

## Analysis of The Factors Influence Employee Performance of The Production in CV Bandabags Unit Work Lhoksemauwe

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**Abstract:** The purpose of this study was to determine the factors that influence employee performance at CV Bandabags unit work Lhoksemauwe. The research method used is a causal associative research method with a quantitative approach. The population in this study were all employees of the production department of CV Bandabags unit work in Lhoksemauwe. The sample used is a saturated sample that is by including all members of the population of 86 people. Data collection methods used are observation, interviews, questionnaires and literature. Data were analyzed using multiple linear regression using statistical software. The results showed that simultaneous motivation, leadership, organizational culture, ability and competence had a significant effect on employee performance. Partially leadership, organizational culture and competence had a significant effect on employee production performance while motivation and ability did not significantly affect the performance of CV Bandabags employees unit work Lhoksemauwe.

**Keywords:** Employee Performance, Motivation, Leadership, Organizational Culture, Ability, Competence

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### I. Introduction

Today the conditions of competition are increasing and very competitive. This requires companies to be able to improve employee performance in achieving increased productivity so that they can compete with other companies and even be able to be above other companies. Performance is one of the biggest issues in any company today. This happened as a consequence of the demands of the community for the need for excellent service or high quality products.

In the company of human resources or employees is one aspect of productivity that provides an important role in achieving goals for companies or organizations. Optimization of employee performance is able to provide high productivity towards the company's production cycle. Conversely, if employee performance decreases, of course this will greatly affect the productivity produced by the employee. Optimization of a performance can be measured based on several aspects. The most common aspects of employee performance are quantity, quality of output produced and some external aspects in the form of responses or complaints from customers about the products produced.

CV Bandabags is a company engaged in manufacturing that is oriented to the development of Aceh embroidered bag products with varied types and sizes of bags. In the last 3 years the output produced by employees has decreased. This can be seen based on the results of the assessment of the quantity aspect which is assessed from the number of outputs produced by the employees and the quality aspects assessed by the number of defective outputs or in other words the resulting output is not in accordance with the company's quality standards and the number of complaints increased from the customers of Bandabags in the last 3 years.

From the results obtained it can be concluded that the quantity (number of outputs) produced decreased to only reach 500 items as well as the quality that can be seen from the results of the assessment and calculation of the number of defective products that increased to 90 items and the number of complaints from customers that increased up to 50 complaints in the last 3 years.

Based on the data that has been obtained by researchers, it shows that in general the performance of employees, especially in the production section is experiencing a decline. If this happens in a sustainable manner it will certainly have a negative impact on the company. Through this phenomenon the company must know what factors influence the deterioration in the performance of employees in the production section of CV Bandabags.

From the results of the pre-survey of 30 production employees as respondents, it is known that the factors that affect their performance are motivation, leadership, organizational culture, ability and competence. Through the results of this analysis, it will certainly be useful to find and find the best solution to the problem.

The results of this analysis will also be useful for making an optimum HR development program. In the end, employee performance will reflect the degree of competition of a company. This analysis is one of the key factors in developing an organization effectively and efficiently in determining a better strategy or program for human resources within the organization that will increase work productivity which ultimately also increases the productivity of the company.

Based on the background of the problems described above, the problem to be solved by this research is "the declining performance of employees in the production section in the last 3 years." In connection with the above problems, some fundamental questions to look for are:

1. What factors cause the performance degradation of employees of the production unit of CV Bandabags in the Lhoksemauwe work unit?
2. What are the alternative policy strategies for this problem?
3. What is the most effective strategy to be implemented in the current condition of the company?

### **Benefits of Research**

#### **a. For Companies or Organizations**

Become input material for companies to be able to analyze the factors that influence employee performance. The results of the analysis will be useful for making optimum human resource development programs.

#### **b. For researchers**

For researchers, the expected benefits are that all stages of the research and the results of the research obtained can broaden the horizons and at the same time obtain empirical knowledge about the application of the functions of the theories that have been studied during lectures.

