# The Effect of Motivation on Employee Performance: A Case of Employees in Sub-District Bangil, Pasuruan, East Java, Indonesia

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Abstract: The purpose of this study is to determine the effect of employee salaries, working conditions, relationships, organizational policies, and personal improvement on employee performance in Sub-District Bangil, Pasuruan, East Java, Indonesia. The population of this study was 71 employees of the Sub-District Bangil. This study uses a census for sampling method, because the entire population is used as the sample. To test the hypothesis, multiple linear regression analysis was used with the F test and t test. The results of this study are as follows: (1) salary has a significant effect on performance (2) working condition has a significant effect on performance; (3) the relationship between employees has a significant effect on performance; (4) organizational policy has no significant effect on performance; and (5) personal improvement has a significant effect on performance.Based on these findings, it is advisable for the government to carry out various policies to improve employee performance by focusing more on the aspects of payroll, creating conducive working conditions, building positive employee relationships, and providing opportunities for personal improvement.

# *Keywords:* Salary, Working Conditions, Employee Relationship, Personal Improvement.

# I. INTRODUCTION

In Indonesia, employees in the Sub-District are human resources as apparatus in the public sector who have the duties and responsibilities for giving services to the community, and assist the Head of Sub-district in carrying out their duties. In carrying out their services to the community, sub-district employees must be able to provide services in accordance with the wishes of the community, therefore those employees are required to have the ability, skills, sincere attention and need a high sense of empathy in carrying out their duties to serve the community.

State Civil Apparatus are responsible for the success in the implementation of governance and national development. The perfection of government administration and the implementation of development depend on primarily on the perfection of the state apparatus. Facing such conditions, state civil apparatus that have positions and duties as administrators of government, development and society, are absolutely required to have morale, high dedication and capability and quality in doing their jobs so that the implementation of national development can be created in an efficient and effective manner. The administration of government and national development that runs smoothly, orderly, steadily and effectively requires government officials that capable of implementing, encouraging, smoothing and directing efforts to achieve national development goals.

The sub-district office as one of the lowest institutions in the government within the scope of Pasuruan Regency has a vision of "Towards a prosperous, beneficial and competitive Pasuruan Regency". In carrying out the government activities, the potential of employees in the sub-district always consolidate, integrate and simplicity activities by prioritizing good service to the community, regional stability and successful governance and development. Based on the duties and responsibilities of state civil apparatus in Sub-District Bangil, this study would like to investigate the influence of motivational factors on employee performance.

# II. LITERATURE REVIEW

# Motivation

According to Winardi (2001: 6), motivation is a potential power that exists within a human being, which he can develop on his own, or be developed by a number of outside factors which essentially revolve around monetary rewards. Furthermore, Winardi (2001:6) stated that monetaryrewards can affect performance results positively or negatively, whichever depends on the situation and the conditions faced by the employee. Hasibuan (1996: 93) explains that motivation focus on how to encourage subordinates' work passion, so that they are willing to work hard.

Robbins (2001: 198) suggests the notion of motivation as the willingness to exert a high level of effort towards organizational goals, which is conditioned by the ability of that effort to meet individual needs. Meanwhile, Mangkunegara (2001: 93) describes that motivation is a condition that moves employees to be able to achieve the goals of their motives. Motivation can also be said to be energy to generate impulses in oneself.

Theories about motivation that have been put forward by experts basically are divided into two, namely the Theory of Satisfaction (Content Theory) and The Theory of Process. Satisfaction theory is related to the factors that exist in a person who motivates him, while process theory is related to how motivation occurs or how behavior is moved (Gitosudarmo (2000: 29).

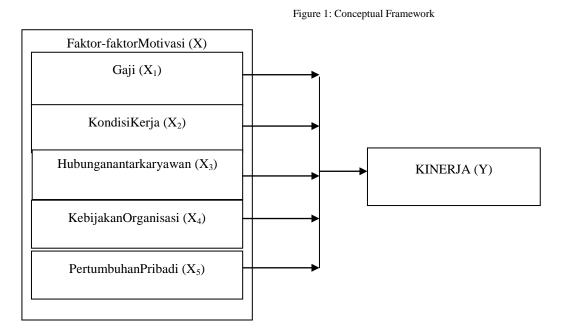
#### Performance

Dharma (1995: 32) states that performance is something that is done or a product / service is produced or given by a person or group of people. Moenir (1993: 76) suggests that performance is the result of one's work at a certain time or measure. Gibson (1996: 70) briefly states that performance is a very desirable result of behavior. Furthermore, Musanef (1992: 49) explains that performance is the ability of a person to achieve good results or stand out in the direction of achieving an organizational goal. Finally, Hasibuan (1996: 105) suggests that performance is a result achieved by a person in carrying out the tasks assigned to him based on skill, experience, and sincerity.

