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TABLE OF CONTENTS

Titles and Authors	Pages
The Impact of Remittances on the Development of Domestic Tourism in Ghana. A Mediating Role of Cultural Exchange. <i>Michael Kojoe Amoah Tackie, Thelma Frimpong Mensah, David Mensah Awadzie</i>	205 - 219
Job Satisfaction of Bankers in Islami Shariah-based Private Commercial Banks of Bangladesh: Application of Job Characteristics Model <i>Md. Shahbub Alam, Md. Rasel Hawlader, Farjana Yeasmin Chowdhury</i>	220 - 235
The Effect of Education, Training and Competence on The Performance Teachers in Kabupaten Musi Rawas <i>Choiriyah, Muhammad Idris, Satrio Monas, Fithri Atika Ulpa</i>	236 - 251
Analysis of the Merger and Acquisition of PT GOTO (Gojek 0 Tokopedia) Tbk: Share Valuation and Firm Financial Performance <i>Abigail Kendra, Fitriya Fauzi</i>	252 - 262
The Effect of Compensation, Discipline and Motivation on Employee Performance: The Case of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang <i>Marni Desmaliani, Sri Rahayu, Zaleha Trihandayani</i>	263 – 273
The Effect of Psychology, Organizational Culture and Motivation on Employee Performance: The Case of PT Bumi Andalas Permai <i>Yongki Prayoga, Muhammad Idris, Zaleha Trihandayani</i>	274 - 284
The Effect of Motivation, Competency and Commitment on Employee Performance: The Case of Ogan Ilir Regency's Regional Secretariat <i>Yuliani Yuliani, Muhammad Idris, Choiriyah</i>	285 – 296
Employee Performance with a Motivation as Intervening Variable: The Case of Private Hospitals in Palembang, Indonesia <i>Rahmat Saleh, Sri Rahayu, Fadhil Yamaly</i>	297 – 312
The Impact of Transnational Migrant Knowledge Transfer on National Tourism Development: A Case Study of Ghana <i>Michael Kojoe Amoah Tackie, Dr. Thelma Frimpong Mensah, David Mensah Awadzie</i>	313 – 326
Brand Image and Social Influence Analysis on Students' Decisions in Choosing Private University With Digital Marketing as Moderating <i>Novri Wulandari, Muji Gunarto</i>	327 - 335



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The Impact of Remittances on the Development of Domestic Tourism in Ghana. A Mediating Role of Cultural Exchange

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Abstract

The primary aim of this research is to investigate the influence of remittance on local tourism development in Ghana. The study used a survey research approach to gather data from the DuBois Center and the diaspora African forum in Accra. Five hundred questionnaires were distributed; notably, 453 questionnaires were successfully retrieved, yielding a response rate of 90.6%. The study examined four hypotheses using partial least squares structural equation modeling (PLS-SEM). The results indicate that remittance positively and significantly impacts cultural exchange and local tourism development. Additionally, the findings suggest a positive relationship between cultural exchange and local tourism development, with cultural exchange mediating the association between remittance and regional tourism. Policymakers should invest in tourism infrastructure development, such as transportation networks and housing options, to maximize the benefits of remittances and cultural exchange. Collaboration between the public and private sectors can maximize the benefits of remittances and cultural exchange for local communities by fostering synergies in tourism development.

Keywords: Remittance, Cultural exchange, Local Tourism Development, Least Squares Structural Equation Model.

JEL Codes: L83, M19, O10

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1. Introduction

Migration and tourism play vital roles in the process of globalization, facilitating the movement of people and financial resources across borders. However, research on the interaction between migration and tourism in Sub-Saharan Africa, particularly in countries like Ghana is very minimal. Migration contributes to the global labor market and leads to the transfer of remittances to migrants' home countries. In 2021, according to the World Bank, remittances to low- and middle-income countries reached a significant \$589 billion, marking a notable 7.3% increase despite the global economic downturn caused by the COVID-19 pandemic.

Of particular importance, remittance flows to these nations (excluding China) are anticipated to surpass the combined total of Foreign Direct Investment (FDI) and Overseas Development Aid (ODA) for the second consecutive year. These remittances play a crucial role in supporting households during economic downturns, enabling them to meet essential needs such as food, healthcare, and education in migrants' home countries.

The tourism industry in Ghana has experienced significant fluctuations in recent years. Ghana, being a popular tourist destination in West Africa, owes much of its appeal to its English-speaking population. The majority of visitors to Ghana come from the United States, Nigeria, and the United Kingdom. However, tourist arrivals saw a sharp decline, totaling approximately 355,000, compared to previous years when figures approached 900,000 annually. These visitors primarily come for business, family visits, and leisure activities.

The COVID-19 pandemic has had a profound impact on Ghana's tourism industry, leading to varying revenue growth rates in recent years. In December 2020, Ghana's tourism earnings plummeted by 87.2%, a stark contrast to the 49.6% growth recorded the previous year. Ghana's tourism revenue growth rate data is regularly updated and available from December 1996 to December 2020. Historical data reveals an all-time high of 768.6% in December 1998 and a record low of -87.2% in December 2020 (source: <https://www.statista.com>, 2022).

This study aims to assess the impact of remittances on the Development of Domestic Tourism (DDT) in Ghana and seeks to answer the question: do received remittances influence DDT in Ghana? The findings of this research will contribute to the existing literature on the relationship between remittances and tourism.

The remainder of the paper is organized as follows: Section 2 provides a review of the relevant literature. Section 3 describes the methodology and data used in the empirical investigation. Section 4 summarizes the findings and examines their implications. Section 5 presents the conclusions, policy recommendations, and suggestions.

