

# The Effect of Work Load, Motivation, and Competence on Performance of Bank Employees in Indonesia

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**Abstract:** *The rapid global economic development makes the business competition in Indonesia to be tighter. Companies must create quality products to survive in Indonesia market. Bank XYZ as a privately owned banking company has a superior product, namely pension product, where the pension product of Bank XYZ is in cooperation with PT Asabri (Persero). Bank XYZ has the duty to supervise and distribute pension funds to customers. The undistributed balance is the performance assessment of Bank XYZ by PT Asabri (Persero) for future business sustainability. Undistributed balances in Bank XYZ are increasing and result in poor performance assessment. The research was conducted using quantitative method with qualitative descriptive approach. The analytical tool used was Multiple Linear Regression using SPSS version 24 software. The results indicated that the competence had the most powerful effect on employee performance. In addition, workload and motivation had a significant effect on employees performance because employees lacked work training.*

**Keywords:** Work Load, Competence, Employee Performance, Quantitative Method, Multiple Linear Regression

## 1. Introduction

Business competition in the Indonesian market is increasingly tight, every company is required to always determine the needs and desires of consumers as well as trying to meet what is expected in a way better than its competitors. In order to survive in the competition, the Indonesian market must create a quality product that can be accepted by customers. The quality of a company's product may increase the competitive advantage owned by the company.

Bank XYZ is a privately owned banking company. Bank XYZ has a variety of savings products, deposits and credits offered to its customers. Bank XYZ has a superior product, namely pension product, where this product can provide benefits such as savings funds, customers and new credit. Pension product of Bank XYZ is in cooperation with the State-Owned Enterprises (SOE's) that manage the pension fund, namely PT. Asabri (Persero) under the auspices of the Ministry of Finance of the Republic of Indonesia. The form of cooperation is the payment of pension funds for retirees of Civil Servants, TNI (Army) and POLRI (police). Pension fund provided by PT Asabri (Persero) to Bank XYZ is included in the State Budget (APBN), therefore there is an arrangement for fund management as it must be accounted for. Pension fund management can be performed starting from pension payments, monitoring of customers existence and refunds of unauthorized retirees.

There are eleven banks cooperating in the management of pension funds with PT Asabri (Persero), one of which is Bank XYZ and five other banks are performing investigation to be able to work together. The more banks that are interested in managing the pension fund, the more competitors of Bank XYZ and pension fund placement is further distributed according to the number of banks that cooperate. Every month, Bank XYZ receives fund from PT Asabri (Persero) about 40 billion rupiah with the addition of

each month about 1-3 billion rupiah depending on the performance of payment of funds to retirees. Total customers who have to receive a pension fund is 18,000 retirees. The pension fund will always be monitored by PT Asabri (Persero) because the fund has to be paid maximally to the retirees so that it will be a performance assessment to determine whether the service in Bank XYZ is good or bad. The management of pension funds in Bank XYZ is conducted by a frontliner service unit. Bank XYZ must determine the existence of the customer by contacting or visiting the customer's home. If the retirees do not take pension funds within three months, the frontliner is obliged to return the funds to PT Asabri (Persero).

Each frontliner has their respective duties, the management of pension funds is basically their additional duty. The addition of duty increases the employees workload. In addition, there are several other unit duties assigned to service unit, such as disbursement and deposit placement previously performed by the operational unit, these duties are currently performed by the service unit based on management policy to streamline the number of employees. In 2006, Bank XYZ's management policy targeted a 40 percent increase in revenue by adding 20 branch offices by not increasing the number of employees and improving technology development at Bank XYZ.

All of these plans have started to run, so that it increased the workload of employees, especially service unit. Service unit should perform the duty of monitoring the payment of pension funds, but this unit put aside the monitoring duty because the motivation to perform monitoring began to decline as a result of time-consuming workload so that pension funds were not paid to the customers. In addition, service unit was not monitoring the pension fund due to lack of competencies. Competence of service unit was needed in completing each duty given. Competencies such as dividing the tasks or working quickly to get all the works finished, and operating applications needed to help with the

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completion of the tasks were needed.

