

The Effect of Employees' Performance Assessment System through Job Motivation and Satisfaction

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Abstract: *AgrobisnisTarutama Nusantara Cooperative is one of the biggest cooperative in Jember, East Java focuses on tobacco exporter field to Bremen, Germany. The employees' performance assessment system obtained in AgrobisnisTarutama Nusantara Cooperative uses Management by Objective method and process approach. However, to fulfill the purpose in works, there are still several obstacles in which the level of employee performance considered to be less. Thus, it aims to prove significantly the effect of employees' performance assessment system through job motivation and satisfaction. The method applies is explanatory research using quantitative approach and the sample are using 108 respondents. In case to analyze the causal relations between each variable and hypothetical testing, therefore, the analytical tools used is Structural Equation Modeling (SEM). The results show that employees' performance assessment has positive impacts on job motivation and satisfaction, moreover, job motivation and satisfaction has positive impacts toward employees' performance as well.*

Keyword: job motivation, job satisfaction, employees' performance

1. Introduction

AgrobisnisTarutama Nusantara Cooperative is one of the biggest cooperative in Jember, East Java which focuses in tobacco exporter field to Bremen, Germany. The employees' performance assessment system that is obtained in AgrobisnisTarutama Nusantara Cooperative uses assessment method based on Management by Objective and process approach. Employees' performance assessment system in AgrobisnisTarutama Nusantara Cooperative is aimed to:

- a) To evaluate employees' performance.
- b) To measure employees' contribution for the company.
- c) To improve employees' performance, and evaluate the strength and weakness of every employee.
- d) To determine the amount of compensation/ bonus/ incentive.
- e) As the instruments for decision taking in every HR management activity.

As mentioned above, MBO method is performance assessment used in AgrobisnisTarutama Nusantara Cooperative to evaluate employees' performance with specific purpose. However, the purpose is not only determined by the manager of the company, rather by both of manager and employees in case to ease getting the job satisfaction. The things that assessed using MBO method are concern with the performance's result, work attitude, and work process.

Performance assessment system is defined as managerial action to evaluate employee's performance and to establish the new policy. The attitude assessments for employees are including the evaluation of loyalty, leadership, teamwork, dedication, and employee participatory (Hasibuan, 2010). The lack motivation of AgrobisnisTarutama Nusantara Cooperative employees also happens since the lack of intensity teamwork between each employee while doing their works, and due to subjectivity in performance assessment. This, however, will lead into competition among the employees.

Sutrisno (2009) has mentioned the definition of motivation

as an attitude within an individual to do certain activity. Furthermore, the importance of job motivation explained by Handoko (2010) as impulse to implement the attitude of individual in work place to improve the performance. Thus, it considered that there is still dissatisfaction of the employees in AgrobisnisTarutama Nusantara Cooperative such as the performance that are not optimal yet, less intensity relation between individual and group in work place, lack of initiative among the employees so that they have to instruct by the leader first. Therefore, the high motivation is needed as the indicator of the successful implementation of employees' performance reflects from the job satisfaction of the employees. Afterward, job satisfaction is an emotional state of the employee whether pleasing or not while doing their works (Handoko, 2010). Moreover, the job performance or assessment interprets as results attempt achieved with ability and attitude in certain condition. Anwar (2006) then explains job performance as quality or quantity job results which achieved by the employees in their work relate with the responsibility given. The lack of performance in AgrobisnisTarutama Nusantara Cooperative in Jember reflects as some of the employees delay the job's deadline, and there are still some of employees who do hard work until late night. Sometimes, it will make subjective assessment of employees' performance, therefore, it is needed an employee daily journal to control the employees' work.