This study defines performance as a result of work achieved by a person based on predetermined criteria, namely based on the number of work results, and the amount of time that the work is completed.

# III. CONCEPTUAL FRAMEWORK

Based on the theory that discussed above, the conceptual framework of this study can be shown in the figure 1 below.



Based on the conceptual above, the hypotheses of this study are:

- *H1*: Salary, work conditions, employee relationship, organization policy, and personalimprovement have significant effect on performance.
- *H2:* Salary has significant effect on performance.
- *H3:* Working conditions have significant effect on performance.
- *H4*: Employee has significant effect on performance.
- *H5:* Organizational policy has significant effect on performance.
- *H6*: Personal improvement has significant effect on performance.

# IV. RESEARCH METHODOLOGY

This study is explanatory research. Sugiyono (2007) states that survey research is research conducted on large or small populations, but the data studied is data from samples taken from that population, so that relative incidents, distribution and relationships between variables are found both in sociological and psychological. This study has a population of 40 people which is the employees of Sub-District Offices in Bangil, Pasuruan Regency, and East Java, Indonesia. This study used census techniques to determine the sample, it means that all members of the population become respondents.

This study has five independents variables (salary, working conditions, employee relationship, organizational policy, and personal improvement) and one dependent variable (employee performance). Salary is measured by suitability of salary with duties and responsibilities and the amount of salary to meet the needs of a decent life. Working conditions are measured by comfort ability of workplace comfort and the equipment at work. The employee relationship in this study is measured by cooperation and willingness to help among employees. Organizational policy is measured by three indicators, namely work program, evaluation of work programs, and feedback. Personal improvement in this study is measured by education and training and promotion opportunities. Whereas employee performance as dependent variable is measured by quality of work, quantity of work produced, and on time work.

This research used multiple regression analysis models. The use of multiple regression analysis is carried out to test the effect of the relationship between one dependent variable and more than one independent variable. The equation of multiple linear regression equation models is as follows.

$$Y = a + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + B_5 X_5 + e$$

Keterangan:

Y	= Employee Performance
a	= Constant.
B <sub>1,2,3</sub>	= Coefficient of regression $X_{1,2,3,4,5}$
$X_1$	= Salary
$X_2$	= Working Conditions.
X <sub>3</sub>	= Employee Relationship
$X_4$	= Organizational Policy
X <sub>5</sub>	= Personal Improvement
e = Error term.	3.

#### V. RESULTS AND DISCUSSIONS

The statistical results using SPSS 21.0 software (Statistical Program for Social Science for multiple regression can be shown in the table 1 below.

No.	Variable	Coefficients
1.	(Constant)	0,188
2.	Salary $(X_1)$	0,215
3.	Working Condition $(X_2)$	0,424
4.	Employee Relationship (X <sub>3</sub> )	0,384
5.	Organizational Policy $(X_4)$	0,089
6.	Personal Improvement (X <sub>5</sub> )	0,610

Source: Primary data processed by the author, 2020

Based on statistical result in the table above, the equation is as follow:

Y = 0,188 + 0,215 X1 + 0,424 X2 + 0,384 X3 + 0,089 X4 + 0,610 X5

Based on the equation, it can be explained that:

- 1. Mathematically, a constant of 0.188 indicates the level of performance of 0.188 point, if the salary (X1), working conditions (X2), relationships between employees (X3), organizational policies (X4), and personal improvement (X5) are worth 0 point.
- 2. The regression coefficient for salary (X1) is 0.215. This means that if the salary (X1) increases or decreases by 1 point, then performance (Y) will increase or decrease by 0.215 point, assuming the

other independent variables remain unchanged or constant.

- 3. The regression coefficient for working conditions (X2) is 0.424. This means that if the working conditions (X2) increase or decrease by 1 point, then the performance (Y) will increase or decrease by 0.424 point, assuming the other independent variables are constant.
- 4. The regression coefficient for the employee relationship (X3) is 0.384. This means that if the employee relationship (X3) increases or decreases by 1 point, then performance (Y) will increase or decrease by 0.384 point, assuming the other independent variables are constant.
- 5. The regression coefficient for organizational policy (X4) is 0.089. This means that if organizational policy (X4) increases or decreases by 1 point, then performance (Y) will increase or decrease by 0.089 point, assuming the other independent variables are constant.
- 6. The regression coefficient for personal improvement (X5) is 0.610. This means that if personal improvement (X5) goes up or down by 1 point, then performance (Y) will increase or decrease by 0.610 point, assuming the other independent variables are constant.

