

# THE IMPACT OF WORK CULTURE, COMPETENCE AND MOTIVATION ON THE PERFORMANCE OF PERMANENT EMPLOYEES IN TELAGA HIKMAH PALM OIL MILL (SAMPOERNA AGRO GROUP BUSINESS UNIT)

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***Abstract**—This study aims to identify the influence of work culture, competence and motivation on employee performance of Palm Oil Mill Telaga Hikmah partially or simultaneously. Variables being examined as factors that affect performance of employees (Y) were work culture (X1), competence (X2), and motivation (X3). The population of this study was all employees in the Palm Oil Mill Telaga Hikmah, amounting to 85 people. Data collection techniques were documentation, literature review and questionnaires. This study also used multiple linear regression to analyze the data. The results showed that: (1) Work culture has partially less influence on employee performance (2) Competence has positive and significant impact on employees' performance (3) Motivation has positive and significant impact to employees' performance and (4) Work culture, competence and motivation simultaneously bring significant impacts on employee performance.*

***Keywords**— Performance, Work Culture, Competence, Motivation*

## I. INTRODUCTION

The palm oil industry or oil palm plantation companies have long been established in Indonesia. In 1911, oil palm began to be managed and commercially cultivated. The first oil palm plantations were located on the East Coast of Sumatra (Deli) and Aceh with an area of 5,123 ha. At present, Indonesia is the largest producer and exporter of palm oil in the world. In the long run, the world demand for palm oil shows an increasing trend in line with the growing population of the world and hence increases the consumption of products with palm oil raw materials.

The majority of Indonesia's palm oil production is exported to important countries such as China, India,

Malaysia, Singapore and the Netherlands. This is one of the external environmental factors of the organization that affects the performance of Telaga Hikmah Plantation Oil Mill's permanent employees. Organizational internal environmental factors that influence the performance of permanent employees at the Telaga Hikmah Palm Oil Mill can be seen from the performance achievement of the targets set by Management. Based on individual observations, employee performance on Palm Oil Mill Telaga Hikmah is still low because work motivation is disrupted by reasons such as illness.

The fact above explained that employee performance is still low as indicated by: (1) the performance of Telaga Hikmah Oil Palm Mill has not reached the targets set by Management, (2) the application of work culture has not developed into work behavior for its employees, (3) work motivation has not developed within all employees in order to be more accomplished and affiliated with other employees, and (4) there are some employees who are less competent with their jobs because their educational background is not in line with their jobs and long working periods while occupying their positions.

## II. LITERATURE REVIEW

Performance according to Mathis and Jackson (2011: 378) is basically what is done or not done by employees. Employee performance includes the following elements: quantity of results, quality of results, timeliness of results, attendance, and ability to cooperate. Factors that influence performance according to Mathis and Jackson (2011: 156), there are 3 (three) main factors that influence how individuals work namely 1) the ability of individuals to do work; 2) the level of effort devoted; and 3) organizational support. Based on some opinions about performance

and work performance it can be concluded that the notion of performance and work performance contains the substance of the achievement of work results by someone. Hersey, Blanchard, and Johnson in Wibowo (2014: 85-88) formulated 7 (seven) performance factors that influenced performance and were formulated into *ACHIEVE* acronyms, namely: Ability (knowledge and skill), Clarity (understanding or role perception), Help (organizational support), Incentives (motivation or willingness), Evaluation (coaching and performance feedback), Validity (valid and legal personnel practices), Environment (environment fit). Work culture has long been recognized by humans, but it is not yet realized that a work success is rooted in the values that are owned and habits that become habits. These values originate from customs, religions, norms and rules that become beliefs in self-employment or organization. The values that become these habits are called culture and considering this is related to the quality of work, it is called work culture (Triguno, 2004). The higher the work culture, the higher the competence, and the higher employee job satisfaction will provide higher employee performance. The most important independent variable for employees is a work culture followed by competence, and job satisfaction. There is no real difference between the performance of employees in the office and the performance of employees at the factory. According to Dessler (2008: 145) competence is a characteristic of a person's ability that can be proven so that it brings out an achievement. There are five types of competency characteristics, namely: 1) Knowledge, referring to information and learning outcomes, 2) Skills, referring to a person's ability to carry out an activity, 3) Self-concept and values, referring to attitudes, values and self-image someone, 4) Personal Characteristics, refers to physical characteristics and consistency of responses to situations or information; 5) Motives, are emotions, desires, psychological needs or other impulses that trigger action. Competence is not an ability that cannot be influenced. According to Michael Zwell (2000: 56-68) in Wibowo (2014: 283-286) reveals that there are several factors that can affect a person's competency skills, namely: *Beliefs and Values, Skills, Experience, Personality characteristics, Motivation, Emotional Issues, Intellectual Abilities*.

