The Effect of McClelland's Theory of Needs towards Employee Performance in Multinational Agribusiness Company in Jakarta

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Abstract*: Increasing the employee performance is one from many company's major challenges. Motivation is one of the factors which affect employee performance. Company should increase their employees' motivation to work in order to increase their work performance. Theory of Needs by David McClelland is one of many famous motivation theories yet still few research about it. This research was conducted in multinational agribusiness company, focusing on the branch in Jakarta, Indonesia. There are three independent variable which are need for achievement, need for power, and need for affiliation, and one dependent variable which is employee performance. Research method used are multiple linear regression, F-Test, T-Test, and coefficient determination.*

Keywords: Theory of Needs, Need for Achievement, Need for Power, Need for Affiliation, Employee Performance

1. Introduction

Today, the agribusiness company is the world's largest processor and merchandiser of palm and lauric oils, manufacturer of oleochemicals, specialty fats, palm biodiesel and consumer pack oils as well as crusher of palm kernel and copra crusher. It is also one of the largest oil palm plantation owners and the largest palm oil refiner in Indonesia and Malaysia.

Finding the most ideal fit between social system and technical system is aided by the HRM. Employees with skills and strong motivation are very valuable for an organization [1]. Not only in the rational, quantitative approaches, but more to the commitment of employee's involvement and motivation to work, is where key to sustained survival and organizational success lies [2]. Motivation is the key thing to consider if a company wants their employees to work on their own will [3].

Motivation can drive employees to work and which will result in affecting their work performance. Other thing important for organizations is the employees' performance, as employee performance leads to business success and performance is important for individual as accomplishing tasks. Performance can also be a source of satisfaction [4]. In other word, performance is important for the success of the company.

There are theories explaining motivation. There are four better known theories that have been proposed by David McClelland, Abraham Maslow, Clayton Aldefer, and Fredrick Herzberg [4]. McClelland explained that social motive is a very complex motive and is a source from many human behavior and action. The three theory of needs are: need for achievement, need for power, and need for affiliation which will be the X variable on this research, and job performance as the Y variable.

Need for achievement shows how a person drives himself to excel with respect in order to achieve a certain set of standards. Individual feels their achievement needs satisfied when they are able to actualize their goals, relative to and regardless of other people situation [5]

Desire to establish and maintain friendly and warm relations with others, People with the need for affiliation have motivation to befriend people, having friendship, and working together in an organization. Individuals with need for affiliation place quality of relationship as the most important thing and therefore putting social first instead of finishing assignment. Individual with strong need for affiliation tend to pursue team activities where interdependence and cooperation with other are paramount.

The need for power denote individuals with a high desire to be influential. Those individuals with high need for power prefer to be competitive, in status-driven situation, and actively seek to the trappings of status [6].

The company's Indonesia main branch in Jakarta has a problem on their employees' performance. Therefore, this research will find out the how is the theory of needs by McClelland (need for achievement, need for power, and need for affiliation) in the company, and how much does it affect the employees' performance.

2. Theoretical Background

This research is based on the theory of needs by David McClelland which are Need for Achievement (nAch), Need for Power (nPow), and Need for Affiiation (nAff).

2.1 Theoretical Framework

Performance scoring is an evaluation process on how good an employee is in doing the job if they are compared to the performance standard, and then communicate the information

to the employee [7].. For this particular research, the performance dimension that will be used are individual task result, behavior, and work discipline. [8] With great motivation, employees can give better performance result. Motivation to do work may appear if the work they have to do have a value or have a personal meaning to the employees themselves. Factors influencing performance is motivation [9].

Figure 1: The Proposed Model

3. Research Methodology

Quantitative research will be used in this particular research. The type of research will be descriptive and causal research because the objective of this research is to analyze the relation between each variable and to illustrate the result of the research. This research is a causal research because it has a cause and effect relation between the independent variable and the dependent variable.