Currently, service unit is considered to be indifferent to the management of the pension fund so as to make an increase to the unpaid pension fund, where the performance assessment of Bank XYZ by PT Asabri (Persero) is seen from the number of unpaid pension fund which then becomes the balance. Each bank cooperating with PT Asabri (Persero) has its own strategy in the payment of pension funds so that the balance settled or not paid to customers can be minimized. The results of monitoring shall be reported by service unit by making a written report to be reported to PT Asabri (Persero).

An increase in the amount of unpaid funds may occur due to workload, motivation, and employee competence. However, Bank XYZ has not found out the cause of the increase in the amount of unpaid funds and this encourages the need for a review to find out the effect of workload, motivation and competence on employee performance at Bank XYZ. Therefore, the researcher is interested to examine further about the effect of workload, motivation and competence on employee performance at Bank XYZ.

### Research Purpose

Based on the explanation of the above problem formulation, the purposes of this research are (1) to analyze the effect of workload on employee performance at Bank XYZ, (2) to analyze the effect of motivation on employee performance at Bank XYZ, (3) to analyze the effect of competence on employee performance at Bank XYZ, (4) to analyze the effect of workload, motivation, and competence on employee performance at Bank XYZ.

## 2. Research Method

### Time and Place of Research

This research was conducted at Bank XYZ on January to March 2017. The selection of research location was based on the availability of supporting factors during the research. In addition, these considerations were also based on the company's desire to Bank XYZ's employees to maintain and improve employee performance in distributing pension funds for for business continuity in the future.

### Research Population and Sample

Population of this research was all frontliner employees at Bank XYZ. The current frontliner population was 216 employees. The number of samples used in this research by using Slovin formula was 140 employees.

### Processing Technique and Data Analysis

Processing was performed on the data to be collected for further analysis and to obtain the results that can answer the problems in this research. Before the data was analyzed further, data processing was performed by tabulating the primary data from the questionnaire to make it easier to understand. Furthermore, each primary data from the questionnaire was tested for validity and reliability.

### Validity and Reliability Test

Validity test aimed to measure the instruments that have been compiled and can be said to be valid or if the instrument can precisely measure something to be measured. The higher the validity of an instrument, the better the instrument to be used in a research (Yusuf, 2014). Reliability test was used to prove the instrument used as a measurement to be said reliable. If the measurement is consistent and accurate, then measuring instrument can produce a reliable measurement result.

### Descriptive Analysis

Data analysis is a process of data simplification into a simpler form, easy to read and interpreted. In this research, each variable was processed and analyzed with SPSS version 24 software.

### Testing Requirements for Data Analysis

Testing requirements for data analysis in this research was conducted by normality, homogeneity and linearity test.

### Multiple Linear Regression Analysis Test

Multiple linear regression analysis was used to analyze the effect of workload ( $X_1$ ), motivation ( $X_2$ ), and competence ( $X_3$ ) variable on employee performance ( $Y$ ) with the following equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

Description:

Y	=	Employee performance
a	=	Constant
$b_1$	=	Coefficient of workload variable
$X_1$	=	Workload
$b_2$	=	Coefficient of motivation variable
$X_2$	=	Motivation
$b_3$	=	Coefficient of competence variable
$X_3$	=	Competence

### Research Hypothesis Testing

Hypothesis testing was performed with F test statistic and t test, where F test was used to test the effect of independent variable simultaneously and t test was used to test independent variable partially or individually (Posuma 2013).

### Correlation Coefficient (R) and Coefficient of Determination ( $R^2$ )

Correlation Coefficient (R) was used to determine the effect between independent variables (X) on dependent variable (Y) simultaneously. Coefficient of determination ( $R^2$ ) essentially measures the extent of the model's ability to explain variation of independent variables (Posuma 2013).

## 3. Result and Discussion

### Result

#### Validity and Reliability test

Validity test conducted on 140 respondents resulted in a critical r value (product moment) of 0.165. Meanwhile, corrected item-total value of all statements had an average value of 0.4. This indicated that the statements given for the research were valid.

