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DESIRE AND CLIMATE ON EMPLOYEE PERFORMANCE – A STUDY ON PLANTATION STATE-OWNED ENTERPRISE IN INDONESIA

Abstract

Motivation and work environment play a major role in optimizing the employee performance. Investigating the influence of achievement motivation and organizational climate on employees' performance is the main goal of this study. Furthermore, the survey method is used by this study. Meanwhile, the data were analyzed by using Partial Least Square. The study sample consisted of 226 employees who work in Plantation State-Owned Enterprise. The samples were taken with simple random sampling technique. The result shows that motivation and organizational climate have an influence on work performance. In summary, the organizational efforts are fundamental in increasing employee achievement motivation and creating conducive organizational climate. As a result, the employee performance can reach the optimum level.

Keywords achievement motivation, organizational climate,

employee performance

JEL Classification M12, M50, L250

INTRODUCTION

Within an organization, the role of human resources is considered substantial. It leads the organization to the path of success or failure in actualizing its objectives. Therefore, the human resources of an organization must be able to work in accordance with the organizational goals. An organization must be able to manage its human resources; starts from the recruitment, selection system, training system, payroll system and so forth. Employees as one of the main elements of the organization will be able to improve their performance if they know the expectation from the organization and the performance evaluation. As stated by Hall (2006), performance appraisals should be fair, impartial, and should accurately reflect the actual performance.

Performance issues are crucial. One potential obstacle that might occur is unskilful employees (Wiklund & Shepherd, 2005). In order to produce a productive performance program, a broad perspective that places the human element as its central point is needed (Laitinen, 2002; Machmud & Sidharta, 2016; Micheli & Mari, 2014; Neely et al., 1995). The main prerequisite for the success of the employee performance is the role of the manager. As can be seen from the explanation, the organizational success depends on the employee behavior. Certainly, this behavior does not happen by itself. There must be an encouragement on employees' positive work attitude (Grant et al., 2009). In addition, Combs et al. (2006) believe the attitude depends on the position in the

working place and employees' daily work. In the other words, there is a positive attitude from employees because of the fair and reasonable treatment from the organization. Human resources are considered as one of the most important assets in an organization (Kanopaske et al., 2016) Furthermore, it is also a partner for the organization in conducting organizational activities since they produce and carry out the work. Human resources also have two roles: 1) the main operator, 2) the input productivity within the organization.

1. LITERATURE REVIEW

Human resources is not an object that must always receive attention and protection from the organization. On the contrary, the organization's direction is determined by the human resources as the subjects. Robbins and Judge (2011) state human resources need to be directed, nurtured, and guided in order to perform its functions based on the organizational goals.

Many factors influence employees' performance within an organization, including motivation (Buelens & Van den Broeck, 2007; Gagné & Deci, 2005; Hansen & Wernerfelt, 1989) and organizational climate (Bakker & Schaufeli, 2008; Bock et al., 2005; Luthans et al., 2008; Pritchard & Karasick, 1973). Motivation or encouragement to work diligently along with a comfortable and supportive working environment are two factors that enable the employees to do their duties optimally. Organizational goals can be achieved through the guidance and working motivation. Those aspects create a conducive atmosphere for the growth of employees' performance.

The increased performance is beneficial when it has transformed into a working behavior that leads to the high performance. The employee cannot constantly achieve optimum performance. In order to reach the expected performance, the other supporting factors as achievement motivation and organizational climate are needed. Achievement motivation from employees also affects the process of achieving its optimum performance. McClelland (Mangkunegara, 2013) believes an employee with high achievement motivation tends to work well since he/she knows good performance can improve organizational performance as well. According to the work context, motivation is an important factor in encouraging an employee to work (Cerasoli et al., 2014; Dobre, 2013). The basic elements in motivation are an effort, organizational goal, and

needs. The effort is the measurement of intensity. A motivated person will do his best to reach the goal. However, it does not mean the high effort creates the high performance (Eder & Eisienberg, 2008). Therefore, the intensity and quality of the effort are required along with the goals of the organization (Colquitt et al., 2015). Furthermore, needs are internal conditions that rise an impulse, in which an insatiable need creates a tension that stimulates the individual. This drive raises the searching behavior to find the specific purpose (Moorhead & Griffin, 2013). If there is the fulfillment of the need, the tension is reduced (Rich et al., 2010). Basically, a motivated employee is in a tense state and try to reduce the tension by expanding the efforts.

Mangkunegara (2013) states that motivation is one of the factors that affect the performance achievement. Manzoor (2012) comments that the stronger the work motivation, the higher the employees' performance is. The increases in employees' motivation will provide a significant enhancement for improving the employees' performance in carrying out their work.