#### **c. For students**

For students the expected benefits are that the results of research can be used as a reference for efforts to develop science, especially in the field of Human Resources and also useful as a reference material for students who conduct studies on the performance of employees in a company in manufacturing.

## **II. Theoretical Review**

### **2.1 Definition of Performance**

Some experts state that performance is:

1. According to Mathias and Mathias (2002), employee performance systems try to identify, encourage, measure, evaluate, improve, and reward employee performance. Human resources have an important role in an organization to achieve the desired company goals. Thus human resources are needed that have better performance.
2. Rivai and Rivai (2005) state that, "Performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in order to achieve the objectives of the relevant organization legally, not violate law, and in accordance with morals and ethics".
3. According to Sutrisno (2016), performance is the success of a person in carrying out a task, the work achieved by a person or group of people in an organization in accordance with the authority and responsibility of each.
4. Based on this understanding, it can be concluded that performance is the result obtained by someone in doing their work in a certain time according to the responsibilities given by the organization.

### **2.2 Factors Affecting Performance**

In addition, according to Handoko (2001) the factors that influence performance are as follows:

#### **1. Motivation**

An important driving factor that causes humans to work is the need that must be met. These needs relate to human nature to get the best results at work.

#### **2. Job Satisfaction**

Job satisfaction reflects a person's feelings for his job. This can be seen from the employee's positive attitude towards work and everything that is done in his work environment.

### **3. Stress level**

Stress is a condition of tension that affects emotions, thought processes and current conditions. Stress levels that are too large can threaten a person's ability to deal with the environment so that they can interfere with their work.

### **4. Job conditions**

The work conditions intended to affect performance here are workplaces, ventilation, and irradiation in the workspace.

### **5. Compensation System**

Compensation is the rate of remuneration received by employees for what they have done for the company. So, compensation must be correct so that employees are more enthusiastic about working.

### **6. Job Design**

Job design is a function of determining the work activities of an individual or group of employees organizationally. Job design must be clear so that employees can work well in accordance with the work that has been given to him.

Employee performance decreases if one of these factors decreases or does not exist. For example, some employees have the ability to do their jobs and work hard, but the organization provides ancient equipment. Performance problems are the results of work achieved by someone in carrying out the duties and responsibilities that are charged to employees. Performance includes output quality and work awareness.

## **2.3 Resume of Research Results**

The real foundation in an organization is performance. If there is no performance then all parts of the organization, then the goal cannot be achieved. Performance needs to be used as an evaluation material for leaders or managers. Nawawi (2006) said that "Performance is (a) something that is achieved, (b) achievement shown, (c) ability to work". Performance is said to be high if a work target can be completed at the right time or does not exceed the time limit provided. Performance is low if completed beyond the time limit provided or completely unresolved.

Performance is generally said to be a measure for someone in their work. Performance is the foundation for productivity and has a contribution to achieving organizational goals. Of course the criteria for value added are used in many agencies to evaluate the benefits of a job or position holder. The performance of each worker must have added value to an organization for the use of resources that have been spent.

Determination of factors that influence performance can be formed from the results of previous studies by revealing findings variables that affect performance in several studies as well as from pre-survey data that has been done previously by researchers. The factors that influence employee performance are:

- a. Motivation
- b. Leadership
- c. Organizational culture
- d. Ability
- e. Commitment

## **2.4 Motivation**

Motivation is an external stimulus in the form or not an object that can foster encouragement for people to possess, enjoy, master or reach objects or not objects (Mathias, 2002). Relevant to that opinion, Avery and Baker define motivation as a process that energizes and directs behavior. To achieve the satisfaction of work that is expected to need motivation. The greater the motivation given, the more likely it is that employee satisfaction will be achieved

## **2.5 Leadership**

Leadership has a very important role in an organization. Leadership is good and can be accepted by subordinates, the goals of the organization will be more easily achieved. In general, leadership describes the relationship between leaders and those led (Nawawi, 2006). Rivai (2005) view leadership as an influencing process in determining organizational goals, motivating, followers' behavior to achieve certain goals and also to improve their group and culture. Besides that it also affects the interaction of the events of its followers, organizing and activities to achieve goals, maintaining cooperative relationships with group work, obtaining support and cooperation from people outside the group or organization.

