

The Relation between Outsourcing Employee Perception to Recruitment Process and Status with Employee Morale

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Abstract: *This research was determined the relations between outsourcing employee perception to recruitment process and status with employee work spirit at outsourcing Kopegtel PT Telkom. This research used a quantitative approach and the population is all employees who are employed in outsourcing Kopegtel PT Telkom as many as 174 people. The research sample was collected by cluster sampling. The amount of outsourcing as many as 41 employees of 14 field/office work. Data analysis techniques in this study, using test validity, reliability testing, moment product correlation coefficient Karl Pearson, then testing hypotheses using path analysis (path analysis) with the help of SPSS version 19. The results show that there is a significant and positive relationship between outsourcing employee perception to recruitment process and status with Kopegtel employee work spirit.*

Keywords: outsourcing, recruitment process, works spirit.

1. Introduction

In corporate climate that increasingly stringent, companies are trying to do production cost efficiency (cost of production) and focus more to core business. One solution with outsource systems (outsourcing), where the companies can save money in the fund of human resources (HR) who work at company. PT Telkom in this case acts as an employment agency users who implement outsourcing systems as company competitive strategy to focus on its core business. Employees Cooperative of PT Telekomunikasi Indonesia (Kopegtel) Corporate Office is functionally cooperative whose members consist of employees who work in PT Telkom. Corporate Office Kopegtel selected as the provider of outsourced manpower for PT Telkom. In Kopegtel there is Employee Services Business Unit (UJTK). This unit is engaged in the employment service, both to be employed at PT Telkom as well as other outside companies by way of outsourcing. Outsourcing business is very helpful development of the business unit and provide benefits for permanent employees and members Kopegtel.

Aminah research (2010) is a preliminary study which reveals the relationship between work environment perception and organizational commitment with work spirit on production outsourcing employees at PT Coca Cola Company Semarang. The study clearly shows that work spirit problem owned by outsourcing employees can be affected by work environment and organizational commitment as influence of physical factors and social factors. Another term which used by As'ad (1998) as substitute work spirit is work morale. Rise and fall of work morale influenced by several factors, such as physical factors, psychological factors, social factors, and financial factors. From several factors, physical and social factors used in Aminah research as work environment. Background of theory development inspiring the need for possible posting more about employee morale

outsourced today. Morale owned by outsourcing employees can be influenced by the work environment as an environment in which they work and in it there recruitment process and status. A recruitment process which less effective and conducive will affect employees attitudes in working though the technology and equipment available in the industry is sophisticated and modern. This is in accordance with the opinion quoted from Louis A. Allen (in As'ad, 1998) as follows: "No matter how perfect the plan, organization, supervision and research but when they were unable to carry out his duties with enthusiasm and joy, then an organization will not achieve as much as actually be achieved".

This study was grounded by situation that occurred in the field, which tend to outsource employee morale decline. If seen from his enthusiasm factor, outsourcing employee morale level should be better than regular employees because they encouraged to be able to show a better job order contract period may be extended by outsourcing company that recruited him. That is, the contract can be extended by PT Telkom to Kopegtel so as influence to income cooperative employee service business unit. However, it turns out from existing data indicate that outsourcing employee morale is still need for improvement. Decreased employee morale due to differences in perception or view of the employee recruitment process conducted by the Cooperative Employees PT Telekomunikasi Indonesia (Kopegtel) and the existence of employment status, that is just as outsourcing employee/contract employee. This study aims to determine how many relationship between outsourcing employee perceptions to recruitment process and status with employee morale at Corporate Office Kopegtel.

2. Literature

Cooperatives

According to the Law of Republic Indonesia No.25 of 1992 states that:

“Cooperatives are a business entity consisting of persons or legal entities with bases its activities based on cooperation principles as well as movement of the people's economy based on family foundation”.

Employees Cooperative of PT Telkom (Kopegtel) Corporate Office and PT Telekomunikasi Indonesia are two entities that aim to make a profit from outsourcing manpower business, but how is it different when PT Telkom purely for-profit enterprises to increase their income, while Kopegtel of business profits is to increase income and prosper cooperative members.