# Hypotheses Tests

The first hypothesis (H1) in this study is there is a simultaneous influence of salary, working conditions, employee relations, organizational policies, and personal growth on the performance of the staff of Sub-District Bangil, Pasuruan Regency. This hypothesis is tested using F-test. The statistical result for this test can be seen in the table 2 below.

Ì	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regressi on	6,366	5	1,273	15,01 5	,000 <sup>b</sup>
1	Residual	5,511	65	,084		
	Total	11,877	70			

Table 2: F-test

Source: Primary data processed by the author, 2020

Based on the table above, it can be seen that the calculated F value of 15.015 > F table is 2.36 and the significance value is 0.000, this indicates that the salary (X1), working conditions (X2), employee relationship (X3), organizational policies (X4), and personal improvement (X5) simultaneously has a significant effect on performance (Y). Therefore, the hypothesis 1 in this study is accepted.

The magnitude of the influence of all independent variables (X) on the dependent variable (Y) is indicated by the value of the coefficient of determination (adjusted R Square), which is 0.500, this indicates that the contribution of the independent variables, namely Salary (X1), Working Conditions (X2),

Employee Relationships (X3), Organizational Policy (X4), and Personal Improvement (X5) simultaneously on the variability (fluctuation) of the dependent variable Performance (Y) of 50.0% while the remaining 50.0% is explained by other variables not included in this research model.

Results for testing of hypothesis 2, 3, 4, 5, and 6 can be seen from the value of t-test in the table 3 below.

Table 3: T-test

Variable	t value	t table	Sig.	Description
Salary (X1)	2,472	1,997	0,016	Significant
Working Conditions (X <sub>2</sub> )	3,890	1,997	0,000	Significant
Employee Relationship (X <sub>3</sub> )	2,671	1,997	0,009	Significant
Organizational Policy (X <sub>4</sub> )	1,346	1,997	0,183	Significant
Personal Improvement (X <sub>4</sub> )	4,449	1,997	0,000	Significant

Source: Primary data processed by the author, 2020

- 1. The second hypothesis (H2) states that salary affects the performance of Sub-District Bangil, Pasuruan Regency. In table above, the results of the regression calculation show the regression coefficient  $(b_1) =$ 0.215 with a t-count value of 2.472 > t-table of 1.997 and a significance value of 0.016 < 0.050. Statistically, the regression coefficient  $b_1 = 0.215 \neq 0$ is significant at the level of confidence  $\alpha = 0.05$ , so it can be concluded that the salary variable (X1) has a positive effect on performance (Y). Therefore, hypothesis 2 is accepted.
- 2. The third hypothesis (H3) states that working conditions have an effect on the performance of Sub-District Bangil, Pasuruan Regency. In table 3, the regression calculation results show the regression coefficient value (b<sub>2</sub>) = 0.424 with a t-count value of 3.890 > t-table of 1.997 and a significance value of 0.000 < 0.050. Statistically, the regression coefficient b<sub>2</sub> = 0.424  $\neq$  0 is significant at the level of confidence  $\alpha = 0.05$ , so it can be concluded that the working conditions variable (X2) has a positive effect on performance (Y). So that it can be concluded that hypothesis 3 is accepted.
- 3. The fourth hypothesis (H4) states that the employee relationship has an effect on the performance of the Sub-District Bangil, Pasuruan Regency. In table 3, the regression calculation results show the regression coefficient (b<sub>3</sub>) = 0.384 with a t-count value of 2.671 > t-table of 1.997 and a significance value of 0.000 < 0.050. Statistically, the regression coefficient b<sub>3</sub> = 0.384  $\neq$  0 is significant at the level of confidence  $\alpha$  = 0.05, so it can be concluded that the employee relationship variable (X3) has a positive effect on performance (Y). Therefore, hypothesis 4 is accepted.

- 4. The fifth hypothesis (H5) states that organizational policies affect the performance of Sub-District Bangil, Pasuruan Regency. Based on the table 3 above, the regression calculation results show the regression coefficient value ( $b_4$ ) = 0.089 with a t-count value of 1.346 < t-table of 1.997 and a significance value of 0.183 > 0.050. Statistically, the regression coefficient  $b_4$  = 0.089 = 0 is not significant at the confidence level  $\alpha$  = 0.05, so it can be concluded that the organizational policy variable (X4) has no effect on performance (Y). Therefore, it can be concluded that hypothesis 5 is rejected.
- 5. The sixth hypothesis (H6) states that personal improvement has an effect on the performance of Sub-District Bangil, Pasuruan Regency. Based on the table above, the results of the regression calculation show the regression coefficient value ( $b_5$ ) = 0.610 with a t-count value of 4.449 > t-table of 1.997 and a significance value of 0.000 <0.050. Statistically, the regression coefficient b3 = 0.610  $\neq$  0 is significant at the confidence level  $\alpha$  = 0.05, so it can be concluded that the personal growth variable (X5) has a positive effect on performance (Y) and the hypothesis 6 is accepted.