Hence, based on introduction above, this study has purpose to evaluate the effect of employees' performance assessment system toward job motivation in AgrobisnisTarutama Nusantara Cooperative; evaluate the effect of employees' performance assessment system toward job satisfaction in AgrobisnisTarutama Nusantara Cooperative; evaluate the effect of employees' performance assessment system toward employees' performance in AgrobisnisTarutama Nusantara Cooperative; evaluate the effect of employees' job motivation toward employees' performance in AgrobisnisTarutama Nusantara Cooperative; evaluate the effect of employees' job motivation toward employees' performance in AgrobisnisTarutama Nusantara Cooperative.

2. Research's Conceptual Framework

The conceptual framework of the research is described as follows:

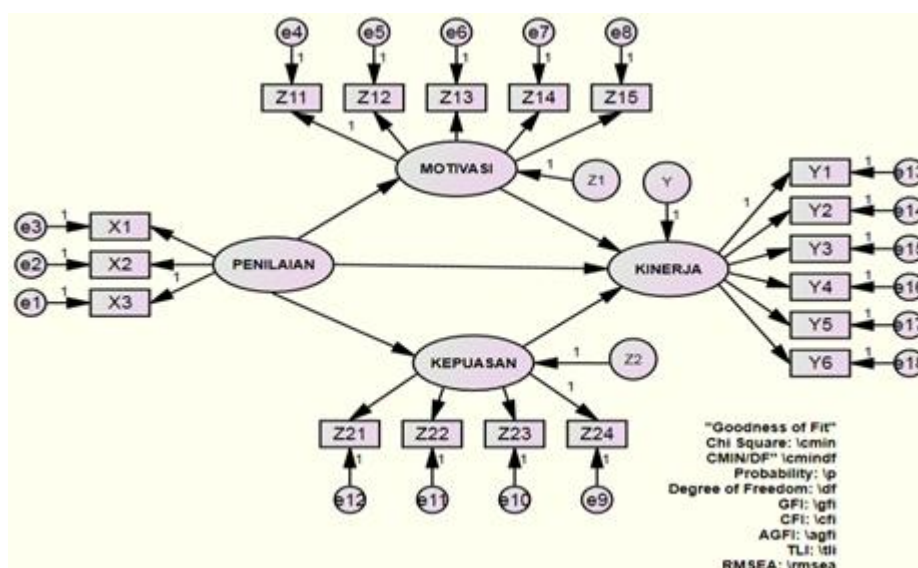


Figure 1: Conceptual Framework of Path Model Analysis

Source: Data Processed (2016)

Hypothesis

Based on the theoretical framework that has been described and adjusted with the problems, thus the hypothesis can be formulated as follows:

1. H₁: Employees' performance assessment system has effect on job motivation of AgrobisnisTarutama Nusantara Cooperative's employee.
2. H₂: Employees' performance assessment system has effect on job satisfaction of AgrobisnisTarutama Nusantara Cooperative's employee.
3. H₃: Employees' performance assessment system has effect on employees' performance in AgrobisnisTarutama Nusantara Cooperative.
4. H₄: Job motivation has effect on employees' performance in AgrobisnisTarutama Nusantara Cooperative.
5. H₅: Job satisfaction has effect on employees' performance in AgrobisnisTarutama Nusantara Cooperative.

3. Literature Review

1) Employees' Performance Assessment

Performance assessment is managerial action to evaluate employees' performance and establish the new policy. The evaluation is including loyalty, honesty, leadership, dedication, and employees' participatory assessment (Hasibuan, 2000). Meanwhile, according to Rivai (2005), performance assessment is defined as process to establish a shared understanding of what is to be achieved, also, it defined as approach to managing and developing individual by increasing ways whether it takes long or short time. However, the increase do not occur by the system that operates by the management, but also through an approach of managing and developing individual which enables them to regulate their own development and performance within the framework of clear objectives and agreed standards with

their supervisors.

