



## Determinant of Employee Performance: Case in Diskop UKM

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**GJMBR-A Classification:** *JEL Code: M51*



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# Determinant of Employee Performance: Case in Diskop UKM

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**Abstract-** This study aims to analyze the determinant of employee performance. Based on theories indicate several variables the company needs to pay attention to, there are job satisfaction, work environment, employee individual commitment and work motivation. The research object is the Small and Medium Enterprises of Cooperative Service (Diskop UKM) in Aceh. The sampling technique used is a census, takes population as a sample, that is as much as 130 people as the respondents. This study also uses Structural Equation Modeling (SEM) to test the causality model. The result shows that job satisfaction effects work motivation significantly, work environment effects work motivation significantly, individual commitment effects work motivation significantly, job satisfaction effects employee performance significantly, work environment effects employee performance significantly, individual commitment effects employee performance significantly, and work motivation effects employee performance significantly in which the Critical Ratio value is greater than 2.00 and the probability level is above 0.05. It means that all hypotheses are verified. The originality lies in the integration model of causality theories from the previous ones, and uses SEM as a test technique. The limitation is in the number of variables and the object. This has the implication of enriching knowledge in the social sciences, and as a basis for further new research models. It also implies practical people who implement related variables.

**Keywords:** job satisfaction, work environment, individual commitment, work motivation, employee performance.

## 1. INTRODUCTION

Employees are people who work and have advantages in terms of their human resources and have a strategic role for the company / institution so that they can manage well and contribute optimally. employee performance is one of the important indicators in determining the progress of a company, in which with the increase in employee performance, the company can maintain and improve its existence in supporting the company progress (Hasibuan, 2007). (Qadariah, Majid and Idris, 2019) employee performance will influence the success of an organization. Thus the organization must always improve the performance of its employees in order to achieve organizational objectives. employee performance is based on the achievement of an employee as it is measured by certain criteria which is set by the organization. According to (Marhayani, Musnadi and Ibrahim, 2019) employee performance is action and results. Therefore, employee performance is

considered a multi-dimensional concept. (Marhayani, Musnadi and Ibrahim, 2019) describes job performance as an individual level variable that distinguishes employee performance from organizational performance. Therefore, when compiling employee performance, one must distinguish between aspects of action and aspects of results.

In connection with these conditions, a company is expected to give more attention to improve employee performance to the employees who have performance below the company work standards. This is due to the increase in employee performance of the employees who have low standard. It automatically gives an opportunity for the company to improve itself to be better in the future. In general, the performance of employees in Diskop UKM Aceh in general is good. It is more due to the existence of an application system that causes employees to be more careful in working because it deals directly with the sanctions that will be obtained when violating work restrictions. One of the systems that made a significant change in the employees of Diskop UKM Aceh is the implementation of e-performance system. The e-performance program is a web-based internet application program. This program can be used as a measurement of SKPD and PNS work in accordance with the complete analysis of both positions, workloads and as a basis for calculating income increment.

E-Performance makes performance measurement more effective and efficient. Previously the performance measurement system was still calculated through DP3 format, but now DP3 writing system is irrelevant, so it is replaced by SKP with PP No. 46 of 2011 which was applicable from 2014. E-Performance is a government program that is designed to support the management of resources residing in each Service. The existence of E-Performance is able to answer the problems in management including identifiers, reporting, assessment, and awarding to employees in the Service. E-performance is an example from the application of human resource management theories that are summarized in a web-based application. E-performance can measure, identify, deliver, give an assessment, and award in the form of additional income.

Diskop UKM Aceh is a government institution that has become one of the government arms as the executor of government programs of cooperative and small medium enterprise (SME). They have the aim of

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trying to build cooperatives and all small and medium-sized businesses by improving the quality and quantity of both businesses and HR, so that results are fast, precise and produce competitiveness in both HR and its products. In an effort to improve employee performance, the company is expected to pay attention to several aspects that will influence the performance of employees. With more attention by the company to the employees, especially in the factors of job satisfaction, work environment, individual commitment and work motivation can produce high employee performance. According to (Idris *et al.*, 2017), motivation is formed from the attitude of employees who work in companies in certain situations. In other words, work motivation is a picture of energy that is directed at employees to achieve organizational goals. This condition is positively charged with the work situation so that it influences the sense of work optimism in completing work in order to achieve maximum performance goals. According to (Idris *et al.*, 2017), work motivation is part of the enthusiasm from someone who is growing because of the ultimate goal to be achieved. These goals become stimuli so as to motivate someone to work more diligently, efficiently and effectively to achieve company goals.