## **2.6 Organizational Culture**

Rivai (2005) states that opinions about organizational culture are a pattern of basic assumptions and beliefs shared by members of a group or organization, when the organization solves the problems of external and internal adaptation of its members, who have worked well enough to say valid and therefore can be taught to new members of the organization as the right way to observe, think and feel in relation to these problems. The definition of organizational culture describes growing because it was created and developed by individuals who worked in the organization and accepted as values that must be maintained and passed on to each new member.

## **2.7 Ability**

Ability refers to an individual's capacity to work on various tasks in a job (Robbins, 2001). The same thing was stated by Sedarmayanti (2007) that ability has a relationship with a task or work. Means that it can perform tasks or jobs so as to produce goods and services as required and on the basis of existing provisions. From these meanings, it can be concluded that ability is the ability or skill of an individual in mastering a skill and is used to do various tasks in a job.

## **2.8 Competence**

Competence according to Spencer and Spencer in Hasibuan (2005) is as a basic characteristic possessed by an individual that is causally related in fulfilling the criteria needed in occupying a position. Competence consists of 5 types of characteristics, namely motives (consistent will as well as a cause of action), innate factors (character and consistent response), self-concept (self-image), knowledge (information in certain fields) and skills (ability to carry out tasks). This is in line with the opinion of Becker and Ulrich in Suparno (2005) that competency contains aspects of knowledge, skills (expertise) and personality characteristics that affect performance. From the description of the definition it can be concluded that competencies are the nature of possessions or parts of personality that are profound and inherent to a person and predictable behavior in various situations and work tasks as an impetus to have achievements and desires to try to carry out tasks effectively.

## **2.9 Formulation of The Hypothesis**

Based on theoretical studies, previous research and the objectives of the study, the hypotheses that can be proposed in this study are as follows.

- 1) Allegedly motivation affects employee performance.
- 2) It is assumed that leadership influences employee performance.
- 3) Allegedly organizational culture influences employee performance.
- 4) Suspected ability influences employee performance.
- 5) Alleged competence affects employee performance.

## **III. Materials and Method**

### **3.1 Types of research**

In this study researchers used a type of causal associative research with a quantitative approach, namely research conducted to investigate causal relationships by observing the consequences that occur and the possible factors (causes) that cause these effects and using research designs based on statistical procedures or in other ways from kauntifikasi to measure the research variable (Sinulingga, 2014). According to Hasibuan (2005) the measuring instrument of quantitative research data is a questionnaire. The data obtained is in the form of answers from employees to the questions or questions asked.

### **3.2 Location and Time of Research**

This research was carried out in the production section of the CV Bandabags manufacturing industry located in Krung Geukuh, Lhoksemauwe. The research period is held for 2 months, starting from May 2018 to July 2018.

### **3.3 Analysis of Multiple Linear Regression**

This analysis is done to obtain a comprehensive picture of the relationship between variables one with other variables. The dependent variable used is employee performance and the independent variables are motivation, leadership, organizational culture, ability and competence. To find out whether there is a significant effect of the independent variables on the dependent, multiple linear regression methods are used (multiple linear regression method).

#### **IV. Research Results and Discussion**

This study aims to determine the effect of motivation, leadership, organizational culture, ability and competence on the performance of employees of the production department of CV Bandabags work unit in Lhoksemauwe. The discussion of each variable is presented as follows:

##### **1. The Influence of Motivation on the Employee Performance of The Production in CV Bandabags Unit Work Lhoksemauwe**

The results showed that the motivation variable had a positive but not significant effect on the performance of the production staff of the CV Bandabags work unit in Lhoksemauwe. This indicates that the motivation of the employees of the CV Bandabags production department affects employee performance but is not significant. This can be caused by employees having accepted their conditions as they should in carrying out work and goals for them to live well enough to be fulfilled. So that the motivation to provide better performance cannot be done by employees. So even though given motivation, the motivation will not significantly affect the employees of the production department of CV Bandabags in the Lhoksemauwe work unit.