After validity test was performed on items of statements of workload, motivation, competence and employee performance, then it was conducted reliability test. The method used to test the reliability of variables in this research was Cronbach's Alpha technique and data processing was performed with the help of SPSS version 24 software. The results of reliability test for all research variables were as follows table 1.

**Table 1: Results of reliability test**

Variable	Coefficient of Cronbach's Alpha	Description
Independent variable (X <sub>1</sub> ) of Work Load	0.799	Reliable
Independent variable (X <sub>2</sub> ) of Motivation	0.798	Reliable
Independent variable (X <sub>3</sub> ) of Competence	0.909	Reliable
Dependent variable (Y) of Employee Performance	0.812	Reliable

Based on the research results above, it can be concluded that all variables can be trusted or reliable. A variable is considered to have a good reliability if it has Cronbach's Alpha value > 0.70 (Janti 2014).

#### Testing Requirements for Analysis

Testing requirements for analysis is needed to determine whether the data analysis of hypothesis testing can proceed or not. Some data analysis techniques require analysis requirements test. Variant analysis requires that the data derive from normally distributed populations and homogeneous groups.

The results of normality test with variables of workload, motivation, competence and employee performance indicated normally distributed data, the result of the research for homogeneity test with the research variables indicated that the data derived from the populations have the same variance (homogeneous) and the research results for linearity test with the research variables indicated linear patterned variables.

## 4. Discussion

### 1) The Effect between Workload, Motivation, and Competence Simultaneously on Employee Performance

The determination of regression coefficient value simultaneously can be used to determine employee performance through F test. The results of F test were used to determine whether there was an effect simultaneously between independent variables on dependent variable.

Null hypothesis (Ho) is rejected if p-value < 0.05. The test result indicated p-value (<0.05), then the null hypothesis (Ho) was rejected, meaning that independent variables simultaneously had an effect on the dependent variable. Based on the result, it can be concluded that at least, one variable of workload, motivation and competence will simultaneously affect employee performance. The result of this research indicated that the independent variables had a significant effect on the dependent variable.

After determining that the effect occurred between workload, motivation, and competence simultaneously on employee performance was positive and significant, then it can be determined the amount of contribution of workload, motivation, and competence simultaneously on the employee performance by an analysis using coefficient of determination. Contribution of workload, motivation, and competence simultaneously was 74.7% on employee performance.

Furthermore, the functional effect of workload, motivation, and competence simultaneously on employee performance can be expressed by multiple linear regression as follows:

$$\hat{Y} = 5,789 + 0,228X_1 + 0,280X_2 + 0,311X_3.$$

Coefficient value of workload (X<sub>1</sub>) was 0.228, meaning that if there was an increase or addition (due to + symbol) of a unit of workload (X<sub>1</sub>), there will be an improvement of employee performance (Y) of 0.228 per unit. Coefficient value of motivation (X<sub>2</sub>) was 0.280, meaning that if there was an increase of addition (due to + symbol) of a unit of motivation (X<sub>2</sub>), then there will be an improvement of employee performance (Y) of 0.280 per unit. Coefficient value of competence (X<sub>3</sub>) was 0.311, meaning that if there was an increase or addition (due to + symbol) of a unit of competence (X<sub>3</sub>), then there will be an improvement of employee performance (Y) of 0.311 per unit. The result of functional effect between workload, motivation, and competence simultaneously on employee performance was  $\hat{Y} = 5.789 + 0.228X_1 + 0.280X_2 + 0.311X_3$ , meaning that workload, motivation, and competence simultaneously can be used to predict employee performance.

This described what happened to Bank XYZ's frontliner employees, where changes in employee performance were due to the impact of employee reduction, the addition of work volume, reduced understanding and employee training. This result was in accordance with Kurniadi (2014) research using path analysis method, that was the contribution of workload, competence, compensation, motivation and employee performance simultaneously had an effect directly on organizational performance at Financial Management and Regional Wealth Office in West Aceh Regency.

