

Impact of Working Ability, Motivation and Working Condition to Employee's Performance; Case in Private Universities in West Jakarta

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OIDA International Journal of Sustainable Development, Ontario International Development Agency, Canada

ISSN 1923-6654 (print) ISSN 1923-6662 (online) www.oidaijsd.com

Also available at <http://www.ssrn.com/link/OIDA-Intl-Journal-Sustainable-Dev.html>

Abstract: Employee is part of organization which has a significant role and impact to the performance of an organization. They have to run the operational process that led to organizational success. Therefore, it is important for us to know what factors that influence employee performance. It is also because the employee performance is a very significant factor affecting profitability of an organization. Inefficient job performance will bring about a tragedy to the organization as associated with lower productivity, profitability and overall organizational effectiveness. Measuring performance is an essential function in business management. Business owners usually have quantitative or qualitative analysis procedures to review their companies operations. Quantitative analysis uses mathematical calculations to measure the performance output. Qualitative analysis allows business owners, or also customers to make personal judgments or inferences from business information. Employee performance is a key cog of a company. Employees usually represent the largest expense for a company, and measuring performance is essential to the employee management process. So, it can be concluded that the employee performance is the core construct of today's work place. The importance of employee is also way higher in service sectors, including education sectors.

The purpose of this study was to empirically prove the impact of working ability, working condition, and motivation on employee's performance in private universities in West Jakarta. University of Bunda Mulia, University of Bina Nusantara, University of Krida Wacana, University of Tarumanegara, University of Trisakti and University of Esa Unggul are used to be the objects in this research. Those universities are the reputable universities with high number of students, and also followed by high number of employees also.

A questionnaire was designed and disseminated randomly to 160 staff among those six universities and multiple regression was used to generate the findings. The results shows that all those three variables; working ability, working conditions and motivation has positive and significant effect on employee performance.

Future study is still needed, regarding this issue. For further research, aspect individual attributes such as individual character can be included as part of variable working ability. Leadership aspect and financial aspect, also can be included on variable working conditions, since it is also an important factor that influence the employee's performance. In the future studies, it can also be tested about the effect among each variable, not only the effect on job performance. And to enrich the results, it can also compare the situation between the private universities and public, or compare to another area.

Keywords: Motivation, Performace, Universities, Working Ability Working Condition

Introduction

Employees are the most valuable asset in any organization. A successful and highly productive business can be achieved by engaging them in improving their performance. Not all employees are equal in their working and they have different modes of working in that some have the highest capability regardless of the incentive while others may have an occasional jump-start. If they are handled effectively, the result can be greater productivity and increased employee morale. Employees in a firm are required to generate a total commitment to desired standards of performance to achieve a competitive advantage and improved performance for sustaining that competitive advantage at least for a prolonged period of time, if not forever.

According to Judge & Ferris (1993), perhaps there is no human resources system more important in organizations other than performance evaluation and the ratings of employee's performance represent critical decisions that highly influence a variety of subsequent human resources actions and outcomes. Performance is a multidimensional construct, the measurement of which varies depending on a variety of factors (Armstrong, 2000). A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes (Armstrong, 2000). Employees' performance is an important factor that contributes to improve the outcomes, behavior and traits of the employees. It helps to improve the productivity of the organization.

Performance is considered to be in relation with the concepts of ability, opportunity and motivation. Ability is a function of ability, education, experience and training. Good performance is resulted if the employee has the ability to support their activities at work. Opportunity refers to infrastructure and facilities needed to perform a job. Motivation is a psychological process that arousing, directing, and affecting the persistence a certain course of action to achieve a goal. That's why it is important to know what factors affecting the employee's performance. A lot of work already been done on performance management, but it is still limited study which use this variables as the predictors of employee's performance, in the education sector.

Research Question

As a research question, the research seeks to answer what role does the working ability, motivation and working condition play in enhancing performance in organization, especially in education sector. This will be possible through analysis of information gathered from the employee from six private university in West Jakarta, Indonesia.

Objective of Study

This study aims to:

- To give some more information about private universities in West Jakarta, Indonesia.
- To find out the relationships between working ability and employee's performance in private universities in West Jakarta, Indonesia.
- To find out the relationships between motivation and employee's performance in private universities in West Jakarta, Indonesia.
- To find out the relationships between working condition and employee's performance in private universities in West Jakarta, Indonesia.
- To provide recommendation and literature for the researchers and practitioners.

Limitation of this Study

Due to some constraints, there are still some limitations in this study. First, this study only uses the private universities as the objects, while there are also public universities. Second, the location we take is in West Jakarta only. And third, we didn't put any financial aspect that we believe could impact to the employee's performance, such as salary and bonus. It will be better for future research to combine these limitations so that the future finding will be much broader.