Motivation is a condition that moves people towards a particular goal as stated by Stanford (1969:173) in Mangkunegara (2009: 93): "Motivation as an energizing condition of the organism that serves to direct that organization toward the goal of a certain class. This means that motivation is a condition that moves people towards a particular goal. Furthermore Armstrong (2008: 75) state that the relationship between motivation and work performance is positive; increased motivation will result in more effort and better work performance. McClelland in Mangkunegara (2009: 67) analyzes three very important human needs in organizations or companies

about their motivation which consists of: *Need of Achievement, Need of Affiliation, and Need of Power*. Based on the problems that exist in Palm Oil Mill Telaga Hikmah and supported by the study of theory and the results of previous studies, the framework of thinking is that work culture (X1), competence (X2) and motivation (X3) as independent variables are thought to affect the performance of permanent employees (Y) of PKS Telaga Hikmah as the dependent variable. Work culture (X1), Competence (X2) and Motivation (X3) variables affect the variable performance of permanent employees (Y) indicated by the arrow to the right that is seen in Figure 2. The influence of the independent variables on the dependent will be discussed simultaneously and influence partially by using the Double Regression Test.

**Research hypothesis**, in connection with the formulation of the problem and the research model above, then proposed the following hypotheses:

- H1 (+): Work culture influences the performance of permanent employees of PKS Telaga Hikmah,
- H2 (+): Competence influences the performance of permanent employees of PKS Telaga Hikmah,
- H3 (+): Motivation influences the performance of permanent employees of PKS Telaga Hikmah,
- H4 (+): Work culture, competence, motivation simultaneously influence the performance of permanent employees of Telaga Hikmah Palm Oil Mill.

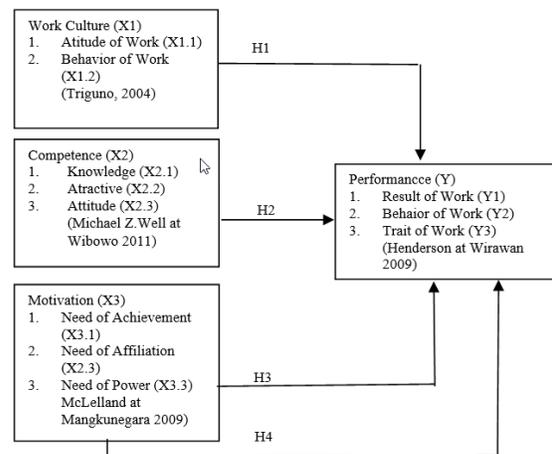


Fig. 1. Logical Framework

### III. METHODS

Respondents in this study were all permanent employees of Telaga Hikmah Palm Oil Mill with a population of 85 people. For the fulfillment of primary data and secondary data needed in this study, several methods of data collection are carried

out;1.Documentation Method, which collects secondary data by requesting documents owned by Telaga Hikmah Palm Oil Mill which are the object of research;2.Library Studies, collecting relevant data from books, journals,articles,and their materials that can support research at the Telaga Hikmah Palm Oil; Mill;3.Questionnaire,primary data collection is done by giving alist of questions inwriting to the respondents, permanent employees of Telaga Hikmah Palm Oil Mill in March 2016. Data were collected by using questionnaire, researchers have compiled a Likert scale for each variable.