Perception

According to opinion of Leon G. Schiffman and Leslie Lazar Kanuk (1989: 174), as follows:

“Perception is defined as the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world”.

Perception definition by desiderato (1976:129) is experience about objects, events, or relationships obtained by inferring information and interpretation messages. Perception is process someone in selecting, organizing, and interpreting a overview depth stimulus which full meaning. Positive and negative perceptions that arise from outsourcing depends how employees interpretation the recruitment process and status. Recruitment is an event series that begins when an organization requires employee and open recruitment until getting desired job candidates or qualify in accordance with the positions or vacancies. Whether or not a recruitment process can be seen from how employees perceive the recruitment process as a result their interaction with the environment. Therefore the recruitment process should be carried out effectively, openly, and in accordance with existing procedures.

Morale

Alex S. Nitisemito (1996:96) said that morale is doing the job harder and thus expected to be faster and better. Whereas Bedjo Siswanto (1987:264) define morale as a spiritual conditions and labor groups that pose profound pleasure in self-employment to working with consequential in achieving the goals set by company.

Morale owned by outsourcing employees should be increased always that the contract may be extended by PT Telkom as an employment agency users to Kopegtel Corporate Office as the employment service. If employee morale is high then the job will be completed on time, work discipline will increase, and the company's objectives will be achieved so that the cooperative will increase the company's revenue and cooperative and members can prosper. Therefore, indispensable role and function of PT Telkom and Kopegtel Corporate Office in order to improve employee morale as the one described in the above explanation that recruitment process is conducted openly and in accordance with existing procedures for recruitment process

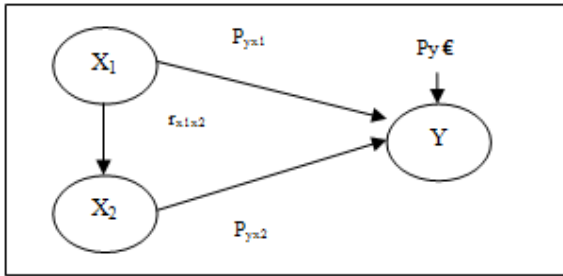
implementation can be performed effectively and get employees who have quality and good morale, and their status can be clarified become permanent employees.

3. Method

In this research approach used is a quantitative approach with explanatory survey method and descriptive survey method through interviews and observation. Management, employee outsourcing, and an active member Kopegtel which serve as a data source taken with census and random. Data sources determination of outsourcing employees in the study conducted by random sampling techniques (simple random sampling), that is by cluster sampling (sample group). In this sampling the population divided into groups or clusters. Randomly, the required clusters taken with randomization process. Each outsourced employee who remains in clusters randomly taken samples above is required. For determining the amount of members data source used sampling non-probability technique, that is snowball sampling. That is, through this technique, the small amount of original sample will then more and more as each member of the sample (respondents) would appoint her to be sampled. Selection of members is a representative sample. This means that sample was representative of population, both of the characteristics and quantity.

The data have been obtained were processed using tabulation tables with ordinal scales then transformed or raised as scale interval using Method of Successive Intervals (MSI). Furthermore, to obtain relationship between outsourcing employee perceptions to recruitment process and status using Product Moment Correlation Coefficient Karl Pearson. While to hypothesis test of causality (cause effect) between variables recruitment process, status, and employee morale using path analysis (path analysis) were calculated using SPSS version 19.