(Robbins and Judge, 2012) say that job satisfaction is a response which is expressed by someone to the work they are doing. (Mathis and Jackson, 2001) job satisfaction is a positive form of employee enthusiasm for work he is done. Thus the job satisfaction of emotional feelings is shown by someone in a positive way from the results of work evaluations and one's experience. (Luthans, 2006) says that job satisfaction is one's perception of the work which they are doing positively. The opinion of (Sutrisno, 2014), job satisfaction will be a problem that is quite sensitive, because with the feeling of job satisfaction, it will be something that is expressed positively.

Work environment is the support of facilities that are owned by workers around the work place in an effort to support work to be better, therefore the existence of work environment is a component that supports workers in carrying out their duties, such as appropriate facilities and infrastructure (Isyandi, 2004). (Simanjuntak, 2003), it is interpreted as the overall supporting equipment that is around the worker in an effort to facilitate the work. Whereas according to (Mardiana, 2005) work environment is everything around the workers do their work.

Individual commitment of the employee is the relationship between a person and the promise that is applied in the employee himself. Commitment is the basis or the ultimate goal of employees in work and provides great motivation to continue in achieving what has been promised to the employees themselves in an effort to achieve company goals. (Robbins, 2006) says

that employee individual commitment is an effort to present one's opinion in an effort to increase the interests of the company without leaving self-interest. Whereas according to (Luthans, 2006), an outline commitment to attitude is shown as loyalty to the sustainability of someone in the company.

Based on the previous theories and equipped with data and facts that occur in Diskop and UKM Aceh, therefore, researchers are interested in conducting study to verify the causality of the variables that contribute to employee performance, with research paradigm and hypothesis bellows.

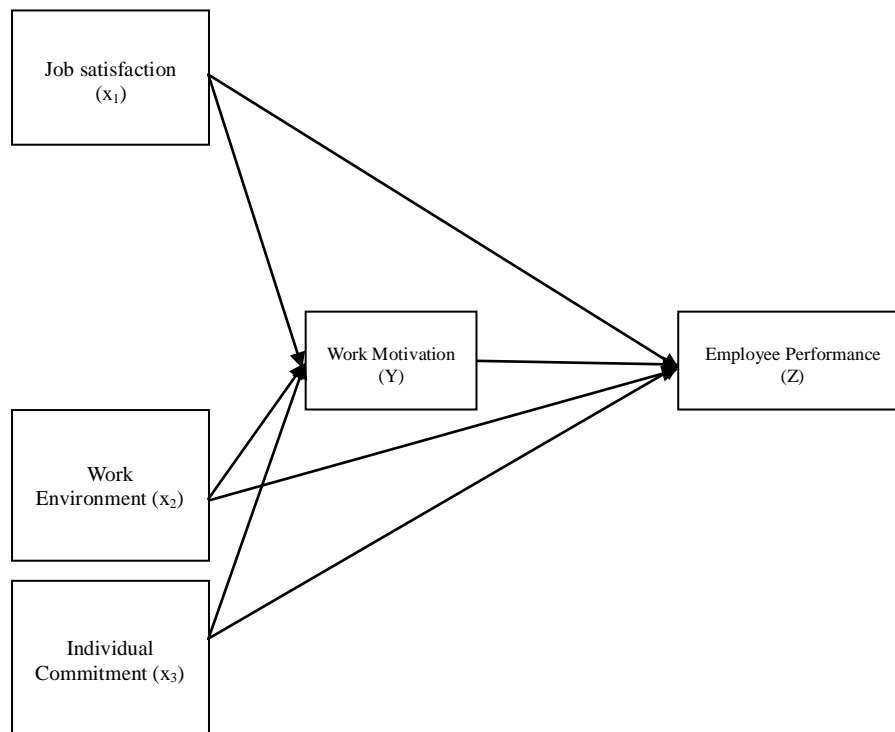


Figure 1: Research Paradigm

H1= There is influence of job satisfaction on work motivation

H2= There is influence of work environment on work motivation

H3= There is influence of individual commitment on work motivation

H4= There is influence of job satisfaction on employee performance

H5= There is influence of work environment on the employee performance

H6= There is influence of individual commitments on the employee performance

H7= There is influence of work motivation on the employee performance

## II. METHOD

The object in this research is in Diskop UKM in Aceh and the respondent is the employees at Diskop UKM Aceh. The population is 130 employees and the sampling technique uses census, so for the sample takes all the population so it is 130 people.