Theoretical Background

The literature begins with the vast correlation, hierarchical regression and moderated area of numerous factors that may affect the performance regression analysis were used to complete the statistical of employees in the working area.

Employee Performance

The objective of business owners is profitability. Your organization's success depends on your employees' performance; poor performance is detrimental to your company's success. Creating a well-rounded approach to

managing and coaching your work force requires the expertise of a human resources leader and the support of your company's executive leadership. Inefficient job performance will bring about a tragedy to the organization as associated with lower productivity, profitability and impairment of overall organizational effectiveness (Okoyo & Ezejiofor, 2013). Job performance is one of the most important dependent variables and has been studied for a long decade. An effective employee is a combination of a good skill set and a productive work environment. Many factors affect employee performance that managers need to be aware of and should work to improve at all times. Performance means both behavior and result. Behavior emanates from the performer and transforms performance from abstraction into action. Not just a means to an end, the behavior is also an outcome in itself, the product of mental and physical effort applied to the task, which can be judged apart from the result (Armstrong, 2000).

Motivation

Motivation by definition refers to what activates, directs human behavior and how this behavior is sustained to achieve a particular goal. Also it can be defined as the set of processes that arouse, direct and maintain human behavior towards attaining some goals. Jones (1955) argues that "motivation is concerned with how behavior gets started, is energized, is sustained, is directed, is stopped and what kind of subjective reaction is present in the organization while all this is going on.

Huczynski and Buchanan (2007) argued that "Motivation" is "A combination of goals towards which human behavior is directed; the process through which those goals are pursued and achieved and the social factors involved".

When we talk about employee motivation and performance, we seek to look at how best employees can be motivated in order to achieve high performance within a company or organization. Managers and entrepreneurs must ensure that companies or organizations have a competent personnel that is capable to handle this task. It can't be denied that an important role of management is to help make work more satisfying and rewarding for employees and to make employees' motivation consistent with organizational objectives. With the diversity of contemporary workplaces, this might be a complex task.

Some key factors of motivation can be categorized as:

- **Goals and ambitions:** these must be both realistic and achievable if satisfaction is eventually to occur. Problems arise when the goals set are too low (leading to feelings of frustration) or too high (leading to the constant lack of achievement).
- **Recognition:** a critical part of process of developing self esteem and self worth lies in the nature and levels of recognition accorded to the achievement of particular goals. The need for recognition itself therefore becomes a drive. Individuals tend to pursue goals that will be recognized and valued by others.
- **Achievement:** the components of achievement are the anticipated and actual rewards that the fulfillment of a particular goal brings. High levels of achievement occur where these overlap completely, a high level also normally occurs where real rewards exceed those that are anticipated. Low levels occur when the anticipated rewards are not forthcoming; this devalues the achievement. High and complete achievement is normally seen and perceived as successful.

Working Condition

The conditions under which a job is performed can be different from those completely comfortable to those very difficult and dangerous to employees' life and health. Difficult working conditions can be influenced by: (1) external factors that include climate and meteorological conditions, temperature, humidity, drafts, lighting in the workplace, noise and interference, gases, radiation, dust, smoke and other harmful factors; (2) subjective factors that include gender and age of the worker, fatigue, monotony, unfavorable posture during work, etc.; (3) factors related to the organization of production such as duration of the work shift, work schedule, working time, work pace, excessive strain etc.

Jobs with difficult working conditions may perform only those employees who meet specific requirements in terms of age, sex, qualifications, health, physical and mental condition and psychological capabilities. Difficult working conditions influence employees' performances. It is therefore necessary to take measures to eliminate uncomfortable working conditions or, if not possible, to take appropriate safety measures. Safety at work is carried out to ensure working conditions without danger to life or health, or, to avoid accidents, injuries, occupational diseases and, or at least mitigate their consequences.

Methodology

Research Methodology

This study uses a quantitative approach to analyze the factors that affect the employee's performance in the sixth private universities in West Jakarta, Indonesia. In doing this, quantitative analysis used econometric tools by using multiple regression analysis tool. Because the independent variables used in this research are more than 1.

