.1281), X2 (0.6776), X2Z (0.8839), and Z (0.3147), indicating that there were no signs of heteroscedasticity in the data in this study.

3. Hypothesis Testing

a. T-Test Results

Table 5. t-test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.48E+10	6.62E+09	2.228836	**0.0295**
X1	7.295768	2.591731	2.815018	**0.0066**
LOG(X1Z)	-8.28E+08	3.53E+08	-2.344061	**0.0223**

[20] suf Alwy and others, 'Analisis Regresi Linier Sederhana Dan Berganda Beserta Penerapannya', *Journal on Education*, 06.02 (2024), pp. 13331–44.

[21] Napitupulu and others, *Penelitian Bisnis, Teknik Dan Analisa Dengan SPSS - STATA - Eviews*.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.63E+08	3.71E+09	-0.070946	**0.9437**
X2	-10.90277	35.57294	-0.306490	**0.7603**
LOG(X2Z)	14122859	2.44E+08	0.057908	**0.9540**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.17E+09	4.55E+08	2.561657	**0.0129**
Z	-6.22E+08	2.18E+08	-2.854820	**0.0058**

Source: Eviews. 13 Output, data processed in 2025

Table 5 presents the results of the individual parameter significance test, which was conducted using a t-test on the dependent variable. This test aims to evaluate whether each independent variable in the regression model has a statistically significant effect on the dependent variable. This t-test was conducted in three stages to determine the effect of independent variables and interactions without being influenced by other variables. The first test examined the effect of the Salary variable (X1) and the interaction variable between Salary and GCG (X1Z) on Employee Performance (Y). The second test examines the effect of the Training variable (X2) and the interaction variable between Training and GCG (X2Z) on Employee Performance (Y). The third test examines the effect of the GCG variable (Z) on Employee Performance (Y).

The decision-making criteria are based on probability values (p-values). If the p-value is < 0.05, it can be concluded that the variable has a significant effect on the dependent variable. Conversely, if the p-value is > 0.05, the variable does not show a statistically significant effect.

The probability value (p-value) for variable X1, which represents the salary burden, is 0.0066, which is smaller than the significance level of 0.05. Based on these results, it can be concluded that the salary burden variable

affects employee performance. This is reinforced by the positive t-table value and regression coefficient value, which indicate that every increase in employee salary costs has the potential to improve employee performance.

The probability value (p-value) for variable X1Z, which represents the interaction variable between salary burden and GCG, is 0.0223, which is smaller than the significance level of 0.05. Based on these results, it can be concluded that GCG is able to moderate the relationship between salary burden and employee performance. This is reinforced by the t-table value and the negative regression coefficient value, which indicates that every decrease in the GCG rating (the lower the GCG rating, the better the governance) will strengthen the effect of employee salary burden on employee performance improvement.

The probability value (p-value) for variable X2, which represents employee training, is 0.7603, which is greater than the significance level of 0.05. Based on these results, it can be concluded that the employee training variable has no effect on employee performance.

The probability value (p-value) for variable X2Z, which represents the interaction between employee training and GCG, is 0.9540, which is greater than the significance level of 0.05. Based on these results, it can be concluded that the GCG variable is not able to moderate employee training on employee performance.

The probability value (p-value) for the Z variable representing GCG is 0.0058, which is less than the significance level of 0.05. Based on these results, it can be concluded that the GCG variable affects employee performance. This is reinforced by the t-table value and the negative regression coefficient value, which indicates that every decrease in the GCG rating (the lower the GCG rating, the better the governance) will improve employee performance.

b. F-Test Results

Table 6. F-Test Results

R-squared	0.297314	Mean dependent var	-1.14E+08
Adjusted R-squared	0.164046	S.D. dependent var	7.29E+08
S.E. of regression	6.67E+08	Akaike info criterion	43.62851
Sum squared resid	2.58E+19	Schwarz criterion	44.01396
Log likelihood	-1514.998	Hannan-Quinn criter.	43.78162
F-statistic	2.230949	Durbin-Watson stat	1.712102
Prob(F-statistic)	**0.024539**		

Source: Eviews. 13 Output, data processed in 2025

Table 6 presents the results of simultaneous significance testing conducted using the F-statistic, with the aim of assessing whether all independent variables collectively have a significant effect on the dependent variable. The decision in this test is based on the F-statistic probability value. If the F-statistic probability value is less than 0.05 (< 0.05), it can be concluded that the independent variables simultaneously have a significant effect on the dependent variable. Conversely, if the F-statistic probability is greater than 0.05 (> 0.05), it can be concluded that the independent variables simultaneously do not have a significant effect on the dependent variable.