2. Literature Review

2.1 Theoretical Review

The impact of remittances on local tourism has become an increasingly important and popular topic in economic and tourism studies. Understanding how migrants' remittances influence the growth and sustainability of local tourism is crucial for policymakers, researchers, and industry stakeholders. In this study, the researcher aims to investigate the various concepts underlying the

relationship between remittance inflows and local tourism, providing insights into potential mechanisms and implications for destination development. By exploring the theoretical foundations, seek to comprehensively analyze the relationship between remittance flows and the tourism industry, offering valuable insights for strategic decision-making and future research. Some plausible explanations supporting the study on the impact of remittances on local tourism include:

1. **Economic Theory:** Economic theory suggests that remittances, money sent back by migrants to their home countries, may benefit local tourism by stimulating the local economy (Giuliano & Ruiz-Arranz, 2009).
2. **Sociocultural Perspective:** Sociocultural theory provides valuable insights into the impact of remittances on local tourism. Drawing from Levitt (2004), Cohen (2011), and Portes & Rumbaut (2014), contemporary sociocultural theory offers a valuable lens for understanding the impact of remittances on local tourism. This perspective highlights the complex interplay between social and cultural dynamics.
3. **Resource-Dependence Theory:** The resource-dependence theory posits that organizations and societies rely on external resources for their existence and growth. Applied to the study of remittances and local tourism, this theory highlights that the financial influx from remittances can be a critical resource for developing and improving tourism infrastructure, marketing efforts, and community-based tourism initiatives (Syah & Rustanto, 2018).

2.2 Empirical Review

2.2.1 Remittance and Local tourism Development

Zhuang et al. (2019) found that remittances had a favorable influence on local tourist growth. These studies show that remittances increase household income and spending, raising demand for tourism services and attractions. Furthermore, remittances encourage investment in tourist-related companies, infrastructure, and promotional efforts, thereby boosting the local tourism industry. Although there are some potential downsides, such as inflation, present research emphasizes the positive influence of remittances on local tourism growth.

Giuliano and Ruiz-Arranz (2009) emphasized the dual potential of remittances and tourism in promoting host nation development. However, it is critical to recognize that the influence of remittances on local tourism is not always favorable. Challenges such as inflation caused by remittance influx must be addressed.

Harnessing the potential of remittances and tourism is critical for maximizing their positive effects on community development. According to Saif-Alyousfi & Saha (2021), combining tourism growth and remittance benefits can boost economic and social advancement in host countries. While Mulyawati et al. (2020), warns against over-reliance on remittances due to the risk of neglecting the tourism sector, others emphasize the significance of balanced economic diversification. Neglecting investment in tourism can lead to poor infrastructure, marketing, and service quality (Blake et al., 2008; Guha, 2013; Christie, 2002; Mora-Rivera et al., 2019).

Furthermore, while it is recognized that remittances can boost household income and consumption, increasing demand for tourism services and attractions, there is a risk of inflation due to the flood of remittances. This inflationary pressure may raise the cost of visiting local tourist attractions, reducing overall spending capability. There is ongoing debate over whether investing in tourism-related ventures and infrastructure through remittances aligns with the local community's sustainable development goals (Zhuang et al., 2019; Sadler & Archer, 1975; Mora-Rivera et al., 2019; Syah & Rustanto, 2018). There is fear that the emphasis on tourism development driven by remittances may overlook the long-term sociocultural and environmental consequences, potentially leading to negative outcomes for the destination.

The positive effects of remittances on local tourist development are well-documented in the literature, it is vital to critically analyze the potential negative consequences and argue for a balanced strategy for utilizing remittances for sustainable tourism development. This necessitates careful analysis of how remittances are employed in the tourism sector to ensure that they contribute to the holistic and long-term development of the local community.

Thus, the study proposes that:

H1: Remittance has a positive and significant impact on local tourism development

2.2.2 Remittance and cultural exchange

The relationship between remittances and cultural exchange is complex, involving both monetary transfers and the transmission of ideas, beliefs, and experiences (Brown, 2006). Remittances can promote cultural exchange by supporting cultural activities and heritage preservation in migrants' home countries while simultaneously bringing cultural practices and knowledge to host countries. However, it is critical to recognize that the impact of remittances on cultural interchange varies depending on the unique setting and migrants' interaction with their cultural communities in their home countries.

Furthermore, the transmission of cultural practices and information from the host country to the home country via returning migrants may not always result in seamless cultural exchange (Levitt & Lamba-Nieves, 2010; Syah & Rustanto, 2018). There is a possibility of cultural clashes and tensions because new ideas and ideals may challenge the home country's current cultural norms and traditions. Moreover, some contend that remittances' impact on cultural interchange may not always promote international tolerance and harmony. Instead, it may lead to the hegemony of particular cultures over others, resulting in power inequalities and tensions within communities (Blake et al., 2008; Sharma, 2008; Guttentag, 2009).

Finally, while remittances can encourage cultural interchange, evaluating their impact on cultural preservation, traditional practices, and intercultural relationships is necessary. Policymakers and stakeholders must carefully consider the potential negative effects of remittances on cultural interaction and work towards programs that encourage a balanced and respectful cultural exchange between the origin and host nations. This approach will be critical in preserving and recognizing the diverse cultural landscapes of both the home and host countries.