The calculations show that the Fvalue is greater than Ftable ($F_{0.05;2; 41}$) that are $F_{value} = 6.740$ and the $F_{table} = 3.51$. Outsourcing employee perceptions variable to recruitment process and status provides a real relation to employee morale. This is evident from the value of the variable path coefficient of 0.1590 and 0.1610, with a direct relationship contribution of 2.53% and 2.59%, indirectly of 1.26%, and total relationships of 3.79% and 3.85%. Based on the results apparently morale is not only influenced by outsourcing employee perceptions to recruitment process, but also by the presence status only as a contract employee. From calculations show that outsourcing employee status provides a real relation to employee morale. The results of this study illustrate that there are a strong and significant relationship between outsourcing employee perceptions to recruitment process and status with employee morale on outsourcing employees working in PT. Telkom Bandung. Completely, design structure of this research analysis as follows:



4. Results

Outsourcing Employee Perception to Recruitment Process With Employee Morale at Kopegtel Corporate Office

H₀ : There is no significant relationship between outsourcing employee perceptions to recruitment process with employee morale at Kopegtel Corporate Office.

H_a : There is significant relationship between outsourcing employee perceptions to recruitment process with employee morale at Kopegtel Corporate Office.

Partially, hypothetical research of a significant relationship between perception and morale. As further evidence of the hypotheses, then testing is done individually by student t-test. The hypothesis testing results can be found in appendix 6.1, using the t test = 6.727 > t table (t 0.975; 41) = 2.0195 with the variable path coefficient value of 0.159 so that Ho is rejected and Ha accepted, which means that between outsourcing employees perception to recruitment process (X1) and employee morale (Y) nothing to do.

From the results of the partial hypothesis test, all decision rules stating Ho is rejected, meaning the next step is not necessary testing testing through Trimming theory with a view to improve the paradigm or pathways that have been prepared. Means that the path has been developed do not improve or the path can still be maintained. It means that the path diagram can be used to answer the hypothesis and pathways remain unchanged.

Outsourcing employee perception variables to recruitment process (X1) have a significant relationship with employee morale (Y). It can be seen from the value of the variable path coefficient of 0.159, with influence contributions to Employee Morale variable (Y) of 2.53% directly, indirectly (via X2) of 1.26%, and the total effect of 3.79%.

Hypothesis 1, there is a significant relationship between outsourcing employee perceptions to recruitment process with employee morale at Kopegtel Corporate Office. Test results hypothesis of this study was based on the results of the SPSS output, where the value of sig 0.000 < 0.05, which means outsourcing employee perceptions to recruitment process can be used as a predictor for predicting morale on outsourcing employees who working at PT Telkom. The higher or positive outsourcing employee perceptions to recruitment process, the higher was their morale. Conversely, the low or negative outsourcing employee perceptions to recruitment process, the lower morale also.

Outsourcing Employee Perception to Status With Employee Morale at Kopegtel Corporate Office

H₀ : There is no significant relationship between outsourcing employee perceptions to status with employee morale at Kopegtel Corporate Office.

H_a : There is significant relationship between outsourcing employee perceptions to status with employee morale at Kopegtel Corporate Office.

Partially, hypothetical research there is a significant relationship between perception and morale. As further evidence of the hypotheses, then testing is done individually by student t-test. Hypotheses can be seen in appendix 6.2, using t test count = 9,965 > t table (t 0.975; 41) = 2.0195 degan variable coefficient band is as large as 0.161 to Ho rejected and Ha accepted which means that outsourcing employee perception to status (X2) and employee morale (Y) nothing. Significance is indicated by the value of t count is greater than t table.

From the results of the partial hypothesis test, all decision rules stating Ho is rejected, meaning the next step is not necessary testing testing through Trimming theory with a view to improve the paradigm or the path that has been compiled. Means that the path that has been developed do not improve or the path can still be maintained. It means that the path diagram can be used to answer the hypothesis and pathways remain unchanged.

Outsourcing employee perception variable to status (X2) has a significant relationship with employee morale (Y). It can be seen from the value of the variable path coefficient of 0.161, with influence contributions to Employee Morale variable (Y) of 2.59% directly, indirectly (through X1) of 1.26%, and the total effect of 3.85%.

Hypothesis 2, there is a significant relationship between outsourcing employee perceptions to status with employee morale at Kopegtel Corporate Office. Results of this study indicated hypothesis test is received on the sig = 0.000, meaning that outsourcing employee perceptions to status has relationship to employee morale Kopegtel Corporate Office.