2) Job motivation

According to Siagian as quoted in Darodjat (2015), motivation means as encouragement that cause individual or member of individual willing to give his/her ability sincerely to do their works to achieve the certain purpose which already mentioned in the previous agreement. Moreover, motivation describes as psychological process within each individual, and also an inner drive that will lead to do the certain activity or action (Darodjat, 2015). Motivation process always starts with the perception of individual after getting the stimuli toward sense. Furthermore, it mentioned that perception is determined by personality of an individual, past event experience, and hope for the future.

3) Job Satisfaction

The definition of job satisfaction according to Handoko (2011) is an attitude toward one's work. This dealing with the effort given and the remuneration got. Satisfaction occurs when the individual's needs are fulfilled and suit with the dislikes and likes of every employees; further, it defined as general attitude that relate with the remuneration got after doing hard work. Furthermore, Handoko (2011) states that job satisfaction is an emotional state whether it good or bad views toward her/his job. Job satisfaction somehow can be an indicator of an employee feeling about the job she/he does. This will be reflects on the positive attitude toward one's work and its work environmental. Moreover, Bangun (2012) said that there are two theories dealing with the job satisfaction; (1) Discrepancy Theory, and (2) Justice Theory.

4) Employees' Performance

Performance assessment of employees is a process in which an organization tries to looking for information as much as they can deal with the performance of their employees. It should be done in appropriate way so therefore the result

will beneficially useful for the company / organization, or even for the employee itself. Performance assessment also used as an assessment framework for HR management. Jackson (2012) mentions that there are 3 categories relates with performance's information:

- Characteristic Information
- Attitude Information
- Achievement Information

4. Methods

4.1 Theoretical Framework

A theoretical framework consists of relevant information dealing with the research. It is defined as particular sources for the information, strategy used to analyze, and the how to analyze (Murti and Salamah, 2006). Based on introduction and the problems appear in the research, thus, the problem characteristic that will be analyze are classify using Explanatory Research. Explanatory research is defined as a research to evaluate the relation among each variable and hypothesis. The hypothesis describes the relation between two variables or more, in case to know whether the variable is caused / influenced or not by other variable (Faisal, 2007). Furthermore, this research includes into quantitative method.

1) Population and Sample

Population in this research is including all of the employees of Agrobisnis Tarutama Nusantara Cooperative which consists of 148 people (this data is taken on 1st, July 2017). Meanwhile, sample in this research is 108 people. In determining sample, this research is using purposive sampling method. The method used in purposive sampling method choosing certain criteria to get an appropriate sample. Each of samples is taken from every job unit using respondent criteria. Then, the respondent criteria that will be used as sample describes as follows:

- Respondent that already works for 3 years in every unit or division.
- The range of age for respondent is 20 years-59 years old.
- Education qualified is on senior high school minimally.

2) The definition of Operational and Variable Measure

a) Employees' Performance Assessment System (X)

Employees' performance assessment system considers as a process to establish shared understanding toward what will be achieved. Moreover, it is also as approach to manage and develop an individual by increasing ability whether it takes a long or short time. The indicators that promoted is mentioned as follows:

- Performance assessment system mechanism
- Performance measurement
- Measurement result

b) Job motivation (Z_1)

Job motivation is described as encouragement which causes employees of Agrobisnis Tarutama Nusantara Cooperative willing to provide her/his ability, strength, or even time to works based on her/his duties in case to achieve certain purpose based on the agreement.

The indicators that promoted is mentioned as follows:

- Physiological needs
- Safety and security assurance
- A feeling of belonging
- Reward for Job Achievement
- Self-actualization

c) Job satisfaction (Z_2)

Job satisfaction here is considered as emotional state of the employees' Agrobisnis Tarutama Nusantara Cooperative whether pleasing or not toward his/her job. Variable of indicator that used are:

- Attendance frequency
- Compliance with job's standard
- Compliance with job's rules
- Job ethics

3) Performance (Y)

Performance means job result both quality and quantity that has successfully achieved by the employees while doing his/her works.