Hence, the proposal that:

H2: Remittance has a positive and significant impact on cultural exchange

2.2.3 Cultural Exchange and Local Tourism Development

The synergistic relationship between cultural exchange and local tourism development provides mutual benefits. When migrants direct their remittances towards local tourism consumption, they help the tourism industry, promote cultural interaction, and protect local history (Zhuang et al., 2019). Migrants who participate in local tourist activities learn about their home country's cultural traditions, develop greater respect for their cultural origins, and actively preserve and promote these traditions. This can contribute to revitalizing local cultural traditions and enrich tourism experiences for immigrants and tourists. Concurrently, the tourist business acts as a conduit for cultural exchange, allowing migrants to share their traditions with visitors. Interactions between migrants and tourists can create cultural amalgamations by combining and sharing features from different cultures (Mora-Rivera et al., 2019; Shepherd, 2002; Sharma, 2008).

However, addressing counterarguments regarding the link between cultural exchange and local tourism growth is critical. Critics argue that remittances used for local tourism can commodify culture and heritage (Sharma, 2008; Shepherd, 2002; Blake et al., 2008; Mora-Rivera et al., 2019).

As migrants and tourists participate in cultural activities, there is a risk that cultural practices and traditions will be commercialized and modified to meet visitor preferences, potentially destroying their authenticity and exploiting local history for financial benefit.

Lastly, while the relationship between cultural exchange and local tourist development shows promise for mutual benefit, examining the impact of remittances on cultural commodification and the depth of cultural interchange within tourism contexts is critical. Policymakers and stakeholders should prioritize efforts that preserve the authenticity and integrity of local cultural heritage while encouraging genuine and respectful interactions between migrants, visitors, and the local population. This balanced strategy ensures that the interaction between cultural exchange and local tourism development promotes preserving and appreciating varied cultural landscapes.

H3: Cultural exchange has a positive and significant impact on local tourism development

H4: Cultural exchange mediates the relationship between remittance and local tourism development

3. Research Methodology

This study used quantitative methods to collect and analyze numerical data to obtain statistical results. These approaches provide objective and reliable measurements, making them appropriate for investigating correlations between variables and extrapolating findings to a larger population. A survey research design was also employed for this study. This design allows for large-scale data collection and a detailed study of variable connections (Puspa & Ginardi, 2021; Abdulai & Owusu-Ansah, 2014).

Questionnaires were distributed to selected 500 participants at the dubois centre to collect quantitative data on various factors of interest, along with structured questions and Likert scale assessments ranging from 1 (strongly disagree) to 5 (strongly agree). were administered through

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online platforms such as Google Forms or SurveyMonkey to simplify data collection and analysis. The acquired data was analyzed using statistical software such as SPSS, which allows for descriptive statistics and correlation analysis. Furthermore, the study hypotheses were tested using partial least squares-structural equation modeling (PLS-SEM) in SmartPLS version 3.0. Additionally, the study technique thoroughly examined the available literature relevant to the research topic. This literature evaluation served as the study's foundation, revealing gaps in existing knowledge and highlighting relevant ideas and concepts (Mohajan, 2020).

4. Presentation and Analysis of the Results

4.1 Measurement Model

The results shown in Table 1 confirm the reliability of the measurement methods used in the investigation, adding to the credibility and validity of the study conclusions. The assessment of construct dependability using Cronbach's alpha and composite reliability (CR) shows good internal consistency, with all calculated CRs exceeding Wasko and Faraj's (2005) threshold of 0.70. Furthermore, Cronbach's alpha values for each construct are above the permissible level of 0.70, demonstrating internal consistency. Additionally, the study indicates convergent validity by exceeding the required threshold of 0.50 for average variance extracted (AVE), as shown in Table 1, which includes an overview of reliability and validity scores and factor loadings for specific items.

Table 1. Loading, Reliability, and Validity

CONSTRUCTS AND ITEMS	LOADING	CRONBACH ALPHA	COMPOSITE RELIABILITY	AVE
CE1	0.721	0.813	0.869	0.602
CE2	0.793			
CE3	0.743			
CE4	0.776			
CE5	0.739			
LTD1	0.806	0.867	0.9	0.57
LTD2	0.849			
LTD3	0.756			
LTD4	0.798			
LTD5	0.725			
LTD6	0.71			
R1	0.806	0.821	0.882	0.651
R2	0.831			
R3	0.819			
R4	0.769			

The Variance Inflation Factor (VIF) statistic assesses multicollinearity among indicators (Fornell and Bookstein, 1982). According to Hair et al. (2016), multicollinearity is not a serious concern

when VIF values are less than five. Table 2 shows the VIF values for the study's indicators, proving that each indicator's VIF is lower than the recommended level

Table 2. Indicator Multicollinearity

	VIF
CE1	1.404
CE2	1.901
CE3	2.044
CE4	2.026
CE5	1.408
LTD1	2.551
LTD2	2.886
LTD3	1.869
LTD4	2.044
LTD5	1.856
LTD6	1.792
R1	1.805
R2	1.951
R3	1.87
R4	1.685

According to Ramayah et al. (2018), discriminant validity is the extent to which one construct in the study differs from the others. Two criteria must be met to prove discriminant validity: the Fornell and Larcker criterion and the Heterotrait-Monotrait Correlation Ratio (HTMT). Cross-loading standards are met when the loadings for each indicator are the highest for the specified construction. To ensure discriminant validity, it is established that the square root of the average variance extracted (AVE) values for constructs along the diagonal is greater than the squared correlations with other constructs off the diagonal. Another approach, the HTMT ratio, evaluates the ratio of correlations inside and between constructs, with a value less than 0.9 being acceptable.

Table 3 depicts the Fornell and Larcker (1981) criterion.