Outsourcing Employee Perception to Recruitment Process and Status With Employee Morale at Kopegtel Corporate Office

H₀ : There is no significant relationship between outsourcing employee perceptions to recruitment process and status with employee morale at Kopegtel Corporate Office.

H_a : There is significant relationship between outsourcing employee perceptions to recruitment process and status with employee morale at Kopegtel Corporate Office.

On the correlation table (as in Appendix 6.4) correlation magnitude between X1 to X2 is 0.493 with a significance of 0.001. Tests used to distribute questionnaires to the respondents that as many as 41 outsourcing employees. Correlation X1 to Y is 0.159 with a significance of 0.320. Covariance (correlation variance) between X1 to Y is 11.126. Correlation between X2 to Y is 0.161 with a

significance of 0.316. Covariance between X2 to Y is 8.077. The provisions of hypothesis testing where the significance is below or equal to 0.05 and then H_a is accepted. Then conclude that there is real and significant relationship between X1 to Y (there is a significant relationship between outsourcing employee perceptions to recruitment process with employee morale) and X2 on Y (there is a significant relationship between outsourcing employee perceptions to status with employee morale).

Testing other hypotheses concerning the relationship or correlation between outsourcing employee perceptions to recruitment process and status with employee morale at Kopegtel Corporate Office. To answer the hypothesis, then testing is performed using a test of the Pearson product moment correlation. Based on the test results obtained by the partial correlation coefficient of $r = 0.493$ was positively correlated with the nature of the relationship, according to the rules of Guilford means that between outsourcing employee perceptions to recruitment process and status with employee morale has a moderate and positive relationship, where if the better perception or the views of outsourcing employees to recruitment process and status, the higher employee morale and vice versa. The recruitment process should be supported by its status in achieving morale.

Simultaneously, Recruitment Process variable (X1) and status (X2) to Morale (Y) gives the relationship significantly. The results show that the F value is greater than F table ($F_{0,05;2; 41}$) that is F value = 6.740 and $F_{table} = 3.51$. This means that variable of outsourcing employee perceptions to recruitment process (X1) and outsourcing employee perceptions to status (X2) simultaneously (together) in a real and positive effect on employee morale variable (Y).

Significance values above test results, supported also by the value of the coefficient of determination ($R^2_{YX1.X2}$) at = 0.0764. This value indicates that the morale (Y) influenced by outsourcing employee perceptions to recruitment process (X1) and status (X2) of 7.64%, while the remainder (ϵ_{Py})² was 92.36% influenced by other variables outside the recruitment process variable and status are not included in the model. Based on the results of testing the hypothesis turns out there are indications that the same partial level that each independent variable shows a positive and significant effect on increasing employee morale.

Outsourcing employee perceptions variable to recruitment process provides a real relation to employee morale. This is evident from the value of the variable path coefficient of 0.1590, with a direct correlation contribution of 2.53%, indirectly of 1.26%, and the relationship of 3.79% in total. Based on the results of research it turns out the morale not only influenced by outsourcing employee perceptions to recruitment process, but also by the presence status only as a contract employee. Calculations show that the status of outsourced employees provide real relation to employee morale. This is evident from the value of the variable path coefficient of 0.1610, with a direct correlation contribution of 2.59%, indirectly of 1.26%, and the relationship of 3.85%

in total.

Hypothesis 3, there is a significant relationship between outsourcing employee perceptions to recruitment process and status with employee morale Kopegtel Corporate Office. Test results hypothesis of this study was based on the results of SPSS output, where value of sig $0.000 < 0.05$, while $F_{count} > F_{table}$ ($6.740 > 3.51$) and $R^2_{YX1.X2}$ of 0.0764, meaning that outsourcing employee perceptions to recruitment process and status have a significant relationship with outsourcing employee morale Kopegtel Corporate Office.

