

## **EFFECT OF WORK MOTIVATION AND WORK SATISFACTION ON EMPLOYEE PERFORMANCE PT GARAM (PERSERO)**

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### **Abstract**

This research aims to examine and analyze work motivation and job satisfaction on employee performance at PT Garam (Persero). The research respondents was 81 employees of PT Garam (Persero). This research is included in the census research. Data collection is done by distributing questionnaires. The sample of this study was PT Garam (Persero). By using PLS analysis the results of work motivation have a significant positive effect on job satisfaction, motivation has a significant positive effect on employee performance, and job satisfaction has a significant negative effect on employee performance.

Keywords: Work Motivation, Job Satisfaction, Employee Performance.

### **1. Introduction**

In a company organization, one of the resources that plays an important role in achieving company goals is human resources. Therefore the company must be able to see human resources as assets that must be managed properly in accordance with the needs of the company. The changing business environment that is increasingly fast demands the role of human resources in competitive advantage. Every human resource is expected to be a source of competitive advantage. The way related to human resources in order to become a source of competitive advantage is through increasing human capital to be able to recognize and adapt to an ever-changing environment. Companies must learn continuously through environmental monitoring, understanding information, sensitive to technological developments, decision making, and restructuring in order to compete.

According to Bangun (2012), performance is the result of work achieved by someone based on job requirements (job requirements). Good employee performance aims to increase productivity. Therefore, the improvement of the work system is carried out by every component in the company, namely a good performance management system. Performance management system is a process to identify, measure, and evaluate employee performance in the company.

High employee productivity, is one of the drivers of the life of the company, which will then result in good performance and achievement for the company. Job satisfaction has a significant effect on work productivity, because with job satisfaction owned by employees, this will lead to high work motivation for employees who can later increase productivity. Job satisfaction according to Luthans (1998) is a positive and pleasant emotional state that results from an assessment of a job or work experience. Job satisfaction reflects one's feelings about their work.

According to Robbins (1996: 198) work motivation is the willingness to give more effort to achieve organizational goals, which is caused by the willingness to satisfy individual needs. Work motivation can be an encouragement for employees to carry out work in order to get the best results. Because it is believed that with the company's success in achieving its goals and objectives, the employees' personal interests will be covered. Therefore do not be surprised if employees have high work motivation usually produces high performance as well. with high

work motivation will create a commitment of what is his responsibility in completing every job.

This research will be conducted at PT Garam (Persero). PT Garam (Persero) is the only State-Owned Enterprises salt producer that produces raw material salt and salt for consumption or processed salt. PT Garam (Persero) has different characteristics from other State-Owned Enterprises. In the salt production activities of raw materials, it is inseparable from the following characteristics:

1. Weather / season conditions,
2. Production land,
3. Evaporation system.

These characteristics give the effect of business uncertainty. As the intensity of the sun that greatly affects the process of evaporation of sea water and crystallization of salt. These conditions cause uncertainty of production results which affect the company's performance.

According to Bangun (2012), Performance is the result of work achieved by someone based on job requirements. A job has certain requirements to be done in achieving goals which are also called job standards (job standards). To determine the performance of employees is good or not, depending on the results of comparison with work standards. According to Hasibuan (2006) explains that Performance is the result of work achieved by someone in carrying out the tasks assigned to him based on skill, experience, sincerity and time.

According to Robbins (2001) states that "Job satisfaction as a general attitude of an individual towards his work". According to Handoko (2000) states that job satisfaction (job satisfaction) is a pleasant or unpleasant emotional state with which employees view their work. This opinion can be understood that employees must be placed in jobs that match their abilities and background skills. Meanwhile, according to Hasibuan (2006) states that job satisfaction is an emotional attitude that is fun and loves the job. This attitude is reflected by work morale, discipline and work performance. Job satisfaction is enjoyed at work, outside of work and a combination of inside and outside work.