**IV. RESULT AND DISCUSSION**

The research instrument was said to be reliable if the reliability coefficient (r count) > 0.6. From the reliability test results, it is known that the Cronbach's alpha value of work culture (X1), competency (X2), motivation (X3), and performance (Y) variables shows good reliability criteria so that all statements are reliable as in Table 1.

**TABLE 1. RELIABILITY TEST RESULT**

Variable	N	N of Items	(Cronbach's Alpha)		Criteria
			R count	R Table	
Work Culture (X1)	85	10	0,834	0,6	Reliable
Competence (X2)	85	13	0,867	0,6	Reliable
Motivation (X3)	85	16	0,893	0,6	Reliable
Performance (Y)	85	30	0,932	0,6	Reliable

Source: Processed Primary Data (2016)

The value of the validity test for r count is then compared with the r table value of 0.2133. Obtained result is r count > r table, the result of the validity test of the Work Culture, Competence, Motivation and Employee Performance variables can be concluded valid so that all statement items are selected items and can be used as a data collection tool (questionnaire) as in Table 2.

**TABLE 2. VALIDITY TEST OF WORK CULTURE, COMPETENCE, MOTIVATION AND PERFORMANCE VARIABLE ITEMS**

Item Kuesioner	R Hitung				R Table	Keterangan
	Budaya Kerja (X1)	Kompetensi (X2)	Motivasi (X3)	Kinerja (X4)		
1	0,465	0,488	0,529	0,665	0,2133	Valid
2	0,604	0,530	0,601	0,452	0,2133	Valid
3	0,553	0,496	0,538	0,665	0,2133	Valid
4	0,303	0,538	0,563	0,242	0,2133	Valid
5	0,584	0,588	0,656	0,393	0,2133	Valid
6	0,437	0,573	0,599	0,510	0,2133	Valid
7	0,500	0,565	0,542	0,623	0,2133	Valid

8	0,673	0,672	0,623	0,571	0,2133	Valid
9	0,609	0,643	0,580	0,610	0,2133	Valid
10	0,562	0,339	0,609	0,499	0,2133	Valid
11	-	0,488	0,528	0,671	0,2133	Valid
12	-	0,578	0,525	0,519	0,2133	Valid
13	-	0,571	0,536	0,589	0,2133	Valid
14	-	-	0,480	0,484	0,2133	Valid
15	-	-	0,511	0,538	0,2133	Valid
16	-	-	0,486	0,726	0,2133	Valid
17	-	-	-	0,732	0,2133	Valid
18	-	-	-	0,572	0,2133	Valid
19	-	-	-	0,622	0,2133	Valid
20	-	-	-	0,713	0,2133	Valid
21	-	-	-	0,549	0,2133	Valid
22	-	-	-	0,673	0,2133	Valid
23	-	-	-	0,424	0,2133	Valid
24	-	-	-	0,591	0,2133	Valid
25	-	-	-	0,451	0,2133	Valid
26	-	-	-	0,585	0,2133	Valid
27	-	-	-	0,460	0,2133	Valid
28	-	-	-	0,402	0,2133	Valid
29	-	-	-	0,584	0,2133	Valid
30	-	-	-	0,542	0,2133	Valid

Source: Processed Primary Data (2016)

The results of the normality test concluded that data that spread around normal lines and following the direction of the diagonal line of regression meant that the regression model met the assumption of normality. From the normal probability plot it is also seen that the data points form a linear pattern so that it can be considered consistent with the normal distribution.

Heteroscedasticity means that absolute residual variation is not the same for all observations. The heteroscedasticity test results are known in scatter plots there are no clear patterns and the data points spread randomly, either above the zero or below the zero number of the Y axis so it is concluded that heteroscedasticity does not occur in this regression model.