The results showed that outsourcing employee perceptions to recruitment process and status is one factor that can affect employee morale Kopegtel Corporate Office. Results were in line with the opinion of Gibson (1985) that perception can affect behavior and attitude formation. In accordance with this, the perception to recruitment process and status which is interpreted differently by outsourcing employees will be able to affect employee morale. Positive perception appears possible with the attention from company to status, welfare, health and safety of its employees work. One of them gave an effective selection process, job placement in accordance with the position or the right place, the clarity of the status of labor relations, as well as a program of compensation policies both wages and welfare benefits in accordance with the amount of responsibility, expense and risk of the employee's field. This positive outlook can improve employee morale and will also determine the level of achievement of organizational goals. Morale is very important in any business partnership group of people in an organization, high morale will result in high productivity and will facilitate the company in achieving its intended purpose. A business will not progress in the absence of high morale, high employee morale will have a positive impact for the company, otherwise low morale will hurt the company as a high rate of absenteeism, worker turnover, and low productivity.

5. Conclusion

Based described above, the relationship between outsourcing employee perceptions to recruitment process and status with employee morale at Employees Cooperative PT.Telekomunikasi Indonesia (Kopegtel) Corporate Office can be summarized as follows:

- a. There is a positive relationship between outsourcing employee perceptions to recruitment process with employee morale at Kopegtel Corporate Office. Generally, recruitment process undertaken by Kopegtel Corporate Office to outsourcing employee which consists of selection process, orientation or introduction process, job placement process, and the wisdom of compensation has been quite effective. This will affect the perception or positive outlook that comes from outsourcing employees, so that will affect employee morale high. It is characterized by a strong and positive relationship between recruitment process with employee morale.
- b. Outsourcing employee perceptions to status has strong relationships and positive to employee morale at Kopegtel

Corporate Office. This is due to the good working relationship status in accordance with the wishes of the employees not only as employees outsourced or contract employees, will make the employee feel confident that employees are more eager to work and the work will be completed more quickly. With this clarity of employee status will impact on the provision of the rights and obligations of employees, besides the possibility of termination to the employee outsourcing cooperation can be minimized. Whereas when there is vagueness working relationship status as employee outsourcing only makes the employee feel less confident as a result employee morale will go down. Contract employees hired by the company for a certain period only, for up to three (3) years. Working relationship between company and employees set forth in the Employment Agreement For Specific Time (PKWT). In the contract can not require the trial period. Contract employee status can only be applied for specific jobs by type and nature of the job, will be completed in a certain time. If either party terminate employment before the expiration of the period stipulated in the employment agreement specified time, then the parties terminate employment are required to pay compensation to the other party for employees' salaries until the expiration of the agreement.

c. Morale is a condition closely related to mental state employee outsourcing. Employee morale has two dimensions, namely the low morale and high morale. Morale can be changed in accordance with the factors that affect morale and foster efforts. From the research that the factors to consider in fostering the spirit of working to improve the performance of employees is the process of recruitment, staffing, work interests, achievement opportunities, participates opportunities, labor relations, leadership, status, compensation, work environment, job characteristics, management policies, and personalities. If these factors have enabled and has been adapted with the state outsourced employee then morale will be increased so that the work can be completed more quickly and objectives company can be reached.

d. There is a positive relationship between outsourcing employee perceptions to recruitment process and status with employee morale Kopegtel Corporate Office. The more positive outsourcing employee perception to recruitment process and status, the higher employee morale Kopegtel Corporate Office. Conversely, the negative outsourcing employee perception to recruitment process and status, the lower employee morale at Kopegtel Corporate Office. Efforts that can be given in order to improve employee morale, among others, an effective selection process, open orientation or introduction process, according to the position of employment or where appropriate, the clarity of the status of labor relations, as well as a program of compensation policies both wages and benefits welfare benefit plans in accordance with the amount of responsibility, expense and risk of the employees working in the field. This positive outlook can improve employee morale and will also determine the level of achievement of organizational goals.

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