According to Hasibuan (2006) Work motivation comes from the Latin word *movere* which means encouragement or move. Work motivation (motivation) in management is only aimed at human resources in general and in particular subordinates. Work motivation questions how to direct the power and potential of subordinates, so they want to work together productively to achieve and realize the goals that have been determined. The importance of work motivation because work motivation is the cause, channel and support human behavior, so that they want to work actively and enthusiastically to achieve optimal results. Work motivation is increasingly important because managers share work with subordinates to do well and integrated to the desired goals. Companies not only expect employees to be capable, capable, and skilled, but most importantly they want to work hard and are willing to achieve maximum work results. Employees' abilities and abilities are meaningless to the company if they don't want to work hard. Work motivation according to Sedarmayanti (2007) is a willingness to spend a high level of effort toward organizational goals which is conditioned by the ability of the effort to meet individual needs.

## **2. Research methods**

The research respondents was 81 employees of PT Garam (Persero). Data sources are collected through observation by looking at the conditions and work situations of employees, as well as interviews with employees. Data that has been collected, tabulated, analyzed and processed data. Data obtained from the answers to the questionnaire were tabulated and then performed data analysis using the WarpPLS software version 6.0. PLS (Partial Least Square) which is an analysis of structural equations or Structural Equation Model (SEM) based on

simultan variants can test measurement models as well as structural models. The reason researchers use the PLS model is because it can identify nonlinear relationships between other variables and correct the path coefficient values based on these relationships.

The PLS model is used for several considerations, namely the model used is a causal relationship between independent and bound variables if one of the variables or both has one or more indicators and actually measures the non-indicator variables, and there is a tiered causality relationship that is characterized by mediating variables which is the link between the independent variable and the dependent variable.

### 2.1. Outer Model Measurement

Convergent validity is a part of the SEM-PLS measurement model known as the outer model test. Measurement Outer Model (measurement model) is used to measure reflective and formative indicators. This study only uses indicators that are reflective. Reflective indicators are based on factor loading. Factor loading  $> 0.70$  is highly recommended while a factor loading  $0.50-0.60$  is considered sufficient and must be considered to be maintained (Solimun, 2010; Hair et al., 2014).

Validity test is done to determine the ability of research instruments that measure what should be measured (Cooper and Schindler, 2006). Validity measurement in this study uses AVE (Average Variance Extracted), the variable is declared valid if the value of AVE is  $> 0.5$ .

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After the variables are valid, a reliability test will be carried out on all variables in this study. The reliability test is carried out to determine whether a measure is reliable or not. Variables are declared reliable if the coefficient value is  $0.70$  (Sholihin and Ratmono, 2013).

### 2.2. Inner Model Measurement

After the outer model bookkeeping is done, the inner model is then measured. Measurement of the inner model is carried out to determine the level of influence of relationships between variables, as well as to build the overall level of variables that have influence. Measurement of inner model is used to test the relationship between variables in the study using the adjusted  $R^2$  value. Based on adjusted  $R^2$ , a model can be classified as strong ( $\leq 0.70$ ), medium ( $\leq 0.45$ ) and weak ( $\leq 0.25$ ). Relationships between variables in the system built in the study are calculated using the predictive relevance ( $Q^2$ ) value which aims to assess the predictive validity of the independent variables. Predictive variables can be said to be good if they have ( $Q^2$ ) greater than zero.

### 2.3. Model Fit Test

Model fit testing aims to find a model that fits the original data so that it can determine the quality of the model. This study uses a fit size model average adjusted R-squared (AARS). AARS is used to measure the average value of the path coefficient, R-squared and adjusted R-squared produced in the model. The size of the fit model is measured based on the p-value which must be  $\leq 0.05$  (Ghozali and Latan, 2014).