The multicollinearity test (multiple collinearity) shows no multicollinearity because tolerance values > 0.1 and VIF < 10 such as shown in Table 3 below:

**TABLE 3.** F TEST, T TEST, ANALISYS OF DETERMINATION COEFISIENT (R<sup>2</sup>) AND MULTIPLE REGRESSION

Model	t-test and Analisis Multiple Regression			F-test	
	Unstandardized Coefficients (B)	t	Sig.	F	Sig.
(Constant)	4,698	,470	,640	46,099	,000 <sub>b</sub>
1 Work Culture	,365	1,046	,299		
Competence	1,227	4,626	,000		
Motivation	,511	2,911	,005		
t table = 1,98969	R square = ,631 α = 5%				
Ftable = 2,72	N = 85				

Source: Processed Primary Data (2016)

**A. F Test**

Based on the results of the F test according to Table 3 to find out whether the work culture, competency and motivation variables influence jointly on the performance of employee is getting the calculation results are F count of 46.099 while the F table is 2.72 or F count more than F table (46.099 more than 2.72), and Sig. 0,000 less than 0,05, it can be concluded that work culture, competence and motivation together have a significant influence on the performance of Telaga Hikmah Palm Oil Mill employees and have a direct relationship. The results of this study support the hypothesis that the variables of work culture, competence and motivation together have an influence on employee performance. It is evident that the three variables jointly influence the performance of Telaga Hikmah Palm Oil Mill employees significantly and in the same direction.

**B. t Test**

This t test is used to determine whether in the regression model the independent variables namely work culture, competence and motivation partially have a significant effect on the dependent variable (Y). Based on the data, it is known that the value of t table is 1.98969. The value of count Work Culture variable (X1) is 1.046 so that t counts less than t table and Sig. amounting to 0.299 more than 0.05. This shows that partially the effect of Work Culture is less significant on employee performance. The value of t counts the Competency variable (X2), is 4,626 so the value of t test count more than t table and the value of Sig amounting to 0,000 less than 0,05. This shows the influence of Competence partially is significant on employee performance (Y). The value of t test count of motivation variable (X3) is 2.911 so that the value of t count more than t table and the Sig value 0.005 less than 0.05. This shows that the influence of Motivation partially is significant on employee performance (Y). So from this data it can be concluded that the

Competency variable (X2) and Motivation (X3) partially have significant effect on the performance of the Telaga Hikmah Palm Oil Mill permanent employees, but the work culture partially has less significant effect on the performance of Telaga Hikmah Palm Oil Millemployees.

**C. Multiple Linear Regression Analysis**

On table 3, it is known that constant (a) is 4,698 which means if work culture (X1), competence (X2) and motivation (X3) values are 0, then the performance value (Y) value is 4,698. Signs of the regression coefficients of the independent variables indicate the direction of the relationship of the variables concerned with performance (Y). Because of the sig value. constant of 0.640 more than 0.05, the constant is not significant to influence the performance of permanent employees of the Telaga Hikmah Palm Oil Mill. Working culture variable regression coefficient (X1) is positive. Shows the existence of a one-way relationship between work culture (X1) and performance (Y). The regression coefficient value of variable X1 is 0.365 which implies that for each increase in the value of work culture (X1) of one unit it will cause an increase in the performance value (Y) of 0.365. Coefficients are positive, meaning that there is a positive relationship between work culture and performance, the sig value of work culture is 0.299 more than 0.05, the effect of work culture is not significant to influence the performance of permanent employees of the Telaga Hikmah Palm Oil Mill. Regression coefficients for competency variable (X2) is positive. Shows the existence of a one-way relationship between competence (X2) and performance (Y). The regression coefficient value of X2 variable is 1,227 meaning that for each increase in competency value (X2) of one unit it will cause an increase in the performance value (Y) of 1,227. The coefficient is positive, meaning that there is a positive relationship between competency and performance, the higher the competency, the higher the performance of the employee. Sig value competence of 0,000 less than 0,05 shows the influence of significant competencies on the performance of Telaga Hikmah Palm Oil Mill employees. Regression coefficients for motivational variable (X3) is positive. It shows that there is a one-way relationship between motivation (X3) and performance (Y). The regression coefficient value of X3 variable is 0.511 which means that for each increase in the value of the motivational variable (X3) of one unit it will cause an increase in the performance value (Y) of 0.511. Coefficient is positive, meaning that there is a positive relationship between motivation and performance. The more competency increases, the higher the performance of the employee. Sig value motivation of 0.005 less than 0.05 indicates a significant effect of motivation on the performance of permanent employees of the Telaga Hikmah Palm Oil Mill. Based on Table 3 and an explanation of the multiple linear regression analysis above, it is known