The indicators used in this variable are:

- Level of job understanding
- Level of job belonging
- Proudness to be an employee
- Willing to work as team
- Level of discipline
- The use of office's facilities

a) Research instruments

Research instruments here dealing with the measurement of independent variable, moderator variable, and dependent variable. The measurement is using Likert Scale with value score range around 1-5 by various questions. Score 5: Extremely Agree (EA); Score 4: Agree (A); Score 3: Neutral (N); Score 2: Disagree (D); Score 1: Extremely Disagree (ED).

b) Collecting Data Technique

The data taken from this research in a form of primary data, while collecting data techniques is obtained using questionnaire given from the respondent directly (Sugiyono, 2005).

c) Validity and Instrument Reliability Testing

Validity and instrument reliability testing are used to ensure that the data is valid and trusted as measurement. Further, validity testing is obtained using confirmatory factor analysis on each of the latent variable. Indicators from a variable considers as valid if having significant factor loading on $\alpha=5\%$. Ghozali (2005:26) also states that research instrument can be said as valid if loading factor from indicator variable has value above 0,05. Thus, it reveals that question items as unobserved variable in SEM testing is valid. Moreover, Ghozali (2005) adds that value limit used to measure accepted reliability level is 0,7, however if the research uses exploratory then value under 0,70 can be accepted as long as accompanied by empirical reason.

d) Analysis Data and Hypothetical Testing

In calculating the data processing, the researcher used computer application program involving Structural Equation Modeling (SEM) using Analysis of Moment Structure

(AMOS) program version 19 and Statistical Package for Social Science for Windows version 19.

5. Results

1) Respondent Characteristic Description

The characteristic of every respondent describes in accordance with gender, age, education, employment contract. Furthermore, the sample of the research involving the employment contract about 245 people.

Several characteristics of respondent in this research are:

- Most of respondents' age of employees' AgrobisnisTarutama Nusantara Cooperative range around 31-40 years old which about 41 people (38,0%)
- Most of education level of every respondent are bachelor degree which range about 60 people (55,5%)
- Most of contract for the employees are 17-23 years about 46 people (42,5%).
- Most of gender's respondents are male which range about 103 people (95,3%).

2) Hypothetical Result Testing

- Hypothesis 1: Employees' performance assessment system has effect on job motivation of the employees in AgrobisnisTarutama Nusantara Cooperative.
- Hypothesis 2: Employees' performance assessment system has effect on job satisfaction of the employees in AgrobisnisTarutama Nusantara Cooperative.
- Hypothesis 3: Employees' performance assessment system has effect on job performance of the employees in AgrobisnisTarutama Nusantara Cooperative.
- Hypothesis 4: Job motivation has effect on job performance of the employees in AgrobisnisTarutama Nusantara Cooperative.
- Hypothesis 5: Job satisfaction has effect on job performance of the employees in AgrobisnisTarutama Nusantara Cooperative.

6. Discussions

1) The effect of employees' performance assessment system toward job motivation

According to Rivai (2005), performance assessment is defined as process to establish a shared understanding of what is to be achieved, also, it defined as approach to managing and developing individual whether it takes long or short time. Meanwhile, Sutrisno (2009) has mentioned the definition of motivation as an attitude within an individual to do certain activity.

The same research, however, has done by Murdianto (2014). The result indicates that the influence employees' performance assessment system has effectively useful for job motivation in Office Center of Infomedia Nusantara factory, Jakarta.

Based on the statistical calculations, it shows that H_0 means rejected and H_1 means accepted, therefore there is significant effect on the employees' performance assessment system toward job motivation in AgrobisnisTarutama Nusantara Cooperative, which can be proven or $H_1 =$ accepted. This

result is supported by respondent perception which quite agrees dealing with employees' performance assessment system which has influence on job motivation of employees in AgrobisnisTarutama Nusantara Cooperative. It also means that AgrobisnisTarutama Nusantara Cooperative employees comprehend that the performance assessment system mechanism is a sequence used to solve problems relates with working process. Then, it considers that employees of AgrobisnisTarutama Nusantara Cooperative consciously realize if the performance assessment system mechanism in AgrobisnisTarutama Nusantara has appropriately applied. Therefore, it will cause an improvement of job motivation and satisfaction and automatically improve both of employees' and company performance. Afterward, employees' performance assessment system which is having 3 indicators has obtained well to all element of employee in AgrobisnisTarutama Nusantara Cooperative.