Table 3 shows that the investigated constructs meet the criteria for discriminant validity and have acceptable values. Specifically, culture exchange (0.755), local tourism development (0.776), and remittance (0.807) all have square roots of AVEs greater than correlations with other categories in off-diagonal space, indicating discriminant validity.

Table 3. Results of Consistency Reliability and Convergent Validity for the Measurement Model

	CULTEXCH	LOTOUD	REM
CULTEXCH	0.755		
LOTOUD	0.723	0.776	
REM	0.736	0.739	0.807

Note: Values in Italics represent the square root of AVE

Table 4 shows and verifies that the HTMT values for the variables are within acceptable limits.

Table 4. Result for Discriminant Validity (HTMT) for Measurement Model

	CULTEXCH	LOTOUD	REM
CULTEXCH			
LOTOUD	0.827		
REM	0.879	0.868	

4.2 Assessment of Structural Model

Hair et al. (2017) defines the inner or structural model as the relationship between the latent constructs in the model. Following an analysis of the measurement model, it is critical to analyze the structural model to determine the significance of the internal pathways, as highlighted by Ramayah et al. (2018), who emphasize the importance of investigating lateral collinearity among constructs. The coefficient of determination (R²) was calculated to determine the best match. The analysis found R² values of 0.542 for cultural exchange and 0.616 for local tourism development. These figures indicate that remittances account for 54.2% of the variation in cultural exchange, whereas remittances and cultural exchanges combined account for 61.6% of the variation in local tourism development. Meeting Falk and Miller's (1992) recommended cutoff value of 0.10, the findings show that the model produced acceptable R² statistics for the variables. Figure 2 and Table 5 depict the R² results, which exceed the threshold suggested by Falk and Miller (1992).

Table 5. Summary Result of the Coefficient of Determination (R²) for the Endogenous Constructs

	R Square	R Square Adjusted
CULTEXCH	0.542	0.541
LOTOUD	0.616	0.614

4.3 Hypotheses Testing

The research hypotheses below are based on a comprehensive analysis of the current literature and are consistent with the study's main research objectives. These hypotheses are clear statements that predict the relationships or effects of the variables under inquiry. They establish a formal framework for testing and analyzing various components of the study questions. Each hypothesis is designed to reflect the expected results or relationships between various components based on theoretical foundations and empirical evidence from the literature.

These hypotheses attempt to contribute to the advancement of knowledge in the subject by confirming or refuting existing theories and producing new insights and understandings. The study aims to methodically examine and answer crucial research issues by developing hypotheses directly related to the research objectives, thus improving the validity and reliability of the results. Empirical testing is used to illuminate the relationships between variables, contribute to theory development, and provide practical consequences for stakeholders in the relevant domain.

H1: Remittance has a positive and significant impact on local tourism development

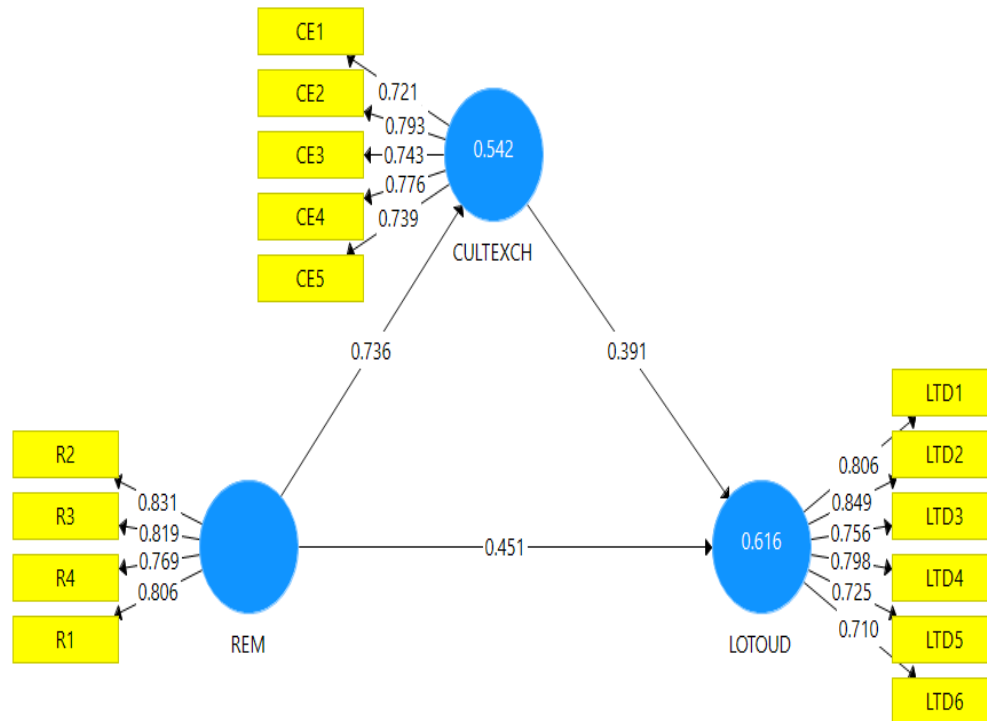


Figure 2. Measurement Model

Hypothesis one aimed to evaluate whether remittances have a positive significant effect on local tourism development. The statistical analysis reveals a positive and statistically significant impact of remittances on local tourism development ($\beta = 0.451$, $t = 10.025$, $p < 0.001$). This implies that as remittances increase, there is a corresponding increase in local tourism development. The high significance level ($p < 0.001$) indicates that this relationship is unlikely to have occurred by chance, highlighting the substantial influence of remittances on fostering the growth of the local tourism sector. Therefore, the study concludes that corporate social responsibility positively affects market power. Hence, Hypothesis 1 was accepted.