that the constants and work culture variables (X1) are not significant to the performance of PKS Telaga Hikmah permanent employees. Significant and positive variables are only competency (X2) and motivation (X3) variables, so that the equation is obtained as follows:

$$Y = 1,227 X_2 + 0,511 X_3$$

The results of this study confirm that if the work culture, competence and motivation are jointly done well, it will have a positive effect on performance improvement. The application of a good work culture with high motivation and supported by the right competencies, Palm Oil Mill Telaga Hikmah employees will be able to achieve good performance in carrying out their duties and responsibilities. Work culture is less significant effect on performance. Thus, this condition illustrates that the decline in performance occurring in Palm Oil Mill Telaga Hikmah is less partially influenced by the current work culture. This is because in the Palm Oil Mill the work culture is indeed deeply rooted and has hardly changed from a long time ago. The work culture currently in Palm Oil Mill Telaga Hikmah still has to be continually improved. From the analysis of the data obtained, it can be concluded that if the work culture is carried out simultaneously with competence and motivation, the performance of Palm Oil Mill Telaga Hikmah employees can increase.

The results of the study show that competence has a positive and significant influence on performance. This significance is also supported by the results of correlations between dimensions that place the knowledge dimension and the attitude dimension of the competency variable have a strong correlation with the performance dimension of work behavior and personal traits that have to do with the work that researchers observe on performance. the dimensions of achievement needs (X3.1) on the dimensions of performance variables, namely personal properties that have to do with work (Y3), while the dimensions of the independent variables which are the least correlated are dimensions of attitude towards work (X1.1) on the dimensions of performance variables (Y1).

Competence in accordance with the operational definition of variables is the level of employee work competency which is a basic characteristic of employees that influences the way of thinking and acting, based on knowledge, skills and attitudes, which results in the ability to carry out a job or task so that it can produce high performance. Furthermore, the competence of Palm Oil Mill Telaga Hikmah employees provides a dominant contribution in influencing performance. Employee competencies in the form of knowledge of skills and attitudes in work are able to improve performance in Palm Oil Mill Telaga Hikmah.

Motivation in accordance with the operational definition of variables is a large influence on employee work performance, if motivation is high, then work performance will increase, and vice versa if motivation is low, then work performance will be low. Motivation becomes an impulse in someone who is reflected in attitudes and values that influence the individual to do something activities, or tasks as well as possible to achieve their goals, namely the need for achievement, the need for affiliation and the need for power. Furthermore, increasing employee motivation, especially the need for achievement in Palm Oil Mill Telaga Hikmah can provide the most dominant contribution in influencing performance, especially in the dimensions of nature that have to do with work.

## V. CONCLUSION

The results of the study on the influence of work culture, competence and motivation on the performance of permanent employees at the Telaga Hikmah Palm Oil Mill; Work culture, Competence and Motivation simultaneously have significant impact towards the performance of permanent employees of the Telaga Hikmah Palm Oil Mill. Competency is partially significant on the performance of permanent employees of Telaga Hikmah Palm Oil Mill. The competency of the permanent employees of Telaga Hikmah Palm Oil Mill also provides a dominant contribution in influencing performance. Employee competencies in the form of knowledge of skills and attitudes in work are able to improve performance at the Telaga Hikmah Palm Oil Mill. Motivation is partially significant towards the performance of permanent employees of Telaga Hikmah Palm Oil Mill. Furthermore, by increasing employee motivation, especially the need for achievement at Telaga Hikmah Palm Oil Mill we can provide the most dominant contribution in influencing performance, especially in the dimension of nature that has something to do with work. The motivation of employees towards affiliated needs is still low so that their contribution to performance, especially the dimensions of work, is only correlated quite strongly. This shows that there is still a lack of teamwork of employees and still lack of trust in superiors and coworkers. The work culture is partially insignificant with respect to the performance of Telaga Hikmah Palm Oil Mill's permanent employees, so that the low performance of employees at Telaga Hikmah Palm Oil Mill is less partially affected by work culture.

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