Based on motivation theory developed by Maslow that humans have the motivation to fulfill their basic needs, namely physiological needs, security, social, appreciation and self-actualization. All these needs have been obtained by the employees of the production department while working at CV Bandabags, it's just that this level of need is only basic and the employees have felt enough that they have gained during their work at CV Bandabag. This research is in line with the research conducted by Gibson (2008). That motivation has a positive effect on employee performance.

##### **2. The Influence of Leadership on the Employee Performance of The Production in CV Bandabags Unit Work Lhoksemauwe**

The results showed that leadership variables had a positive and significant effect on the performance of employees of the production unit of CV Bandabags in the Lhoksemauwe work unit. This can be seen from the comparison between the  $t_{count}$  and  $t_{table}$  where  $t_{hitung} > t_{table}$ . This indicates that leadership is able to improve the performance of employees in the production section of CV Bandabags. Employee performance will increase if you get a leader who is able to communicate, coordinate, organize and utilize existing human resources well (Mangkuprawira, 2004).

The right leadership will certainly be able to make employee performance increase. This is because if the leader can find the best way to respond to employees well, of course this will make employees strive to achieve organizational goals well. This research is in line with Wibowo (2007) research that leadership has a positive and significant effect on employee performance.

##### **3. The Influence of Organizational Culture on Employee of The Production in CV Bandabags Unit Work Lhoksemauwe**

The results showed that organizational culture variables had a positive and significant influence on the performance of employees at the production unit of CV Bandabags in the Lhoksemauwe work unit. This can be seen from the comparison between the  $t_{count}$  and  $t_{table}$  where  $t_{hitung} > t_{table}$ . This indicates that organizational culture is able to improve the performance of employees in the production of CV Bandabags. An organization is always driven by a group of people who play an active role in achieving the goals to be achieved from the organization. Organizational goals certainly will not be achieved if the performance of members or employees is not optimal.

According to Robbins (2006) there is almost no doubt that a culture greatly influences employee attitudes. Often the culture in an organization develops strongly, so that in such conditions, each member knows well the goals of the organization to be achieved. To achieve this goal, finally the organizational culture of organizational culture has the power to influence organizational life and work productivity. Organizational culture will not be effective without a good relationship between employees and organizations or between leaders and employees. According to Mardiah (2008) states that organizations can be changed through changing the structure, technology and people.

##### **4. The Influence of Performance on Employee of The Production in CV Bandabags Unit Work Lhoksemauwe**

The results showed that the ability variable had a positive and insignificant effect on the performance of employees of the CV Bandabags production unit in Lhoksemauwe. This can be seen from the comparison between the  $t_{count}$  and  $t_{table}$  values where  $t_{count} < t_{table}$  and multiple linear regression coefficients are positive. This indicates that the ability does not have a negative and insignificant effect on the performance of the employees of the CV Bandabags production unit in Lhoksemauwe. This is because the employees feel that their level of ability is sufficient to be able to do the work.

Based on the theory put forward by Sedarmayanti (2007) that capability will refer to the relationship and capacity of the goods to be produced and this must be emphasized by the capabilities available to each employee. This research is not in line with Kuswadis (2011) research which states that ability has a positive and significant effect on employee performance.

#### **4. The Influence of Competence on Employee of The Production in CV Bandabags Unit Work Lhoksemauwe**

The results showed that the competency variable had a positive and significant influence on the performance of the employees of the CV Bandabags production unit in Lhoksemauwe. This can be seen from the comparison between the tcount and ttable where  $t_{hitung} > t_{table}$ . This indicates that competence is able to improve the performance of employees in the production section of CV Bandabags. This shows that the better the competencies possessed by employees, or the higher the competencies possessed by employees will affect the performance of these employees, because with good and quality competencies, the employee's performance will be better.