Table 1: Population

No.	Field	Population (Person)
1	Secretariat	22
2	Field of Institution	10
3	Field of Inspection and Supervision	12
4	Field of Cooperative Empowerment	13
5	Field of SME Empowerment	10
6	UPTD Training Center for Cooperatives and SME	12
7	Widiyaiswara	6
8	Contract Employees	28
9	PLUT Consultants and PLUT Contract Work Force PPKL	12
10		5
	Total	130

The model is tested with SEM method by using AMOS as an application. So there will be a goodness of fit also as fit test. This type of research is a verification research which verify and analyze the causality theories from the previous ones.

This research builds constructs using several theories to measure the variables. (Fadel, 2009)

suggests several indicators used to measure employee performance, namely understanding of basic tasks and functions, Innovation, working speed, work accuracy, and cooperation. According to (Priansa, Pd and Suwatno, 2011), employee motivation is influenced by physical needs, the need for security, safety, social needs, the need for self-esteem and the need for self-

actualization. (Robbins and Judge, 2012) says there are five aspects used to evaluate job satisfaction, that are the work itself, salary, promotion, supervision, and co-workers. (Sedarmayanti and Pd, 2001) outlines seven indicators of the work environment, including lighting, air temperature, room color, spatial work space, work safety, work relations and work atmosphere. (Mowday, Porter and Steers, 1982) measures employee commitment using four indicators, namely a strong desire to remain

as a member, the desire to try hard at work, acceptance of organizational values, and acceptance of organizational goals. These all indicators is used in this research as constructs in verifying the model.

### III. RESULT

Based on the result of confirmatory factor analysis (CFA) on each indicator, it can be used as it is shown in Figure 1 below:

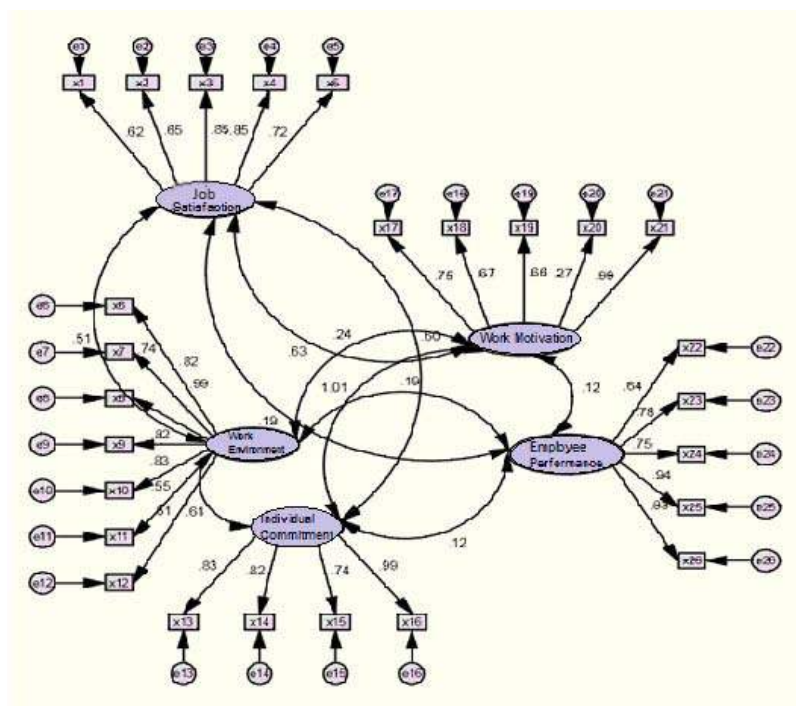


Figure 2: Confirmatory Factor Analysis

It can be explained the loading factor values are as follows:

Table 2: The Result of Confirmatory Factor Analysis

Indicator		Variable	Estimate	Loading Factor
x1	<---	Job satisfaction	0.72	>0.50
x2	<---	Job satisfaction	0.85	
x3	<---	Job satisfaction	0.85	
x4	<---	Job satisfaction	0.65	
x5	<---	Job satisfaction	0.62	
x12	<---	Work Environment	0.61	>0.50
x11	<---	Work Environment	0.73	
x10	<---	Work Environment	0.86	
x9	<---	Work Environment	0.82	
x8	<---	Work Environment	0.69	
x7	<---	Work Environment	0.71	
x6	<---	Work Environment	0.82	>0.50
x16	<---	Individual Commitment	0.99	
x15	<---	Individual Commitment	0.74	



x14	<---	Individual Commitment	0.82	>0.50
x13	<---	Individual Commitment	0.83	
x17	<---	Work Motivation	0.75	
x18	<---	Work Motivation	0.67	
x19	<---	Work Motivation	0.66	
x20	<---	Work Motivation	0.77	
x21	<---	Work Motivation	0.99	>0.50
x22	<---	Employee Performance	0.64	
x23	<---	Employee Performance	0.78	
x24	<---	Employee Performance	0.75	
x25	<---	Employee Performance	0.94	
x26	<---	Employee Performance	0.83	

Based on the comparison of the loading factor value with the limit value, the loading factor value indicates that it is feasible to be used in the data

analysis. There is no elimination of indicators in the model. Based on the results of the full model from SEM analysis, the figure can be seen below.

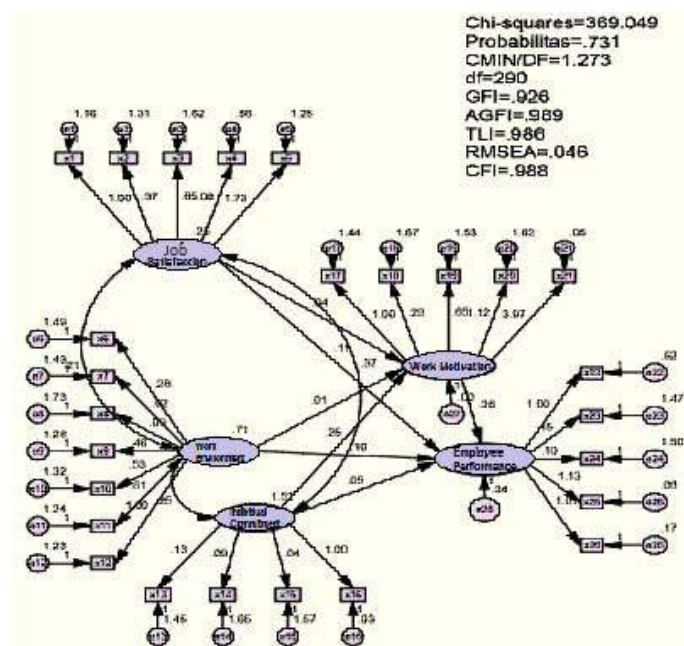


Figure 3: Strutural Equation Modeling (SEM) Analysis

The goodness of fit test with Strutural Equation Model analysis is shown in figure 3. Goodness of Fit value has met the applied criteria with probability (p) 0.731. Likewise with other criteria such as GFI = 0.926, AGFI = 0.989, TLI = 0.986 and CFI = 0.988, the values

are above 0.950, and also RMSEA value 0.046. Thus this SEM model is good fit so that this model is acceptable. Based on the calculation results that are obtained the values are as follow:

Table 3: Test Result

No.	Hipotesis	CR Cut off > 2,00	P Value Cut off < 0,05	Keterangan
1	The Influence of job satisfaction on work motivation	2.683	.007	H <sub>1</sub> = Accepted
2	The Influence of work environment on work motivation	2.743	.004	H <sub>2</sub> = Accepted
3	The Influence of individual commitment on work motivation	3.526	.000	H <sub>3</sub> = Accepted
4	The Influence of job satisfaction on employee performance	3.820	.000	H <sub>4</sub> = Accepted

5	The Influence of work environment on employee performance	2.371	.011	H <sub>5</sub> = Accepted
6	The Influence of individual commitment on employee performance	3.087	.000	H <sub>6</sub> = Accepted
7	The Influence of work motivation on employee performance	3.118	.000	H <sub>7</sub> = Accepted

From the table 3 above, it can be seen that the verification hypothesis tested meets the requirements to be accepted, so it can be concluded that hypotheses 1, 2, 3, 4, 5, 6, and 7 are accepted. The explanation we can see as follows.