H2: Remittance has a positive and significant impact on cultural exchange

The hypothesis aimed to assess whether remittances positively and significantly affect cultural exchange. The analysis reveals that remittances significantly positively affect cultural exchange ($\beta = 0.736$, $t = 30.777$, $p < 0.001$). This indicates that as remittances increase, cultural interchange also improves. The high significance level ($p < 0.001$) highlights the importance of remittances in encouraging cultural exchange. Therefore, hypothesis 2 was accepted.

H3: Cultural exchange has a positive and significant impact on local tourism development

Hypothesis three investigated whether cultural exchange positively and significantly affected local tourism development. The statistical analysis indicates cultural exchange's significant and positive effect on local tourism development ($\beta = 0.391$, $t = 9.214$, $p < 0.001$). This suggests that as cultural exchange increases, there is a corresponding increase in local tourism development. The high significance level ($p < 0.001$) implies that this relationship is highly unlikely to have occurred by chance alone, highlighting the substantial influence of cultural exchange in fostering the growth of the local tourism sector.

Table 6. Direct Relationship Result

	Beta Coefficient	Standard Deviation	T Statistics	P Values
REM -> CULTEXCH	0.736	0.024	30.777	0
REM -> LOTOUD	0.451	0.045	10.025	0
CULTEXCH -> LOTOUD	0.391	0.042	9.214	0

H4: Cultural exchange mediates the relationship between remittance and local tourism development

Hypothesis four assessed the mediating role of cultural exchange between remittance and local tourism development. The statistical results indicate that remittance significantly and positively affects local tourism development (H4: $\beta = 0.739$, $t = 27.898$, $p < 0.001$), suggesting that remittance has a direct impact on local tourism development. When considering the mediating variable of cultural exchange, the effect of remittance on local tourism development remains significant ($\beta = 0.451$, $t = 10.025$, $p < 0.001$). This implies that even after accounting for the influence of cultural exchange, remittance continues to have a significant direct effect on local tourism development.

Furthermore, the indirect effect of remittance on local tourism development through cultural exchange is also significant ($\beta = 0.288$, $t = 9.089$, $p < 0.001$). This suggests that a portion of the effect of remittance on local tourism development operates through its influence on cultural exchange, highlighting the mediating role of cultural exchange in the relationship between remittance and local tourism development. This indicates that the relationship between remittance and local tourism is mediated by culture exchange. Table 7 and figure 3 disclose detailed information.

Table 7. Mediation Analysis Result

Total effect		Direct effect			The indirect effect				
Coefficient	P Value	Coefficient	P Value		Coefficient	SD	T Value	P Value	BI [2.5%;97.5%]
0.739	.000	0.451	.000	H6: R>CE>LTD	0.288	0.032	9.089	.000	0.226 0.346

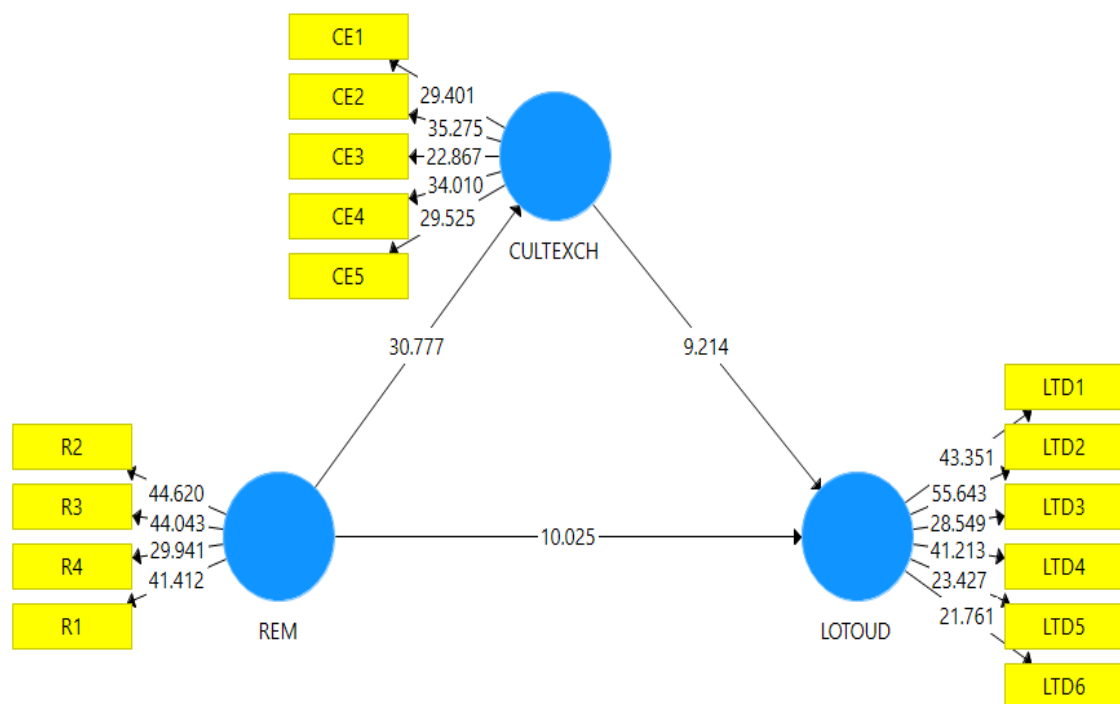


Figure 3 Structural Model

5. Conclusion

The study's findings underscore the important and positive impact of remittances on cultural interaction and local tourism development. The results indicate that as remittances increase, cultural interaction and local tourism development also increase, highlighting the significant role of remittances in boosting local tourism and stimulating cultural interchange (Giango et al., 2022). However, it is essential to acknowledge that while remittances positively impact cultural interchange and local tourist development, there is a need for a balanced approach to cultural preservation and promotion within the tourism context. Policymakers and stakeholders should carefully evaluate the risk of cultural commercialization and the distortion of cultural practices for commercial advantage. Achieving a balance between economic development through tourism and the preservation of authentic cultural heritage is crucial for celebrating and safeguarding different cultural landscapes.