Therefore the company must improve the competence of its employees so that it can improve the quality of human resources in it. With good competence, employees will be more qualified. Based on the definition of competence is mastery of a set of knowledge, skills, values and attitudes that lead to performance and reflected in the habits of thinking and acting in accordance with the profession Competence as a person's characteristics associated with effective performance in a job or situation. To achieve maximum and satisfying work results, competencies needed by an employee are needed to carry out work duties so that employee performance can increase.

Organizations will develop and be able to survive in a competitive environment if supported by employees who are competent in their fields. Competence can be used to predict performance, namely who is performing well and not well depending on the competencies they have, measured by the criteria or standards used (Kuswadi, 2004). Increasing employee competency is needed in supporting work capabilities while determining the level of performance produced by employees. The higher the competency, the more optimal employee performance will be. This research is in line with the research of Hasibuan (2011) which shows that competence has a positive and significant effect on performance.

### **V. Conclusion and Suggestion**

#### **Conclusion**

From the results of the analysis and discussion in the previous chapter, the authors concluded:

- a. The factors that influence the performance of employees of the production unit of CV Bandabags work unit Lhoksemauwe are motivation, leadership, organizational culture, ability and competency factors whose percentage values are 89.5% and the remaining 10.5% are influenced by other factors not examined in this study.
- b. The HR strategy alternatives that can be done are namely, carrying out a structural approach, a technological approach and an individual approach. Where these three strategies have their own characteristics to be implemented against CV Bandabags companies.
- c. The most appropriate HR strategy for implementing CV Bandabags is an organizational development strategy based on individual planning or management by objectives (MBO). This strategy aims to shape the workings and character of employees to fit the company's goals for a more efficient and more profitable way of working. The strategy of this approach also intends to directly change the behavior of employees through focusing on their attitude, perceptions and expectations skills so that they can carry out their tasks effectively. In addition, this strategy needs to be applied to adjust the times and adjust the environment that also develops. Organizational development with the applied HRM strategy must be mutually sustainable for the progress and efficiency of the organization towards the desired goals. Starting from the formation of ways of working, the character of employees and the placement of employees can make the organization stronger, more modern and more efficient without wasting useless resources.

#### **Suggestion**

Based on the results of the analysis of the study, the discussion and conclusions obtained, the suggestions that can be given are as follows:

##### **1. For CV Bandabags**

- a. Leadership factors, organizational culture and competencies have a positive and significant influence on the performance of the CV Bandabags production unit employees in Lhoksemauwe. It is expected that company leaders pay attention to employee performance from these three factors.
- b. Organizational culture is the main factor that can improve employee performance. In this case CV Bandabags can develop and improve organizational culture by:

- i. Approach employees by finding out what standards of work they want and that are safe for employees.
- ii. Guiding each member of the organization, especially for supervisors who are in the Lhoksemauwe section of the work unit to be able to lead more effectively and efficiently.
- iii. Providing training and development to production department employees.
- iv. Creating routine events that can make employees and leaders emotionally close
- v. Coordinate and control employees as best as possible in the process of implementing work within the organization.
- vi. Meeting with employees to evaluate employee progress in achieving goals.

## **2. For Employees in the Production Unit of CV Bandabags in the Lhoksemauwe Work Unit**

- a. Able to be open to changes in the environment, both external and internal.
- b. Want to accept and be adaptive to the approaches taken by superiors or managers to employees.
- c. Changing the old mindset that is always oriented towards the old local culture and willing to accept the culture and new thoughts on the culture of new changes from the company.

## **3. For Researchers**

For further researchers, it is expected to be able to analyze other variables that contribute to employee performance such as compensation, commitment, performance appraisal, work stress and other factors related to employee performance.

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