*H1 (Accepted):* The value of CR = 3.526 > 2.00. It explains that job satisfaction has a significant effect on work motivation. This means that by increasing the job satisfaction, there will increase the work motivation. These result is in line with (Lie and Siagian, 2018) that job satisfaction has an effect on employee motivation and work motivation and job satisfaction have a significant effect on employee performance.

*H2 (Accepted):* The value of CR = 2.743 > 2.00. It figures that work environment has a significant effect on work motivation. This means that by making a good work environment, there will increase the work motivation. These result is in line with (Ardiani and Nugraheni, 2015) that the non-physical work environment has a significant positive effect on motivation, incentives have a negative influence on employee motivation and performance, the non-physical work environment and motivation does not have a significant positive effect on performance employee

*H3 (Accepted):* The value of CR = 2.683 > 2.00. It describes that individual commitment has a significant effect on work motivation. This means that by increasing the individual commitment, there will increase the work motivation. This is in line with (Indarti and Anidar, 2015) which states that ability has a positive and significant effect on motivation, and commitment has a significant positive effect on motivation.

*H4 (Accepted):* The value of CR = 2.371 > 2.00. It indicates that job satisfaction has a significant effect on employee performance. This means that by increasing the job satisfaction, there will increase the employee

performance. These result is in line with research (Indrawati, 2013) Results that obtain results: 1) job satisfaction has a significant positive effect on employee performance, 2) employee performance also has a significant positive effect on customer satisfaction, and 3) job satisfaction has a direct positive effect on and indirectly through employee performance on customer satisfaction.

*H5 (Accepted):* The value of CR = 3.820 > 2.00. It states that work environment has a significant effect on employee performance. This means that by makin a good the work environment, there will increase the employee performance This result is in line with the research of (Budianto and Katini, 2015) that taking into account the work environment contained in the agency will affect employee performance.

*H6 (Accepted):* The value of CR = 3.087 > 2.00. It explains that individual commitment has a significant effect on employee performance. This means that by increasing the individual commitment, there will increase the employee performance. This is in line with the study of (Meidiana, 2015) where there is a positive and significant influence between employee commitment to the performance of employees in the Mirota Batik Yogyakarta operational area.

*H7 (Accepted):* The value of CR = 3.118 > 2.00. It figures work motivation has a significant effect on employee performance. This means that by increasing the work motivation, there will increase the employee performance. This is in line with (Lusri, 2017) reveals that work motivation has a positive effect on employee performance, work motivation has a positive effect on job satisfaction, job satisfaction has a positive effect on employee performance, and job satisfaction acts as a mediating variable between work motivation on employee performance.

Tabel 4: Standardized Coefficient

No.	Variable	Direction	Variable	Estimate
1	Work Motivation	<---	Individual Commitment	.979
2	Work Motivation	<---	Work Environment	.628
3	Work Motivation	<---	Job satisfaction	.759
4	Employee Performance	<---	Work Environment	.840
5	Employee Performance	<---	Job satisfaction	.789
6	Employee Performance	<---	Individual Commitment	.899
7	Employee Performance	<---	Work Motivation	.634

For the amount of coefficient of the effect, we can see in the table 5 that explains about the magnitude of the effect between one variable to another. There is the biggest one that affect the employee performance, that is the individual commitment, as much as 0.899. this describes that the individual commitment has a dominant effect on the employee performance rather than others. There is also the biggest one that affect the work motivation, that is individual commitment, means that this is the dominant variable to affect work motivation rather than others.

#### IV. CONCLUSION

The result shows that job satisfaction effects work motivation significantly, work environment effects work motivation significantly, individual commitment effects work motivation significantly, job satisfaction effects employee performance significantly, work environment effects employee performance significantly, individual commitment effects employee performance significantly, and work motivation effects employee performance significantly. These all findings are the verification of the previous theories, which means that this research is a development model from the causality theories. This integrates several models from the past and being an update, with the new object. This is also tested with SEM, different from the previous ones. This implies to an enrichment of knowledge in the academic area, and can be a basic to develop other research in the further. Other than that, this also impacts to the managerial techniques that are implemented by managers who related to the variables, especially the object of this case, Diskop UKM Aceh, to pay more attention to the variables that effect its employee performance.

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