Finally, the study's findings emphasize the significance of initiatives that preserve the authenticity and integrity of local cultural heritage while encouraging genuine and respectful interactions between migrants, tourists, and the local community (Vujko et al., 2021; Giango et al., 2022; Liu et al., 2023; Mack et al., 2023). By focusing on these characteristics, the interaction between cultural exchange and local tourism development can help preserve and celebrate varied cultural landscapes.

Governments should consider opening up remittance channels and reducing transaction costs to promote local tourism. Investing in cultural exchange programs can foster cultural understanding and attract tourists interested in experiencing different cultures, thus promoting tourism growth. To capitalize on the positive effects of remittances and cultural interaction, policymakers should also invest in tourism infrastructure development, such as transportation networks and lodging options. Collaboration between the public and private sectors can maximize the benefits of remittances and cultural exchange for local communities by fostering synergies in tourism development. Empowering local communities through projects such as community-based tourism and business training can help them benefit from tourism driven by remittances and cultural exchange. Additionally, prioritizing sustainable tourism practices is essential to protect the environment and cultural heritage while ensuring that tourism benefits are distributed fairly among locals.

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Job Satisfaction of Bankers in Islami Shariah-based Private Commercial Banks of Bangladesh: Application of Job Characteristics Model

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Abstract

The study aims to find connections between job satisfaction and different parts of the Job Characteristics Model (JCM) in Bangladesh's non-government Islamic banks. 238 bankers filled out an organized questionnaire for a quantitative research design study. The outcomes were examined using descriptive statistics, multiple regression analysis, correlation analysis, and dependability analysis. The multiple regression analysis shows that the JCM's categories can predict satisfaction well, explaining 59.5% of the total variation. Skill variety, job identity, autonomy, and feedback practices significantly increase job satisfaction, while task significance does not. The most influential factor in determining bankers' job satisfaction was autonomy. The study shows the significance of job characteristics in determining job satisfaction among bankers in Islami Shariah-based Private Commercial Banks. To improve job satisfaction and organizational success, managers and lawmakers should consider making skills more varied, tasks more straightforward, freedom more available, and feedback more available.

Keywords: Task Significance, Autonomy, Job Characteristics Model, Task Identity, Job Satisfaction, Skill Variety

JEL Codes: M10, M12, M50

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1. Introduction

A nice or good feeling that comes from thinking about one's job experience is called job satisfaction (Locke, 1976). Muchinsky (1987), said that job satisfaction is a feeling that relies on how much people like their job. How much people like or dislike their jobs is what job satisfaction means. Most of the time, job satisfaction is measured by attitudes (Spector, 1997).

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The banking sector in Bangladesh has experienced remarkable growth and transformation over the years, driven by the increasing demand for Islamic banking services. Examining the job satisfaction of bankers becomes crucial not only for the welfare of the employees but also for the overall performance and competitiveness of the banks.

In Bangladesh, where Islami Shariah-based Private Commercial Banks play a big part, it is very significant to know what builds people pleased at work. Pay, chances of getting promoted, benefits, and relationships with bosses and coworkers all affect how happy bankers are with their jobs (Islam and Saha, 2016). This study looks at how job satisfaction and the different parts of the Job Characteristics Model (JCM) are related amongst bankers who work in these banks.

The Job Characteristics Model (JCM) by Hackman and Oldham from the mid-1970s shows how job traits (characteristics) affect job satisfaction (happiness). According to this idea, job happiness is affected by skill variety, task identity, task significance, autonomy, and feedback (Hackman & Oldham, 1975). Skill variety relates to the range or different type of skills required in a job. Task identity is completing a specific task with observable results. Task significance is how a job affects other people. Autonomy is being able to do your work. And feedback is information about how well you did on your job (Osterberg & Rydstedt, 2018; Keena et al., 2018; Wegman et al., 2018; Stoermer et al., 2020; Sulistyo and Suhartini, 2019).

This research examines how JCM elements impact Bangladeshi Islami Shariah-based Private Commercial Bank bankers' job satisfaction. It aims to provide bank managers, policymakers, and practitioners with valuable insights to improve job satisfaction and, consequently, organizational performance.

Numerous studies have investigated job satisfaction in the banking business. However, there is a big gap in the studies about how the JCM factors affect job happiness among bankers in Bangladesh who work in both traditional banks and Islamic Shariah-based banks. This research examines how job characteristics affect job satisfaction in Islamic Shariah-based Private Commercial Banks.