## 3. Discussion

### Evaluation of Measurement Model (Outer Model)

#### 3.1. Validity test

Convergent validity testing aims to determine the validity of each indicator relationship with its latent variable. Test this convergent validity by looking at the value of the loading factor indicators that measure the construct. To assess the convergent validity, the value of the loading factor must be above 0.50 and the significant value is less than 5%. The convergent validity test results in this study are:

Table 1. *Combined Loadings* (1)

	motivasi	kepuasan	kinerja	P value
X1.1	0.518	-0.511	-0.456	<0.001
X1.2	0.602	0.242	-0.176	<0.001
X1.3	0.693	-0.070	-0.123	<0.001
X1.4	0.278	-0.080	-0.089	0.004
X1.5	0.687	-0.182	0.158	<0.001
X1.6	0.764	0.215	-0.142	<0.001
X1.7	0.575	0.673	0.379	<0.001
X1.8	0.715	-0.307	-0.303	<0.001
X1.9	0.272	-0.380	0.598	0.005
X1.10	0.660	0.287	0.166	<0.001
X1.11	0.461	-0.224	0.389	<0.001
X2.1	1.108	-0.129	-0.224	0.116
X2.2	0.210	0.639	-0.052	<0.001
X2.3	-0.118	0.433	0.191	<0.001
X2.4	-0.084	0.752	-0.086	<0.001
X2.5	0.438	0.119	-0.369	0.134
X2.6	-0.054	0.769	-0.017	<0.001
X2.7	0.183	0.602	0.074	<0.001
Y1	-0.128	0.086	0.715	<0.001
Y2	-0.237	-0.018	0.715	<0.001
Y3	0.077	0.230	0.749	<0.001
Y4	0.120	-0.211	0.699	<0.001
Y5	0.427	-0.472	0.793	<0.001
Y6	0.141	-0.231	0.817	<0.001
Y7	-0.494	0.318	0.635	<0.001
Y8	0.277	0.247	0.087	0.213
Y9	0.171	0.027	0.616	<0.001
Y10	-0.091	0.165	0.707	<0.001
Y11	-0.153	0.238	0.558	<0.001

Source: Data processed

Based on the combined loading test results in the table above explains that indicators X1.4, X1.9, X1.11, X2.1, X2.3, X2.5 and Y8 have loading values less than 0.50 and more p-values of 5% so that all three items of the statement have poor **convergent validity** and are eliminated. After indicators X1.4, X1.9, X1.11, X2.1, X2.3, X2.5 and Y8 are eliminated, the remaining indicators are declared to have good **convergent validity**. This is because the resulting loading values are more than 0.50 and the p-value is less than 5%. In addition to the loading value of each indicator to the construct that must meet the requirements, loading between the indicators must also be considered, where the value of loading to the other construct is lower than the construct (cross loading).

Table 2. Combined Loadings (2)

	motivasi	kepuasan	kinerja	P value
X1.1	0.530	-0.452	-0.341	<0.001
X1.2	0.694	0.071	-0.109	<0.001
X1.3	0.732	-0.101	-0.030	<0.001
X1.5	0.636	-0.188	0.223	<0.001
X1.6	0.775	-0.017	-0.094	<0.001
X1.7	0.549	0.732	0.372	<0.001
X1.8	0.735	-0.423	-0.204	<0.001
X1.10	0.655	0.468	0.236	<0.001
X2.2	0.168	0.615	-0.021	<0.001
X2.4	-0.132	0.751	-0.088	<0.001
X2.6	-0.041	0.785	0.000	<0.001
X2.7	0.043	0.670	0.118	<0.001
Y1	-0.130	0.077	0.714	<0.001
Y2	-0.143	-0.090	0.719	<0.001
Y3	0.115	0.200	0.748	<0.001
Y4	-0.018	-0.046	0.703	<0.001
Y5	0.354	-0.410	0.791	<0.001
Y6	0.080	-0.172	0.817	<0.001
Y7	-0.464	0.334	0.638	<0.001
Y9	0.355	-0.217	0.606	<0.001
Y10	-0.036	0.124	0.709	<0.001
Y11	-0.208	0.336	0.560	<0.001

Source: Data processed

Next is to test by seeing the AVE output, if the AVE value is more than 0.50 then the construct has a good convergent validity and the following is the result of the AVE value:

Table 3. Nilai AVE

Variabel	AVE
Motivasi	0.447
Kepuasan	0.502
Kinerja	0.496

Source: Data processed

From this table it can be seen that the AVE value of the satisfaction variable is more than 0.50 while the motivation and performance variables approach 0.50. So it can be concluded that all research variables have good **convergent validity** values.