# VI. DISCUSSION AND CONCLUSION

Based on the analysis of the regression coefficient, this study shows that salary affects employee performance by 8.59%(r<sup>2</sup>). Based on respondents' responses, it shows that the amount of salary they received has met the needs of a decent life. 56.34% of respondents agreed with the average value of 3.197. Likewise, the employee of Sub-District Bangil stated that 53.52% agreed that receiving a salary was in accordance with their duties and obligations with an average score of 3,845.

Buchari (1989: 55) explains that employees will work better if they feel clear about what is expected of them. Salaries usually promise a wage that is set based on a series of tasks that must be performed. Hourly wages may be below wages and are usually based on time spent at work. A base salary or hourly wage gives employees a sense of security. Because they know that they will receive the minimum wage for at least the time they have spent at work. A safety net in the form of a fixed salary can lead to employee satisfaction. Because they know they will be paid no matter how much is made or done. It can be concluded that much better to encourage work productivity through incentives obtained from performance appraisals than incentives calculated from the amount of time spent at work.

Based on the regression coefficient analysis, the results of this study indicate that working conditions affect employee performance by 18.88% (r<sup>2</sup>). Based on the table of respondents' responses, it shows that employees in Sub-District Bangil stated that 57.75% had worked in a good and

pleasant work environment and 54.93% stated that they were in an environment that had met health standards.

Working conditions include extrinsic motivation in the twofactor theory of Herzberg (Gitosudarmo, 2000: 35). Thework environment is one of the factors that is quite influential on the work performed by employees. Working conditions that are comfortable, safe and supportive will make employees excited and passionate about work, and this can have a positive effect on their performance.

Based on the regression coefficient analysis, the results of this study indicate that the employee relationship has an effect on employee performance by 9.89% ( $r^2$ ). The progress and development of a company can be achieved because of employees. For this reason, establishing good relationships with employees needs to be done by every company. Disharmonious relationships often occur in companies because they only see employees as a means of achieving profit.

Foster mutual respect and respect among employees. By making employees feel respected and valued can motivate employees to improve their performance. Communicate well in any opportunity, either in person, in meetings or by email / telephone. Don't just emphasize personal matters without paying attention to employees. Unfair treatment of employees is one of the causes of disputes. Be as fair as possible to all employees without exception. By involving employees in making decisions, employees will feel valued and needed by the company. So that employees will maximize their performance to help advance the company.

Based on the regression coefficient analysis, the results of this study indicate that organizational policy has no significant effect on employee performance, at the level of confidence  $\alpha = 0.05$ . Based on the expectation theory model, organizational policies and practices are aimed at making job designs. This is stated in one of the goals of Sub-District Bangil, namely the improvement of quality community services. Based on the program, it shows that the Sub-District Bangil policy is more directed towards this.

Organizational policies focus more on implementing the vision and content of the organization, 60.56% of respondents agreed. Effective organization is a prerequisite for organizations to use resources optimally when trying to achieve business goals. The creation of a flexible organizational system that is responsive and adaptive helps the company to achieve its goals properly in a competitive environment.

Based on the regression coefficient analysis, the results of this study indicate that personal improvement has an effect on employee performance by 23.34% (r<sup>2</sup>). The employee improvement in Sub-District Bangil is carried out by the leadership. The leader always provides the opportunity to take part in education and training, indicated by an average score of 4,254. The results of this study support the ERG (Alderfer) theory that every employee has a need for growth, namely the need for growth includes all the needs related to the development of a person's potential including the need for self-actualization and appreciation (Gitosudarmo, 2000: 32).

Leaders also provide opportunities for career development (average score of 4.268). One of them is the success at work which is marked by career advancement. One's career advancement is one of the prominent motivations for active participation in an organization. The need to plan and develop a career arises from both the company and the employee side. With a career development program, it means that the company has prepared reliable human resources to meet the company's long-term needs. In addition, companies do not need to depend on the recruitment process if there are vacant positions that must be filled immediately. The absence of adequate attention from the company to employee career development will cause various problems that will reduce company performance

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