### 2) The Effect of Workload on Employee Performance

The result statistical data analysis proved that the result of accuracy test in parameter estimation obtained the value of t-count of 8.025 with p-value (0.000) greater than alpha value of 0.05. Based on this result, Ho was rejected, meaning that workload variable partially had an effect on employee performance. The contribution of workload was 31.8% on employee performance.

Furthermore, the functional effect of workload on employee performance can be expressed by multiple linear regression equation as follows:

$$\hat{Y} = 36,437 + 0,496X_1.$$

Coefficient value of workload (X<sub>1</sub>) was 0.496, meaning that if there is an increase or addition (due to + symbol) of a unit of workload (X<sub>1</sub>), then there will be an improvement of employee performance (Y) of 0.496 per unit. The result of functional effect of workload (X<sub>1</sub>) on employee performance



(Y) was  $\hat{Y} = 36,437 + 0,496X_1$ , explaining that workload ( $X_1$ ) can be used to predict employee performance.

Based on the calculation result, where workload ( $X_1$ ) has been tested to have positive and significant effect on employee performance, it described that the higher the workload of the frontliner employees, the less optimal of Bank XYZ in completing the job. The result of this research was in accordance with Adityawarman (2015) research stating that workload had a positive and significant effect directly on the employee performance of PT. Bank Rakyat Indonesia (Persero) Tbk, Krekot branch. The workload variable was formed by two indicators, namely the workload affected by external and internal factors indicated through the perception of Bank XYZ's frontliner employees stating that the workload was high so that it contributed significantly to employee performance. This was in accordance with the condition of Bank XYZ's frontliner employees, the employees perceived that their workload was high so that they were not optimal in carrying out their work.

Seeing from the demand of company's management performing the efficiency of the number of employees and providing additional duties to employees, Bank XYZ's frontliner employees must be able to carry out all types of services in an integrated manner. However, the employees perceived this as a separate workload that must be overcome so that they can not be optimal in terms of work completion. The result of this research was supported by the theory stated by Sitepu (2013) that high workload and the small number of employees resulted in a decrease in employee performance, as well as uneven distribution of duties that make the employees overworked. According to Astianto (2014), someone who believes that the duty assigned is a challenge even though the duty is excessive, then one can feel good about his job and if one believes otherwise, then the one will be burdened that eventually will lower the performance in completing the job.

### 3) The Effect of Motivation on Employee Performance

The result of statistical data analysis proved that the result of accuracy test of parameter estimation obtained t-count of 12.636 with p-value (0.000) greater than alpha value of 0.05. Based on this result,  $H_0$  was rejected, meaning that motivation variable partially had an effect on employee performance. The contribution of motivation was 53.6% on employee performance.

Furthermore, the functional effect of motivation on employee performance can be expressed by multiple linear regression equation as follows:

$$\hat{Y} = 20.303 + 0.697X_2$$

Coefficient value of motivation ( $X_2$ ) was 0.697, meaning that if there is an increase or addition (due to + symbol) of one unit of motivation ( $X_2$ ), then there will be an improvement in employee performance (Y) of 0.697 per unit. The result of functional effect of motivation ( $X_2$ ) on employee performance (Y) was  $\hat{Y} = 20.303 + 0.697X_2$ , explaining that motivation ( $X_2$ ) can be used to predict employee performance.

Based on the calculation result, where motivation ( $X_2$ ) has been tested to have positive and significant effect on employee performance, it described that the more well-

motivated employees, the Bank XYZ's frontliner employees will be more influential on their performance. Currently, the employees were less motivated in completing the job so that the employees were slow and not optimal in completing the job, and often postponed the job to be completed.

Seeing from the demand of company's management performing efficiency of operational cost, the company began to eliminate overtime work funds, bonuses, *sembako* (basic commodities) and so on. In addition, the reduction of employees also had an impact on employee motivation. The result of this research was in accordance with Sitepu (2013) research that well-motivated employees can support their performance to be better and vice versa. According to Mudayana (2010), high work motivation encourages employees to have a high spirit to provide the best service for patients and if the employee motivation is low, then it will reduce the spirit to provide services to patients.