Simultaneous significance test results (F-statistic test), after conducting the simultaneous significance test (F-statistic test), a probability value of the F-statistic of 0.024539 (0.02) was obtained, which is smaller than 0.05, so it can be concluded that the variables of salary, training, and interaction with GCG simultaneously have a significant effect on the dependent variable.

c. Results of the Coefficient of Determination Tes (R^2)

Table7. Coefficient of Determination Test R^2

R-squared	0.297314	Mean dependent var	-1.14E+08
Adjusted R-squared	0.164046	S.D. dependent var	7.29E+08
S.E. of regression	6.67E+08	Akaike info criterion	43.62851
Sum squared resid	2.58E+19	Schwarz criterion	44.01396

Log likelihood	-1514.998	Hannan-Quinn criter.	43.78162
F-statistic	2.230949	Durbin-Watson stat	1.712102
Prob(F-statistic)	**0.024539**		

Source: Eviews. 13 Output, data processed in 2025

Table 7 shows the R2 coefficient of determination test, with an R-squared value of 0.297314 (0.30), meaning that 30% of employee performance is explained by independent variables. The remaining 70% is explained by other variables outside the model.

d. Equality Moderate Regression Analysis

Y = 3.62084985413 + 4.31907998432*X1 – 2.9912935919*LOG(X1Z) - 36.4410780096*X2 + 1.5672005286*LOG(X2Z) – 4.5142500846*Z + [CX=F]

1) The constant value is 3.62084985413 (3.62) or 3.62%, meaning that without the variables salary (X1), Training (X2) and the interaction variables GCG (Z, X1Z and X2Z), the Employee Performance (Y) variable is 3.62%.

2) The beta coefficient value of the salary variable (X1) is 4.31907998432 (4.32) or 4.32%, If the other variable values are constant and the Salary variable (X1) increases by 1%, then the Employee Performance variable (Y) increases by 4.32%.

3) The beta coefficient value of the interaction variable between GCG and Salary (X1Z) is -2.9912935919 (-3) or -3 %, If other variables remain constant and the interaction variable between GCG and Salary (X1Z) increases by 1%, then the Employee Performance variable (Y) will decrease by 3%.

4) The beta coefficient value of the Training variable (X2) is -36.4410780096 (-36.44) or -36.44%. If other variables remain constant and the Training variable (X2) increases by 1%, then the Employee Performance variable (Y) will decrease by 36.44%.

5) The beta coefficient value of the interaction variable between GCG and Training (X2Z) is 1.5672005286 (1.57) or 1.57%. If other variables remain constant and the GCG and Training interaction variable (X2Z) increases by 1%, then the Employee Performance variable (Y) will increase by 1.57%.

6) The beta coefficient value of the GCG (Z) interaction variable is -4.5142500846 (-4.51) or -4.51%. If the values of other variables remain constant and the GCG (Z) variable increases by 1%, the Employee Performance (Y) variable will decrease by 4.51%.

4. Discussion

a. The Effect of Salary Influence on Employee Performance at Islamic Commercial Banks in Indonesia

The effect of salary on employee performance in this study is positive, meaning that the higher the salary paid by Islamic banks to their employees, the more positive the impact will be in terms of improving employee performance. The results of this study are in line with the research conducted by Muhatadin, Purwanto, and Lestari in 2023[22], but not in line with the research conducted by Arifin, Magito, Perkasa, and Febrian in 2023[23], which revealed that salary has no effect on employee performance.

The mechanism of the effect of salary on performance can be explained through several aspects. Adequate salaries make employees feel more financially secure, allowing them to focus more on their work. Salaries not only serve as a source of income, but also as a symbol of appreciation and recognition for employee contributions. When salaries are perceived as fair compared to market standards and between positions within the organization, this will increase intrinsic motivation while reducing the

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[22] Muhtadin, Purwanto, and Lestari, 'Pengaruh Kompensasi Dan Stres Kerja Terhadap Kinerja Karyawan Pada Bank Syariah Indonesia Cabang

[23] Arifin and others, 'Pengaruh Kompensasi, Kompetensi Dan Konflik Kerja Terhadap Kinerja Karyawan'.

potential for internal conflict. Thus, salaries play a dual role, both as a hygiene factor and a motivator, which can direct employees to work more optimally.

These findings can be analyzed through the perspective of Human Capital Excellence, which emphasizes that employees are strategic assets of an organization. Employees with a good level of welfare, one of which is through adequate salaries, will be more motivated to optimize their competencies, skills, and knowledge. The influence of salary on performance is also evident through increased loyalty, commitment, and emotional attachment of employees to the organization. Within the framework of Human Capital Excellence, competitive salaries reinforce the perception that the company values the quality and capacity of its human resources.