Organizational climate plays a significant part in encouraging employees to achieve the optimal performance. The situation and conditions of the organization's climate are directly felt by the employees. As stated by Schneider, Ehrhart, and Macey (2013), all environments and human within an organization in which they perform their work are considered as the part of the organizational climate. Furthermore, Davis and Newstrom (2006) declare that climate affects employees' performance. Takeuchi et al. (2009) believes the less productive employees' behavior affect the overall organization performance. Therefore, the leader's role of an organization is necessary to direct the employees' work in accordance with organizational goals. Expectantly, the successful organizational performance can be accomplished. Some assumptions were found in the preliminary study.

Some obstacles hinder the employees at plantation state-owned enterprises in Indonesia when they carrying out the main tasks, functions, details, task units and procedures of their duties. The low and unconducive achievement motivation towards the organizational climate are the most visible aspects. This condition impedes the optimum performance from the employee.

- H1: Higher achievement motivation leads to the higher employees' performance.
- H2: Higher organizational climate leads to the higher employees' achievement motivation.
- H3: Higher organizational climate leads to the higher employees' performance.

2. OBJECTIVES OF STUDY

According to the research background, achievement motivation, organizational climate and employees' performance are the formulation of the problems in this study. This study aims to determine the influence of achievement motivation and organizational climate on employees' performance.

3. METHODS

This study intends to test the hypothesis that has been formulated. Therefore, it applies associative research method to examines the influence of achievement motivation and organizational climate towards the employee performance. The survey method is used to explain the causal relationship and hypothesis testing. The study takes the samples from a population and utilizes the questionnaire as a tool for collecting the primary data.

The population is a generalization region consists of objects and subjects that have a certain quantity and characteristics set by the researchers to be studied and drawn conclusions. In this research, the population is all employees of plantation stateowned enterprises in Indonesia. The sample used to test the hypothesis was taken from 226 people by using simple random sampling technique.

Some variables used in this study are Mc Clelland's achievement motivation variable by adopting instrument developed by Steers and Braunstein (1976) with reliability form 0.70 to 0.85, climate organization variables by using an instrument developed by Rogg et al. (2001) with reliability form 0.74 to 0.85 and employee performance variable by using an instrument developed by Tsui and Porter (1997) with Cronbach's alpha 0.94.

4. RESULT

The data collected through the distribution of questionnaires to the employees of plantation state-owned enterprises in Indonesia reveal the characteristics of each respondent. The findings can be seen as follows:

Table 1. Gender of respondents

Gender	Sum	Percentage
Male	168	74,4
Female	58	25,5
Sum	226	100

From the table, it is known that the percentage of male respondents comes as the largest with 74.4%.

Table 2. Level of education

Level of education	Sum	Percentage
High school	2	0,88
Diploma	6	2,65
Graduate	198	87,61
Master	20	8,85
Sum	226	100

The highest percentage on the level of education as seen in the table above is the graduate level of 87.61%. The lowest percentage is 0.88% which is the high school graduate.

Table 3. Age of respondents

Age	Sum	Percentage
20-30	28	13.39
31–40	116	51.33
41–50	58	25,66
> 50	24	10,62
Sum	226	100

Table 3 shows the highest percentage for the age group is 51.33%, the age ranges from 31 to 40 years, while the least is > 50 years with a percentage of 10.62%.

Table 4. Result of outer loading

Indicators	EE	PS	Commitment	AVE	CR	Composite reliability
Arch1	0.576	-	-	0.502	0.752	0.830
Arch2	0.650	-	-			
Arch3	0.772	-	-			
Arch4	0.771	-	-			
Arch5	0.654	-	-			
Arch6	0.580	-	-			
Cli1	_	0.789	-	0.566		0.841
Cli2	=	0.774	-		0.763	
Cli3	_	0.641	-			
Cli4	-	0.704	-			
Cli5	_	0.674	-			
Per1	_	-	0.804	0.572	0.765	0.843
Per2	_	_	0.835			
Per3	_	_	0.695			
Per4	-	-	0.556			
Per5	_	-	0.690			

Table 5. Result of path analysis

Variables	Path value	p-value	
Achieve > Performance	0.53	0.003	
Climate > Performance	0.29	0.000	
Climate > Achieve	0.50	0.000	
R Square	-	_	
Achieve	0.25	0.005	
Performance	0.59	0.000	

The data processing points that 16 instruments are valid and reliable. The applied criteria are the Average Variance Extracted > 0.5, Cronbach's alpha > 0.7 and composite reliability > 0.7 criteria (Kock, 2012). Table 4 summarizes the result of outer loading, while Table 5 shows the result of path analysis.

Here is the overall research model:

5. DISCUSSION

The results show that achievement motivation significantly influences employees performance with $\beta = 0.53$ and a p-value of 0.00. Given these points, the increasing achievement motivation escalates the employee's performance. The field-based fact-finding shows the good achievement motivation variable improves the employees' performance.