Data Collection

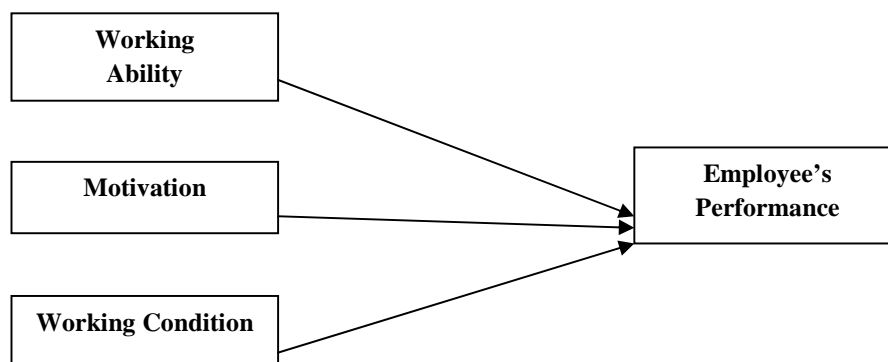
There are many ways of classifying data. A common classification is based upon who collected the data. There are two classification about data, such as primary data, which is collected by the investigator himself/ herself for a specific purpose and secondary data, which is collected by someone else for some other purpose (but being utilized by the investigator for another purpose).

Data used in this research is a primary data. We distributed the questionnaire to around 160 respondents from 6 private universities in West Jakarta, Indonesia. The respondents consisted of staffs, head of subdivision, but lecturers are not included in this research. We focus the research to the employee.

Study Framework and Hypothesis

The framework for the present study was developed based on the extensive literature review and is shown in Figure 1 below:

Figure 1: Study Framework



H1: Working ability is a significant and positive predictor of employee's performance.

H2: Motivation is a significant and positive predictor of employee performance.

H3: Working condition is a significant and positive predictor of employee performance.

Research Instrument

The instrument for collecting primary data in this study was on-site and self-administered questionnaire. The questionnaire consisted of four parts, designed to measure demographic information of the respondents, working ability, motivation, working condition, and employee's performance. Measurement scales for the goal setting and individual performance constructs were previously developed and assessed by Green et al. (2004). The employee engagement scale was previously developed and assessed by Buckingham and Coffman (1999). It was necessary to develop a new scale to measure workplace optimism. The items in this new scale were derived from Green et al. (2004).

All the dimension in working ability, motivation, working condition, and employee's performance was assessed with 5-point Likert-type scale, ranging from "strongly disagree" (1) to "strongly agree" (5). For respondents' demographic information, there are including age, gender, level of education, duration of working in each university. These characteristics were measured using nominal scale. There are 152 useful questionnaires were obtained.

Descriptive statistics, exploratory factor analysis, reliability analysis, and Multiple Regression are used to interpret the data. Multiple regression is used to assess the relative influence of a number of independent (predicting) variables when they are used to predict a dependent variable. All the classical assumption are tested to know whether the model is good. The good model should have a normal residual distribution, have no autocorrelation, heteroschedasticity (when the standard deviations of a variable, monitored over a specific amount of time, are non-constant), and no multicollinearity (it is a statistical phenomenon in which two or more predictor variables in a multiple regression model are highly correlated, meaning that one can be linearly predicted from the others with a non-trivial degree of accuracy). But, because this research is only made in a one period, we do not use autocorrelation test.

Descriptive statistics was used to examine demographic profile of the respondents, about gender, age, education, and period of work of the employee and also to evaluate the employee's performance in each of university in West Jakarta, Indonesia. According to Hair et al. (2006), the appropriateness for conducting factor analysis was assessed with Kaiser-Meyer-Olkin's measure (KMO) and Bartlett's sphericity test. Further, the criteria for the number of factors extracted and variables retained were based on eigenvalues, percentage of variance, significance of factor loadings and number of variables in the extracted factor. The Cronbach alpha coefficients were calculated to test the scale's reliability. Coefficients higher than 0.6 were considered acceptable, indicating reasonable internal consistency and reliability (Hair et al., 2006). The factor analysis and also reliability analysis are the first step that has to be done before doing the structural equation modeling analysis.

Results

Demographic Respondent

Demographic profile of the sample is presented in Table 1 below.

Table 1 Demographic Profile of the Respondents (n=152)

Items	Frequency	Percentage
Gender		
Male	70	46%
Female	82	54%
Age		
< 20	-	0%
21 – 30	8	5%
31 – 40	46	30%
41 – 50	80	53%
51 – 60	18	12%
Education		
Un-educated	-	0%
Elementary School	-	0%
Junior High School	4	2%
Senior High School	41	27%
Diploma	79	52%
Bachelor	28	18%
Period of Work in the University		
< 5 year	23	15%
6- 10 year	85	56%
11 – 20 year	25	16%
> 21 year	19	12%

Among the 132 respondents in the sample, 46% are male and 54% are female. Most of the respondents are around 41 until 50 year old. They are about 53% of the respondents, followed by those who are around 31 until 40 year old,

for about 30%. There are 12% respondents with the age around 51 until 60 year old and also 5% respondents around 21 until 30 year old. The education of the respondents that fill the questionnaire are divided in to Junior High School, for about 2%, Senior High School, for about 27%, Diploma, for about 52%, and Bachelor for about 18%. Around 56% employee has been working in the university for about 6 to 10 year, while there are around 16% employee who has been working for about 11 until 20 year, 15% employee who has been working about less than 5 year, and 12% employee has been working for more than 21 year.