2) The effect of employees' performance assessment system toward job satisfaction

According to Rivai (2005), performance assessment is defined as process to establish a shared understanding of what is to be achieved, also, it defined as approach to managing and developing individual whether it takes long or short time. AgrobisnisTarutama Nusantara Cooperative in employees' performance assessment system is using MBO and process approach. The purpose of the assessment is to measure employees' contribution for company, improve employees' performance, and evaluate both strength and weakness of every employee.

While according to Handoko (2010), job satisfaction is an emotional state of the employee whether pleasing or not while doing their works. Job satisfaction reflects the individual's feeling toward her/his job. Hartono (2005) in his research also discussed about employees performance assessment system in Radio Republik Indonesia Company, Jakarta. In the research, it is known that employees' assessment is obtained by the CEO and not involving other parties in the company.

According to the statistical calculation in this study, it shows that H_0 means rejected and H_2 means accepted. Hence, the hypothesis reveals that employees' performance assessment system has significantly influence toward AgrobisnisTarutama Nusantara Cooperative employees is truly proven or $H_2 =$ accepted. This result is also supported by respondent perception which declare that they were quite agree about indicator attendance frequent using management by objective (MBO) and finger print for employees of AgrobisnisTarutama Nusantara Cooperative. The existence of MBO and finger print has made the employees be more discipline and on time in work, since they have high job motivation and satisfaction.

3) The effect of employees' performance assessment system toward employees' performance

According to Mathis and Jackson (2006), performance assessment is a process which has purpose to evaluate the ability of every employee in doing their works. The system used by AgrobisnisTarutama Nusantara Cooperative in employees' performance assessment uses Management by Objective (MBO) and process approach. It has aimed to measure the

amount of compensation/bonus/incentive, instruments for decision taking in every HR management activity, improve employees' performance, and evaluate both strength and weakness of every employee. Performance means as result of one's work whether quality or quantity toward their works (Sunarto, 1985). The successful of an organization is depending on employees' performance (Prasetyawan 2013). Jones et. al (2010) has discussed problem dealing with performance, in which in the result of the study, shows that there are significant effect on job's training toward job satisfaction and performance in manufacture industry.

According to the statistical calculation, it shows that H_0 means rejected and H_3 means accepted. Hence, the hypothesis reveals that employees' performance assessment system has significantly influence toward AgrobisnisTarutama Nusantara Cooperative employees is truly proven or $H_3 =$ accepted. This result is also supported by respondent perception which declare that they were quite agree with level of job understanding which uses approach as like Management by Objective (MBO) be more optimal since they are working for certain purpose.

4) The effect job motivation toward employees' performance

Motivation is defined as psychological process which reflects interaction among attitude, perception, and satisfaction of individual. It is also involving intrinsic and extrinsic factor.

Meanwhile, Rivai (2014) describes performance as the ability to achieve certain purpose. Performance considers to be succeeded if the purpose has successfully achieved. However, performance is cannot stand alone and it influence by three factors; ability, desire, and environment. The lack of motivation and performance of AgrobisnisTarutama Nusantara Cooperative can be seen while the employee often to delay the job task, in other hand, there are some employees who work until late night. Furthermore, it also seen in the lack of contribution in team work when the employees doing their works. The previous research has done by Ahmad et. al (2008), in which he has explored the influence of employees' performance assessment system affectivity in "G" Company toward job motivation.