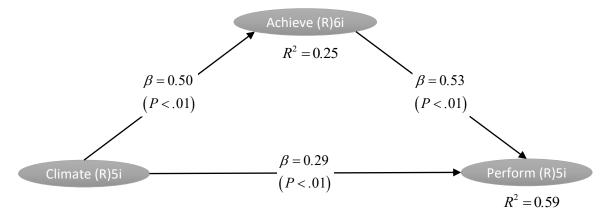


Figure 1. The path analysis of research variables

Achievement is the driving force that motivates someone's spirit at work. Therefore, the achievement will encourage someone to develop creativity and mobilize all the capabilities and energy to achieve the maximum work performance. Achievement enables the employees to get more income and to meet their needs.

The results of this study are in line with Davis's statement (as cited by Mangkunegara, 2013). He states motivation is the factor that affects the achievement of performance. Furthermore, Steward and Roth (2007) believe that the stronger the work motivation, the higher the employee performance is. This theory shows that any increases in employee's work motivation provide a significant improvement in boosting the employee's performance. The evidence is seen at employees of plantation state-owned enterprises in Indonesia. Cerasoli et al. (2014) describes the characteristics of a person who has high achievement motivation. The characteristics are: the person gives satisfactory result; the person attempts to be a success, he/she is able to complete complex tasks, the person wants to master the certain field, the person completes the difficult job with satisfying results, the person wants to be the best compared with the others. In contrast, some employees are unable to perform satisfactorily. Moreover, some employees do not do their duties immediately. Thus, the employees' high achievement motivation prompted by the high responsibility, realistic plans, and goals, efforts in reaching the goal, ability in taking decisions and the courage to take the risks, ability in completing the tasks effectively and satisfactorily.

The organizational climate directly determines the employee performance changes with $\beta = 0.29$ and p-value 0.00. The result informs that employee performance is influenced by the organizational climate. The more conducive organizational climate increases the employees' performance.

Luthans et al. (2008) remark that the organizational climate has an important role as the personality of an organization. This aspect differentiates one organization with the other organizations. Moreover, the members of the organization have the perception about their place based

on the climate. To sum up, the organizational climate is a series of characteristics that distinguish an organization with the other organizations and lead the perception of each member of the organization. A reliable individual as a resource that will take control the organization is needed so that an organization completely achieve its goals and objectives. Altogether, employee productivity depends on the conducive organizational climate (Aarons & Sawitzky, 2006; Dollard & Bakker, 2010; Luthans et al., 2008; Schneider, et al., 2013; Shahin et al., 2014; Patterson et al., 2004; Wang & Rode, 2010).

Achievement motivation and organizational climate have a significant effect on employees' performance with R^2 0.59. According to the Tannenhaus criterion, the model structure with large category has a goodness of fit. This fact illustrates the variables have a significant effect on employee performance. The biggest influence on the improvement of employees' performance is the achievement motivation variable. Meanwhile, the variable with the smallest influence is the organizational climate variable. It indicates that stronger achievement motivation and the more conducive the organizational climate enhance the employees' performance.

Mangkunegara (2013) profess the view that employees' performance is influenced by some internal factors that are associated with a person's traits such as a person's capability, the hard worker type, the weak worker, and the underachiever. Some external factors are derived from the environment such as behavior, attitudes, and actions of colleagues, subordinates or leaders, work facilities and organizational climate. Therefore, it can be concluded that the organizational climate and achievement motivation are simultaneously influential on employees' performance.

The results of this study are supported by the results of previous studies by Adeniji (2011); Cerasoli et al. (2014), Millette and Gagné (2008), Zhang and Bartol (2010) which prove that motivation affects employees' performance. In addition, the results of this study are in accordance with the research done by Feng and Bergsteiner (2011) and also Manik (2016) which prove that the organizational climate affects employee performance.

CONCLUSION

The results of the study prove that achievement motivation has a significant effect on employees' performance. The stronger employees achievement motivation enhances the employee's performance. Moreover, the employee's performance is influenced by the organizational climate. However, the organizational climate is the smallest variable in influencing performance. Based on the description, it can be defined that the conducive organizational climate increases the performance of employees. Two variables with significant effects on employee performance are achievement motivation and organizational climate. Automatically, those factors raise the employee performance when they are increased. Furthermore, other variables as compensation, competence, facilities, infrastructure and the others affect the employee's performance at Plantation State-Owned Enterprise in Indonesia. Further study is needed to get a better understanding of those variables. Growing the employee's self-awareness to work with sincerity and profoundly is important. The result leads to higher achievement motivation. In addition, creating the comfortable working atmosphere for the employees is essential as well.

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