Table 4. Correlation Variable Value Constructions

	motivasi	kepuasan	kinerja
motivasi	0.668	0.716	0.211
kepuasan	0.716	0.708	0.073
kinerja	0.211	0.073	0.704

Source: Data processed

Correlation between constructs (latent variable) shows the reliability of a construct if the correlation value of a construct to the construct itself is greater than the correlation value between the construct and other constructs. In the table above shows that all constructs have high reliability where diagonal values are greater than other construct correlations so that all constructs have good **discriminant validity**.

### 3.2. Reliability Test

Subsequent evaluations on the outer model are composite reliability and Cronbach alpha. Composite reliability and Cronbach Alpha test the reliability of instruments on a variable. A variable is said to meet the reliability test if it has a composite reliability value and Cronbach alpha greater than 0.7. The composite reliability and Cronbach alpha values of each study variable are:

Table 5. *Composite Reliability*

	<i>Composite reliability coefficients</i>	<i>Cronbach's alpha coefficients</i>
motivasi	0.864	0.819
kepuasan	0.800	0.665
kinerja	0.907	0.885

Source: Data processed

The table above shows that the composite reliability value of the motivation, satisfaction and performance variables has a value of more than 0.70. Likewise, the Cronbach's alpha value of the motivation, satisfaction and performance variables have a value of more than 0.60 so that it can be concluded that the satisfaction, motivation and performance variables have high reliability.

### Evaluation of Structural Models (Inner Model)

In assessing structural models with structural PLS it can be seen from the R-Square value for each endogenous latent variable as the predictive power of the structural model. R-Square value is a goodness fit model test. Changes in the value of R-Square are used to explain the effect of certain exogenous latent variables on endogenous latent variables, whether they have substantive effects. The results of PLS R-Squares present the number of variances of the constructs explained by the model. The Warp-PLS results regarding the research hypothesis are as follows:

Table 6. Hypothesis test

	Path Coefficients	Sig	R-square
Motivation → Satisfaction	0,719	<0.001	0,517
Motivation → Performance	0,424	<0.001	0,082
Satisfaction → Performance	-0,314	0.001	

Source: Data processed

The explanation from the table above is that motivation has a significant positive effect on satisfaction and performance while satisfaction has a significant negative effect on performance, seen from a significant value (p-value) of less than 5%.

Based on the R-square value table shows that the magnitude of the effect of motivation on satisfaction is 51.7% while the magnitude of the effect of motivation and satisfaction on performance is 8.2%.

Table 7. Indirect Influence

	Path Coefficients	Sig	Effect Size
Motivation → Satisfaction → Performance	-0,226	0.001	0,119

The table above shows that motivation has a significant negative effect on performance through satisfaction with the magnitude of influence is 11.9%.

### Model Fit

Significant value in APC and ARS less than 5% and AFVIF value less than 5, this means that the criteria for goodness of fit model have been fulfilled.

### Effect of Work Motivation on Job Satisfaction

In the modern era, Frederick Herzberg (1923–2000) and his associates began research to discover the importance of attitudes toward work and the experiences, both good and bad, that workers reported. Wren (2009).

Herzberg called the factors identified in the job context “hygiene” factors, “for they act in a manner analogous to the principles of medical hygiene. Hygiene operates to remove health hazards from the environment of man. It is not curative: it is, rather, a preventive.” The hygiene factors included supervision, interpersonal relations, physical working conditions, salaries, company policies and administrative practices, benefits, and job security. When these factors deteriorated below what a worker considered an acceptable level, job dissatisfaction was the result. When the job context was considered optimal by a worker, dissatisfaction was removed; this did not lead to positive attitudes, however, but to some sort of a neutral state of neither satisfaction nor dissatisfaction.