The practical implication of this study is the importance for Islamic Commercial Bank management to develop transparent, fair, and fair compensation policies that are in line with employees' standard of living requirements. The salary structure needs to be combined with performance-based variable incentives that emphasize service quality, compliance with Sharia principles, and the achievement of organizational targets. With the right compensation strategy, employees will not only be more motivated to improve their performance, but also more loyal in supporting the sustainability and competitiveness of Islamic Commercial Banks in Indonesia.

b. The Effect of Training on Employee Performance at Islamic Commercial Banks in Indonesia

This study found that training had no effect on employee performance at Islamic Commercial Banks in Indonesia. This shows that even though training programs were provided, there was no noticeable improvement in employee performance. The results of this Research study are in line with

research conducted by Kosali in 2023 [24], but not in line with research conducted by Rivaldo and Nabella in 2023[25] which revealed that training did have an effect on employee performance.

These findings indicate that the training program has not been able to provide direct added value to productivity or the achievement of work targets. Thus, the training has not been fully relevant or effectively applied in daily work practices. One of the reasons for the insignificant impact of training is the gap between the material provided and the real needs of the job in the field. If training is only theoretical, general, or not tailored to the specific roles of employees, then its impact on performance tends to be minimal. In addition, the lack of post-training evaluation and follow-up mechanisms means that the knowledge and skills acquired are not optimally implemented in work activities.

Another factor that influences this is the motivation and readiness of the employees themselves. Training programs will not be effective if participants attend them only as a formal obligation, rather than as a means of self-development. Similarly, a work environment that does not support the application of training outcomes, for example due to limited facilities, a rigid organizational culture, or a lack of support from superiors, can hinder the transfer of knowledge and skills into everyday work practices. This explains why training does not have a tangible impact on performance improvement.

The implication of these findings is the need for a comprehensive evaluation of the design, implementation, and follow-up of training programs at Islamic Commercial Banks. Training should be designed based on real needs analysis, be practical, and be integrated with the performance appraisal

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[24] Kosali, 'Pengaruh Pelatihan Dan Pengembangan Karir Terhadap Kinerja Karyawan Dengan Employee Engagement Sebagai Variabel Intervening (Studi Kasus Pada Karyawan Lembaga Sinergi Sriwijaya Peduli)'.

[25] Rivaldo and Nabella, 'Employee Performance: Education, Training, Experience and Work Discipline'.

system. Management also needs to create a supportive work environment so that the results of training can be applied consistently. With this strategy, training will not only be a formal activity, but will truly contribute to the development of employee competencies and improve organizational performance.

c. The Influence of Good Corporate Governance on Employee Performance at Islamic Commercial Banks in Indonesia

GCG in this study has a negative effect on employee performance, which means that the lower the GCG rating, the higher the employee performance at Islamic Commercial Banks in Indonesia. The results of this study are in line with the research conducted by Ramadhanti and Fitriah in 2022[26], but not in line with the research conducted by Islamiyah in 2020[27], which revealed that GCG has no effect on employee performance.

The negative moderation of GCG is very reasonable, because the lower the GCG rating, the better the governance, while a higher GCG level indicates poor governance. So, the lower the GCG value (the better the governance), the more positive the impact on employee performance at Islamic Commercial Banks in Indonesia.

GCG, from a human resource management perspective, can improve the quality of the relationship between management and employees. A transparent organizational structure and clear rules make employees feel secure and valued, thereby fostering loyalty to the company. This has an impact on increasing emotional attachment (employee engagement), which is then reflected in the willingness of employees to give their best effort beyond

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[26] Asyifa Dinda Ramadhanti and Epi Fitriah, 'Pengaruh Penerapan Good Corporate Governance Terhadap Kinerja Karyawan', *Bandung Conference Series: Accountancy*, 2.1 (2022), pp. 73–77, doi:10.29313/bcsa.v2i1.762.

[27] Islamiyah, 'Pengaruh Penerapan GCG (Good Corporate Governance) Dan Shariah Compliance Terhadap Kinerja Karyawan BPRS Sarana Prima Mandiri (SPM) Pamekasan' (Institut Agama Islam Negeri Madura, 2020).

the set standards. Thus, GCG plays a role not only as a control system but also as an instrument for increasing human resource productivity.

The practical implication of these findings is the importance for Islamic Commercial Bank management to continue strengthening the implementation of GCG in every aspect of operations, not only at the organizational level but also in daily working relationships. The application of GCG principles must be internalized through training, performance appraisal systems, and a Sharia-based work culture, so that employees understand these values as work guidelines. Thus, GCG not only improves the macro management of banks, but also has a real impact on employee performance, which ultimately strengthens the competitiveness and sustainability of Islamic Commercial Banks in Indonesia.

d. The Effect of Salary on Employee Performance an Islamic Commercial Banks In Indonesia with Good Corporate Governance as a Moderator

The moderation of GCG on the effect of salary on employee performance is negative moderation. This means that the lower the GCG rating (the better the governance), the stronger the relationship between salary and employee performance, and vice versa. Previous research on GCG moderation on the effect of salary on employee performance is still very limited. The results of this study are not in line with the research conducted by Muslih in 2023[28], which revealed that GCG is unable to moderate the effect of salary on employee performance.