Validity and Reliability

Each factor is analyzed using principal component analysis. The purpose was to identify the main dimensions that give impact to the employee's performance. First, the appropriateness for conducting factor analysis was evaluated. The result shows all the factor loading (KMO value) have value above 0.05. It means that each factor is valid. Validity test is used when we want to know whether each question accurately measures what it purports to measure. After testing about the validity, we continue to do the reliability test. If there is an indicator that we found not valid previously, then we didn't include that indicator in the upcoming test, including in the reliability test. The reliability is tested using the Cronbach Alpha. The number of Cronbach Alpha should be above 0.6 to be said that the question is reliable (Hair et al., 2006). Reliability test is used to measure the consistency of the respondents in answering the question. From all the result we see that each question is reliable, based on the Cronbach Alpha they have is all above 0.6. The non-valid indicator can't be used in the test. It should be taken out from the reliability test and furthermore. And the non-reliable indicator can't be continued in the analysis and should not be used in the data processing. So it is like a continuously process in analyzing the data.

The validity and also reliability test are two important test that should be done before we start doing the analysis. The result of validity and reliability test show that each indicator that is used is valid and also reliable, so that all the indicators are included in the data processing.

After the validity and reliability done, the regression analysis is done to know which factor has the largest impact to the employee's performance in the sixth private universities in West Jakarta, Indonesia. Before interpreting the regression result, we have to make sure that the model used is free from the classical assumption. And in this research, there is no classical assumption violation (there's no heteroschedasticity, multicollinearity and the error distribution is normal).

The multiple regression analysis revealed the following. The relationship between the combination of independent variables in the model and the dependent variable is strong. It is seen from the number of R Squared is 0.874 and the number of Adjusted R Square is 0.862. Because it is multiple regression analysis, we take the Adjusted R Square, not the R Squared. The number of 0.862 means that the independent variable are able to explain the employee's performance about 86.2%, and the rest for about 13.8% factors that affect the employee's performance in the private universities in West Jakarta, Indonesia is explained by another factors that are not included in the model. This Adjusted R Squared shows that the model is goodness of fit, since the minimum value of Adjusted R Squared that the model should has to be called as good is 70%. In addition, the Prob. of F shows that the combination of independent variables significantly predicted dependent variables simultaneously. It is because the Prob. of F that the model has is 0.00. And it is also a good sign, because in doing the regression, we all want that the independent variables that we use in the model have impact to the dependent variable.

Table 1. Multiple Regression Result

Indicators	Results	
R2	0.874	
Adjusted R Squared	0.862	
F Ratio	75.181	
Significance	0.000	
Independent Variables	b	Sig.
Constant	2.780	.000
Working Ability	1.288	.020
Motivation	1.971	.014
Working Condition	1.996	.044

To assess the relative importance of each independent variable in determining the value of the dependent variable, the significant value of each dimension is provided. The data processing is using the 10% alpha. The factor is said to have a significant impact to the employee's performance if they have the significant value less than 0.1. According to Table 1, it is seen that all those three independent variables significantly influenced the employee's performance in those six universities in West Jakarta, Indonesia, statistically.

Working condition has the highest impact to the employee's performance. It is seen from the beta number. It has the highest number among all the other variables (1.996). Therefore, this is the most important independent variable. But we can see that the impact of motivation and working ability to employee performance has also been great because the coefficient that is has is not too far from working condition.

Discussion and Conclusion

Through this research, we determine what factors that have the highest impact to the employee's performance in six private universities in West Jakarta, Indonesia. The findings of factor analysis revealed that the main dimensions of employee's performance in those private universities are working condition, motivation and working ability.

Multiple regression analysis indicated that all those three variables are the important factors to the employee's performance, since they have positive and significant impact to the employee's performance in those private universities. The results revealed strong, positive and significant relationship between each variable to employee's performance. It implies that the good determination of working condition, having a strong motivation and improving the employee's ability lead to higher employee's performance in those universities. In addition, about 82% of variance in overall employee's performance can be explained by these variables. Thus, the explanatory power of the tested model in the employee's performance is satisfactory.

Working condition, as the most important predictor in the employee's performance must be maintained well. The management should be able to provide a good working condition, for instance by giving a good supervision, by dividing the workload in an appropriate way among the employee. It is because we can't deny that workload should be maintained, since it can lead to employee's stress and cause a decreasing in employee's performance.

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