3.1 Operational Variable

The independent variables in this research are Need for Achievement (X1), Need for Power (X2), and Need for Affiliation (X3). The dependent variable in this research is employees' performance which will be denoted as Y. The operational variable will be explained below:

Table 1: One Sample T-Test of Abnormal Return

Variable	Sub-Variable	Indicator	Item No.	Scale
Need for Achievement	Strive for Success	The urge to move forward	1	Interval
		The effort to reach success	2	Interval
	High risk work	Receiving relatively high risk work	3	Interval
	Responsibility	Responsibility in problem solving	4	Interval
		Work feedback	5	Interval
Need for Power	Influence	Effort to get influence over others	6	Interval
		Effort to control others	7	Interval
	Status	Effort to achieve higher position	8	Interval
		Urge to be leader in every activity	9	Interval
Need for Affiliation	Friendship	Friendly relationship	10	Interval
		Close relationship	11	Interval
	Attitude	Having leader attitude	12	Interval
		Familiar attitude	13	Interval
	Working with others	Initiative ideas to win every competition	14	Interval
		Cooperative behavior	15	Interval

Table 2: Dependent Variable Operational

Variable	Sub-Variable	Indicator	Item No.	Scale
Job Performance	Individual Task Result	Completion of assigned work	16	Interval
		Quality of completed work	17	Interval
	Behavior	Thoroughness in working	18	Interval
		Initiative in working	19	Interval
		Patient in working	20	Interval
	Discipline	Attending on time	21	Interval
		Attendance	22	Interval
		Obedient to rules	23	Interval

3.2 Population and Sample

For this study, the population is the employee in the company in 2017. Based on the 2017 data, the employees currently working is 597 employees in total. Sampling technique is a way to determine the sample that will be used for the research. On this research, the sampling technique that will be used is probability sampling technique by simple random sampling which means taking the sampling member from the population is done randomly without looking at the strata on the population [4].

$$n = \frac{N}{(N.e^2) + 1}$$

Where:
n = Number of sample for research
N = Population size
e = Margin of Error (For this research the author use 5%)
1 = Constant Value
Using Slovin formula, the number of the respondent that will be researched is 240 persons.

3.3 Data Collection Technique

Data will be collected from literature study and questionnaire. . This questionnaire will be given to 274 people working the company and will be chosen randomly. This research will use Likert scale as the answer choices. While on this research the author decided to use four level of Likert scale. For the answer choices, there will be a score starting from one to four as written below:

Table 3: Likert Scale

No.	Response	Score
1.	Strongly Agree (SA)	4
2.	Agree (A)	3
3.	Disagree (D)	2
4.	Strongly Disagree (SD)	1

4. Multiple Regression Analysis

4.1 F-Test

The impact of Need for Achievement, Need for Power, and Need for Affiliation will be discussed in this chapter. To identify the problems in this study, it will be analyzed towards the hypothesis below:

H0: $\rho y.x1 = \rho y.x2 = \rho y.x3 = 0$

Which also means that there is no influence of Need for Achievement, Need for Power, and Need for Affiliation towards Job Performance simultaneously.

H1: at least one equal sign is different

Which also means that there is significant effect of Need for Achievement, Need for Power, and Need for Affiliation towards Job Performance simultaneously. The hypothesis will be tested using analysis of variance. The result is as follows:

Table 4: ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	195.202	3	65.067	16.662	.000[b]
	Residual	921.594	236	3.905		
	Total	1.116.796	239			

Based on the table above, it can be seen from the value of $F_{count} = 16.662$. This value is greater than the value of $F_{table} = 2.60$. In other words, because the value of $F_{count} > F_{table}$, it means the null hypothesis is rejected.

4.1 T-Test

To calculate the influence amount between the independent variables, multiple regression analysis is used. The independent variables in this research are: Need for Achievement (nAch), Need for Power (nPow), and Need for Affiliation (nAff).