The principles of transparency and accountability in GCG strengthen the relationship between salary and performance through the perception of fairness. When employees know that the salary system is clearly structured,

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[28] Mochamad Muslih, 'Pengaruh Kompensasi Komisaris Dan Direksi Terhadap Laba Perusahaan, Dengan Corporate Governance Sebagai Pemoderasi', *Jurnal Akuntansi Universitas Jember*, 16.2 (2019), pp. 98–110, doi:10.19184/jauj.v16i2.9796.

open, and based on objective performance measures, they will feel valued and motivated to improve their work performance. Conversely, if there is no transparency, even high salaries can cause dissatisfaction because they are considered unfair. Thus, GCG serves to clarify compensation mechanisms and strengthen the motivation that arises from salaries.

In addition, the principles of responsibility and independence in GCG ensure that salary policies are not influenced by specific interests, but purely to support human resource development. This makes employees believe that the salaries they receive truly reflect their performance, not the result of discrimination or other external factors. From an organizational culture perspective, GCG also reinforces the values of integrity, fairness, and professionalism that are in line with sharia principles. With GCG in place, salaries not only serve as financial motivators, but also encourage loyalty, dedication, and sincerity in work. This makes the relationship between salary and performance more sustainable and has an impact on the long-term performance of the organization.

The implication of this finding is that Islamic Commercial Banks need to view GCG not only as a regulatory obligation, but also as a strategic instrument in human resource management. Integrating GCG principles into remuneration policies will ensure fair, transparent, and performance-oriented compensation. Thus, the salaries provided not only directly encourage performance, but are also reinforced by good governance, thereby having an optimal impact on increasing employee productivity and the competitiveness of Islamic Commercial Banks in Indonesia.

e. The Effect of Training on Employee Performance in Islamic Commercial Banks In Indonesia with Good Corporate Governance as a Moderator

The results show that GCG is unable to moderate the effect of training on employee performance at Islamic Commercial Banks in Indonesia. This

finding indicates that even though GCG has been implemented, the existence of good corporate governance does not necessarily strengthen or weaken the relationship between training and performance. Empirical literature that specifically examines the effect of training on employee performance with GCG (Good Corporate Governance) as a moderating variable is still very limited.

One reason for the insignificant moderation of GCG is that the training conducted tends to be irrelevant to the needs of the job in the field. If the training material is still general, formal, or not directly related to employee responsibilities, its impact on performance will remain low even if it is managed within a good governance framework. In this context, GCG cannot strengthen this relationship because the quality of the training itself is not in line with the needs of developing core employee competencies.

From an organizational culture perspective, although GCG promotes the values of accountability and integrity, these values do not automatically change the effectiveness of training. If employees only participate in training as an administrative obligation without any incentive to apply what they have learned, the impact on performance will remain limited. In other words, GCG cannot replace the main function of training itself, which is to improve skills, knowledge, and expertise relevant to job demands.

The implication of these findings is the importance for Islamic Commercial Bank management to review the design and implementation of training programs. Training must be based on accurate needs analysis, be applicable, and be accompanied by follow-up mechanisms so that its benefits can be felt directly in the workplace. GCG remains important in maintaining organizational governance, but it cannot be used as a key factor in strengthening the effectiveness of training. Therefore, management needs to combine relevant training planning with a more comprehensive HR

development strategy in order to truly impact employee performance improvement.

D. Conclusion

This study concludes that salary has a significant effect on the performance of employees at Islamic commercial banks, while training does not show a significant effect. These results emphasize the importance of financial compensation as a major factor in driving employee motivation and productivity, while the effectiveness of training still needs to be improved in terms of planning, relevance, and implementation. Good Corporate Governance (GCG) has been proven to have a direct effect on performance and is able to strengthen the effect of salary on performance, but it does not moderate the relationship between training and performance. This shows that good governance is able to ensure a fair, transparent, and accountable compensation system, but it is not enough to cover the weaknesses in training quality.

The strength of this study lies in the use of ten years of panel data and the novelty of presenting GCG as a moderating variable, thereby contributing theoretically and practically to the literature on Sharia-based SDI management. However, this study is limited to salary and training indicators and simple performance measurements, so further research is recommended to add other factors and expand the object to more diverse Sharia financial institutions.

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