### 4) The Effect of Competence on Employee Performance

The result of this research proved that the result of accuracy test of parameter estimation obtained the value of t-count of 17.645 with p-value (0.000) greater than alpha value of 0.05. Based on this result,  $H_0$  was rejected, meaning that competence variable partially had an effect on employee performance. The contribution of competence was 69.3% on employee performance.

Furthermore, the functional effect of competence on employee performance can be expressed by multiple linear regression equation as follows:

$$\hat{Y} = 17,720 + 0,552X_3$$

Coefficient value of motivation ( $X_3$ ) was 0.552, meaning that if there is an increase or addition (due to + symbol) of one unit of competence ( $X_3$ ), then there will be an improvement of employee performance (Y) of 0.552 per unit. The result of functional effect between competence ( $X_3$ ) and employee performance (Y) was  $\hat{Y} = 17.720 + 0.552X_3$ , explaining that competence ( $X_3$ ) can be used to predict employee performance.

Based on the calculation result, where competence ( $X_3$ ) has been tested to have positive and significant effect on employee performance, it described that the more employees with a good competence, then Bank XYZ's frontliner employees will be more influential on their performance. Currently, the employees lack of competence in completing a job so that they have obstacles in completing their duties. The employees need to improve work-related understanding.

Seeing from the demand of the company's management performing efficiency of the number of employees and providing additional duties to employees, Bank XYZ's frontliner employees must be able to carry out all types of services in an integrated manner. However, the employees found that the management rarely conducted training to improve competence in completing the job. The result of this research was supported by Posuma (2013) research that competence had a very weak but significant effect on employee performance. Therefore, the existing employees should further improve the existing competencies, they

should show more skills in the work and should have a deeper knowledge of their work.

## 5. Managerial Implications

The result indicated that the variables of workload, motivation and competence had a positive and significant effect on employee performance. It can be interpreted that the better the workload, motivation and competence, the better employee performance. Competence had the most significant effect on employee performance. Based on these results, several things that can be performed for the management policy of Bank XYZ are as follows:

- 1) Bank XYZ's frontliner employees find that the level of their workload is high. Therefore, Bank XYZ in making policies should be able to reduce the workload of employees so that the employees can continue to perform their duties and jobs well in order to improve employee performance. The policy that can be taken by the management is to distribute the duties evenly to the employees in order to achieve goals desired by the company.
- 2) Bank XYZ's frontliner employees lack the motivation and understanding in performing the job. Therefore, it is necessary to have policies adopted by the management, such as training to improve employee motivation and understanding of work to all frontliner employees. In addition, a sense of responsibility needs to be developed toward the job. A sense of responsibility can be developed by developing a sense of confidence to employees that the work carried out is a valuable thing.

## 6. Conclusion & Suggestion

Based on the research result and discussion, the conclusions and suggestions of this research are as follows:

### A. Conclusion

- 1) Workload ( $X_1$ ) has been tested to have a positive and significant effect on employee performance, describing that the higher workload, the less optimal Bank XYZ's frontliner employees in completing the job.
- 2) Motivation ( $X_2$ ) has been tested to have a positive and significant effect on employee performance, describing that the more well-motivated employees, then Bank XYZ's frontliner employees will be more influential on their performance.
- 3) Competence ( $X_3$ ) has been tested to have a positive and significant effect on employee performance, describing that the more employees with good competence, then Bank XYZ's frontliner employees will be more influential on their performance.
- 4) The effect occurred between workload, motivation and competence simultaneously on employee performance was positive and significant

### B. Suggestion

Based on the conclusion, the suggestions are as follows:

- 1) Workload given to employees should be more ideal because it will contribute to the improvement of employee performance.

- 2) Motivation in Bank XYZ needs to be continuously improved as it contributes to the improvement of employee performance. Work motivation is closely related to employee's level of satisfaction and this can be created by a pleasant working environment.
- 3) The company needs an internal or external training to improve employee competence.
- 4) It is suggested for further research to examine variables other than workload, motivation and competence that may affect employee performance.

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