2. Literature Review

Many things at work can affect how happy employees are with their jobs. Lambert (2004) identifies organizational and job characteristics as two variables. Organizational characteristics relate to a company's structure, management, and operation. (Lambert, 2004; Oldham & Hackman, 1981; Mahfood et al., 2013). As stated by Lincoln and Kalleberg (1990), to guide, control, inspire, and administer its human resources, each organization utilizes a variety of structure dimensions. On the other hand, job characteristics are how people think about skills that might differ for different roles within the same organization. Various types of jobs, clear roles, good training and guidance, a sense of how dangerous the job is, and the freedom to do the job are some of the things that make up job characteristics (Hackman & Lawler, 1971; Mahfood et al., 2013; Lambert, 2004).

2.1 Job Characteristics

Hackman and Oldham (1975, 1976) came up with the job characteristics model in the mid-1970s. This model explains how job characteristics affect important employee results like job satisfaction (Fried & Ferris, 1987; Ali et al., 2014; Uruthirapathy & Grant, 2015). As per the job characteristics model, people should have a variety of skills, clear and important tasks, freedom, and feedback at work (Ababneh and Hackett, 2019; Jiang et al., 2020; Stoermer et al., 2020; Sulistyo and Suhartini, 2019 & Wegman et al., 2018).

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Osterberg and Rydstedt (2018) defined skill variety as the extent to which people need several abilities to execute their tasks. As the knowledge economy grows and companies hire more people to stay competitive, it has been suggested that people with a wider range of skills should be hired (Wegman et al., 2018). Job design considers skill variety in terms of opportunities to employ diverse skills (Keller & Semmer, 2013).

Finishing a "whole" and distinct part of the work with clear outcomes is what task identity means (Khalil, 2017; Keena et al., 2018; Osterberg & Rydstedt, 2018). Jiang et al. (2020), said that task identity helps a person learn, understand, and become comfortable with the task and how it relates to other tasks, which leads to a more complete knowledge of the task. It's the amount of work that a person is supposed to do from beginning to end as part of their job (Hackman & Oldham, 1975; Blanz, 2017; Ozturk et al., 2014; Jiang et al., 2020).

One way to measure the task significance is to look at how much an employee's clear and measured tasks affect the work of other employees, both inside and outside the company. It shows how a worker's job fits in with other work that has been done or is still being done (Pahi et al., 2016). According to the workers, their job is important because it affects other people's health and happiness (Keena et al., 2018). As we move from industry to knowledge-based work and services, we need to communicate and rely on each other more, which makes tasks more important (Wegman et al., 2018). Task significance is particularly essential when promoting individual contributions to achieving organizational objectives (Katz, 1978).

According to Blaszczyk (2017) and Stoermer et al. (2020), autonomy is the level to which a work gives its employees a lot of freedom and choice in how they schedule their work and what processes they must follow. Coelho and Augusto (2010) say that giving workers freedom can encourage them to try new things, learn from their mistakes, and use their specialised skills.

Top management should provide response to employees so that they are aware of which areas require improvement, which can result in an improved consideration of their work type. (Coelho and Augusto, 2010). Under both high and low-trust situations, different aspects of feedback are differently correlated with performance and job satisfaction (O'Reilly & Anderson, 1980). Therefore, the level to which a job gives employees knowledge about how well someone does their job (Khalil, 2017), as well as the degree to which people are provided and instructed with more transparent, more specific, comprehensive information about their job performance (Osterberg and Rydstedt, 2018 & Sulistyono and Suhartini, 2019), are related to feedback from the job.

2.2 Relationship between Job Characteristics and Job Satisfaction

Job satisfaction refers to the positive emotional state that arises from the evaluation of a job as effectively accomplishing or enabling the realization of one's work-related principles (Locke, 1969). The job characteristic model has abundant empirical support in for-profit organizations but can also be helpful in the non-profit sector (Blanz, 2017). Ali et al. (2014) studied managers of fast food businesses and discovered that all the parts of the job characteristics model that are connected to work satisfaction are positive. There is a range of skills, clear tasks, a sense of how important the tasks are, power, and feedback. Also, things about the job like skill range, authority, work identity, and feedback have a big positive effect on job satisfaction (Hung and Huang, 2014). In 2010, Said and Munap discovered a strong link between a range of skills, task identity, task importance, liberty, feedback, and job satisfaction. Katsikea et al. (2011) found a strong link between sales managers' job satisfaction and their freedom, variety, and feedback at work. Also, there are strong links between job satisfaction and things like liberty, feedback, and the job setting

(Colarelli et al. 1987). Blanz (2017) used the Job Characteristics Model in the field of social work and found that job satisfaction is linked to all five parts: skill range, task identity, task importance, liberty, and feedback.

Based on the prior conversation and book study, the following hypotheses have been put forward:

H1: A positive relationship exists between skill variety and job satisfaction among bankers.

H2: A positive relationship exists between task identity and job satisfaction among bankers.

H3: A positive relationship exists between task significance and job satisfaction among bankers.

H4: A positive relationship exists between autonomy and job satisfaction among bankers.

H5: There is a positive relationship between feedback and job satisfaction among bankers.

3. Research Method

3.1 Research design and sampling

A quantitative research methodology was used to investigate the links between bankers' job satisfaction in Bangladesh's Islami Shariah-based Private Commercial Banks and the five parts of the Job Characteristics Model. The objective of the research design was to acquire numerical data and test hypotheses using statistical analysis.

This study's target population is comprised of bankers employed by Bangladeshi Islami Shariah-based private commercial banks. In Bangladesh, ten banks adhere to Islami Shariah-based banking practices: Global Islami Bank, Al-Arafah Islami Bank, First Security Islami Bank, Social Islami Bank, ICB Islamic Bank, Islami Bank Bangladesh, EXIM Bank, Shahjalal Islami Bank, Standard Bank, and Union Bank. As a sample for data collection, 238 employees from various branches of specified banks were chosen. This study employed random stratification in sampling, splitting the people into groups based on predetermined criteria and selecting participants randomly from each stratum. The sample was selected to ensure that various banks and job positions were represented.