Table 5: T-Test Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,751	1,929		8.164	0
	X1 nAch	0.489	0.096	0.334	5.082	0
	X2 nPow	0.08	0.094	0.053	0.849	0.397
	X3 nAff	0.141	0.073	0.125	1.92	0.056

With $\alpha = 0,05$ and degree of freedom (df) = n-k = 240-4 = 236, the t table will be = 1.651336, while the t count is written on the table above. Therefore, the interpretation of the Table will be:
a) T-Test between dependent variable Need for Achievement (X1) to independent variable Job Performance (Y). Based on Table 5, it is known that the t_{count} of X1 Need for Achievement is 5.082 which means $t_{count} > t_{table}$. This means the variable Need for Achievement has a significant effect on independent variable Employee Job Performance. The coefficient regression score can be seen from the beta column which is 0.334. The positive result means Need for Achievement variable is parallel with Job Performance.
b) T-Test between dependent variable Need for Power (X2) to independent variable Job Performance (Y). According to Table 5, it is known that the t_{count} of X2 Need for Power is 0.849 which means $t_{count} < t_{table}$. This means to accept H0 and to reject H1 where the variable Need for Power

has no significant effect on independent variable Employee Job Performance. The coefficient regression score can be seen from the beta column which is 0.053.
c) T-Test between dependent variable Need for Affiliation (X3) to independent variable Job Performance (Y). Referring to Table 5, it is known that the t_{count} of X3 Need for Affiliation is 1.920 which means $t_{count} > t_{table}$. We reject H0 and accept H1 where this means the variable Need for Affiliation has a significant effect on independent variable Employee Job Performance. The coefficient regression score can be seen from the beta column which is 0.125. The positive result means Need for Achievement variable is parallel with Job Performance.

4.1 Determination Coefficient

Coefficient determinant is needed to determine the influence of the independent variables toward the dependent variable, which is as follows:

Table 6: Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.418[a]	.175	.164	197.612

Based on the table above, the determination coefficient has been obtained which is 0.175 or 17.1%. This means that Need for Achievement, Need for Power, and Need for Affiliation may explain job performance amounted to 17,1%. While the remain is equal to 100% - 17.1% = 82.9% explained by other variables which is not discussed or included in this study.

5. Conclusion

Based on the research that has been conducted regarding the theories of need by David McClelland towards Job Performance can be concluded as follows:
a) The employees' Need for Achievement is categorized as very high with the score of 89.68% in the continuum line.
b) The employees' Need for Power is categorized as very high with the score of 87.76% in the continuum line.
c) The employees' Need for Affiliation is categorized as very high with the score of 87.08% in the continuum line.
d) Need for achievement, need for power, and need for affiliation significantly impact simultaneously towards job performance with determination coefficient of 17.1%.

6. Suggestion

6.1 Company

The company need to concern on several aspects to improve performance. Company should pay attention to employees' needs, in particular, need for achievement, power, and affiliation. Employees' need for achievement can be improved by looking at the items mentioned in this study which are the urge to move forward, effort to reach success, receiving relatively high work, responsibility in problem solving, and work feedback. Employees' need for affiliation

can be increased if company organized more events in which interpersonal communication between employees is needed.

In smaller words, the need for achievement and affiliation for employees can be done by giving employees seminar, workshops, off-work activities, and activities where they act to be leaders. Employees satisfaction will be checked annually, and to be given fair facilities such as reasonable wage, holidays and time off work, health and safety, equality within workplace, grievances, bonus, etc.

6.2 Future Researchers and Academicians

1) For further research it is recommended to expand the study by considering other independent variables that may affect employee performance, such as job training, career development, or leadership as these variables are also important of influencing job performance of employees according to the journal support in this study.
2) Recommending for further research to use other development technique other than multiple linear regression analysis, and try using path analysis to examine the relationship between variables by observing the variables that are correlated.

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