The factors that led to positive attitudes, satisfaction, and motivation were called the “motivators,” or things in the job content. The motivators were such factors as achievement, recognition for accomplishment, challenging work, increased job responsibility, and opportunities for growth and development. If present, these factors led to higher motivation. In this sense, Herzberg was saying that traditional assumptions of motivation about wage incentives, improving interpersonal relations, and establishing proper working conditions did not lead to higher motivation. They removed dissatisfaction and acted to prevent problems, but once these traditional motivators were optimal, they did not lead to positive motivation. According to Herzberg, management should recognize that hygiene was necessary, but that once it had neutralized dissatisfaction, it did not lead to positive results. Only the motivators led people to superior performance.

The description is in accordance with the results of this study that work motivation has a significant positive effect on job satisfaction, this means an increase in work motivation has a real impact on increasing job satisfaction.

### Effect of Work Motivation on Employee Performance

Based on the results of McClelland's (1961) research, Edward Murray (1957), Miler and Gordon W. (1970) in Mangkunegara, (2000) concluded that there is a positive relationship between work motivation for achievement and performance achievement. That is, leaders, managers, and employees who have high performance work motivation will achieve high performance, and conversely those with low performance are due to low work motivation.

Motivation of a person's work starts from the needs, desires and encouragement to act for the achievement of needs or goals. This indicates how strong the drive, effort, intensity, and willingness to sacrifice for the achievement of goals. The stronger the motivation or work motivation and enthusiasm will be the higher the performance. This is consistent with the

opinion of Robbins (1996) which states that work motivation is defined as a willingness to spend a high level of effort toward organizational goals, which is conditioned by the ability of the effort to meet an individual's needs. Motivation comes from the work itself and if the job fails to produce a sense of achievement, according to Herzberg in Sheldrake (2014), good pay and conditions will not produce motivation.

The description is in accordance with the results of this study that work motivation has a significant positive effect on employee performance, this means that increased work motivation has a significant impact on improving employee performance.

#### Effect of Job Satisfaction on Employee Performance

The relationship of job satisfaction with employee performance stated by Ostroff (1992) is shown by the state of the company where employees who are more satisfied tend to be more effective than companies with employees who are less satisfied. Dessler (2000) which states that job satisfaction, among others, has a role to achieve productivity and better quality standards, avoid the possibility of building more stable strengths, and more efficient use of human resources.

The description is in accordance with the results of this study that job satisfaction has a significant negative effect on employee performance, this means an increase in job satisfaction has a real impact on improving employee performance.

#### 4. Conclusion

Based on the results of this study, the conclusions that can be drawn are as follows:

1. Work motivation has a significant positive effect on job satisfaction
2. Work motivation has a significant positive effect on employee performance
3. Job satisfaction has a significant negative effect on employee performance
4. Work motivation has a significant negative effect on employee performance through job satisfaction

#### Suggestion

Based on the results of this study, the following suggestions can be submitted:

1. For PT Garam (Persero) in order to improve its performance, because with good employee performance it can increase productivity and achievement of the goals set by the company.
2. In terms of work motivation, PT Garam (Persero) should pay more attention to what factors can increase the work motivation of employees. This can be done by providing sufficient salary, direction & control of the leadership of his subordinates, appreciation of the success of the work of employees, fair policies of the leadership as well as the opportunity to advance and career development.
3. In terms of job satisfaction, PT Garam (Persero) to pay attention to the job satisfaction obtained by its employees, because more satisfied employees have a role to achieve better productivity. This can be done by providing a comfortable working environment and environment, varied jobs, proper placement of employees according to ability & expertise, as well as the leadership's attitude in leadership.

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