According to the statistical calculation, it shows that H_0 means rejected and H_4 means accepted. Hence, the hypothesis reveals that job motivation has significantly influence employees' performance toward AgrobisnisTarutama Nusantara Cooperative employees is truly proven or $H_4 =$ accepted. This result is also supported by respondent perception which declares that they were quite agree with physiological indicator level. Physiological needs means as the need to survive involving the need for food, cloth, and residence. If the physiological need of AgrobisnisTarutama Nusantara employee has fulfilled, then automatically job motivation and performance will increase as well. This also reveals that employees' performance with 6 indicators has obtained well to all element of AgrobisnisTarutama Nusantara Cooperative employee.

5) The effect of job satisfaction toward employees' performance

The definition of job satisfaction according to Handoko (2011) is an attitude toward one's work. This dealing with the effort given and the remuneration got. Handoko (2011) further adds the definition of job satisfaction as an emotional state whether it good or bad views toward her/his job. Job satisfaction somehow can be an indicator of an employee feeling about the job she/he does. This will be reflects on the positive attitude toward one's work and work environmental.

Then, Rivai (2014) describes performance as the ability to achieve certain purpose legally, do not contradict with the ethics, and influence by ability, desire, environment, and chance. Performance considers to be succeeded if the purpose has successfully achieved. Performance assessment is also involving HR management activity for career development. There are some causes that indicate as dissatisfaction and decreasing in performance of AgrobisnisTarutama Nusantara Cooperative as seen in the less optimal of the works, less relation among individual and group or team, less initiative and innovation of the employees to work, so they have to instruct by the leader. The previous studies has been done by Rohmanowati (2005), in which in her research, she discussed the influence of job satisfaction in relation with job motivation and affectivity of the leader in Pusdiklat Pegawai Departement Pendidikan Nasional Sawangan. Babin and Boles (2006) also discuss in her journal article that stress cause by job has influence job satisfaction toward daily employees in Mississippi city.

According to the statistical calculation, it shows that H_0 means rejected and H_5 means accepted. Hence, the hypothesis reveals that job satisfaction has significantly influence employees' performance toward AgrobisnisTarutama Nusantara Cooperative employees is truly proven or $H_5 =$ accepted. This result is also supported by respondent perception which declares that they were quite agree with attendance frequent indicators. After the implementation of employees' performance assessment system using MBO and finger print machine, AgrobisnisTarutama Nusantara Cooperative employees be more discipline and on time doing his/her work. This also reveals that employees' performance with 6 indicators has obtained well to all element of AgrobisnisTarutama Nusantara Cooperative employee.

7. Conclusions

From the discussions and analysis in the previous chapters, whether hypothesis analysis or discussion of the result, hence in this section, the researcher tries to draw the conclusions as follows:

- 1) Employees' performance assessment system has effects on job motivation toward AgrobisnisTarutama Nusantara Cooperative employees. After the implementation of employees' performance assessment system using Management by Objective (MBO) method and process assessment toward employees' performance, has made the job motivation to be better.

- 2) Employees' performance assessment system has effects on job satisfaction toward AgrobisnisTarutama Nusantara Cooperative employees. After the implementation of employees' performance assessment system using Management by Objective (MBO) method and process assessment toward employees' performance, has made the job satisfaction to be better.
 - 3) Employees' performance assessment system has effects on employees' performance toward AgrobisnisTarutama Nusantara Cooperative employees. After the implementation of employees' performance assessment system using Management by Objective (MBO) method and process assessment toward employees' performance, has made the employees' performance to be better.
 - 4) Job motivation has effects on employees' performance of AgrobisnisTarutama Nusantara Cooperative employees. It indicates that by increasing the job motivation, it will affect on the job's performance of AgrobisnisTarutama Nusantara Cooperative employees.
 - 5) Job satisfaction has effects on employees' performance of AgrobisnisTarutama Nusantara Cooperative employees. It indicates that by increasing the job satisfaction, it will affect on the job's performance of AgrobisnisTarutama Nusantara Cooperative employees.
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