3.2 Data collection and analysis

A well-organized form was used to gather information. The Job Characteristics Model, which was based on work by Blanz (2017) and Karim and Rahman (2020), was used to make the questionnaire. The questionnaire form had two parts. First part was included demographic questions. In this part, the respondents were asked about their age, gender, marital status, educational qualification, and number of years they had worked. Second part was included indicators related questions. They were based on the Job Characteristics Model and asked about skill variety, task identity, task significance, autonomy, and feedback, which were independent variables as well as job satisfaction, which was the dependent variable. People were given a Likert scale with five points. A 1 means "strongly disagree" and a 5 means "strongly agree." It was up to them to rate how much they agreed with each answer. The process of gathering information took about four months, from November 2023 to February 2024. The questionnaires and directions on how to fill them out were sent to the chosen individuals. People who took the survey could fill out the form either online or on paper. The researchers performed data coding and inserted the data into statistical analysis software, such as SPSS, following data collection. The results were looked at using several statistical methods, such as reliability analysis, correlation analysis, multiple regression analysis, and descriptive statistics. The results were summed up using descriptive statistics, and the measurement items' internal accuracy was checked with a reliability analysis.

We used correlation analysis to examine how the factors were related to each other and multiple regression analysis to test our predictions.

3.3 Measurement

3.1.1 Skill Variety

If a job requires a lot of different tasks, the person needs to be able to use a lot of different skills and abilities (Hackman & Oldham, 1975), then that job is said to be complex.

3.1.2 Task Identity

Hackman and Oldham (1975) define it as the extent to which the job requires accomplishment of a "complete" and recognizable segment of work—that is, performing a job from start to finish with an apparent outcome.

3.1.3 Task Significance

Task significance is the extent to which the job has an important effect on the lives or activities of other individuals—whether in the immediate organisation or in outside environment (Hackman & Oldham, 1975).

3.1.4 Autonomy

Autonomy means the degree to which the job gives real autonomy, choice, and freedom to the employee in setting the work and other procedures to be utilized when carrying it out (Hackman & Oldham, 1975).

3.1.5 Feedback

According to Hackman and Oldham (1975), feedback is the degree to which doing the duties and activities demanded by the job contributes to the employee obtaining clear and straightforward data regarding the effectiveness for his or her success.

4. Results and Discussion

This part looks at the facts and explains what it all means. Two hundred and eighty-three people were asked to provide source data. The data were coded and analyzed using SPSS version 25 for statistical analysis. This research uses reliability analysis, correlation analysis, descriptive statistics, and multiple regression analysis as statistical tests.

4.1 Demographic Analysis

The demographics of the people who answered are shown in the table below. A total of 238 people filled out the form. 83.6% (N=199) were male, and 16.4% (N=39) were female. Most of the respondents (36.1%; N = 86) belonged to the age category '26 – 30 years' from the six age categories (below 25 years, 26 – 30 years, 31 – 35 years, 36 – 40 years, 41 – 45 years, and above 46 years). Besides, 72.3% (N = 172) of respondents were married; among them, 73.4% (N= 146) were male, and 66.7% (N = 26) were female. The majority of the respondents were at postgraduate or master's level (87.4%; N = 208), followed by undergraduate or honors (5.9%; N = 14), and below undergraduate as well as MPhil or PhD (3.4%; N = 8). There were also 122 people who answered the survey, of those, 51.3% had one to five years of work experience, followed by 27.3% had six to ten years, 11.8% had less than one year, 8.4% had eleven to fifteen years, 0.8% had twenty-one years or more, and 0.4% had sixteen to twenty years

Table 1: Demographic breakdown of respondents.

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Category	Subcategory	Male		Female		Total	
		N	%	N	%	N	%
Age	Below 25 Years	8	4.0%	1	2.6%	9	3.8%
	26 – 30 Years	67	33.7%	19	48.7%	86	36.1%
	31 – 35 Years	58	29.1%	9	23.1%	67	28.2%
	36 – 40 Years	43	21.6%	8	20.5%	51	21.4%
	41 – 45 Years	17	8.5%	2	5.1%	19	8.0%
	Above 46 Years	6	3.0%	0	0.0%	6	2.5%
Marital Status	Married	146	73.4%	26	66.7%	172	72.3%
	Unmarried	53	26.6%	13	33.3%	66	27.7%
Educational Qualification	Below Undergraduate	7	3.5%	1	2.6%	8	3.4%
	Undergraduate	10	5.0%	4	10.3%	14	5.9%
	Honors						
	Postgraduate	174	87.4%	34	87.2%	208	87.4%
	Masters						
	MPhil or PhD	8	4.0%	0	0.0%	8	3.4%
Year of Experience	Less than 1 Year	22	11.1%	6	15.4%	28	11.8%
	1 – 5 Years	104	52.3%	18	46.2%	122	51.3%
	6 – 10 Years	52	26.1%	13	33.3%	65	27.3%
	11 – 15 Years	18	9.0%	2	5.1%	20	8.4%
	16 – 20 Years	1	0.5%	0	0.0%	1	0.4%
	21 Years and more	2	1.0%	0	0.0%	2	0.8%

4.2 Descriptive Statistics

This was done for questionnaire questions that were meant to measure different job characteristics, such as skill variety, task identity, task significance, freedom, feedback, and job satisfaction. Someone asked 238 people to answer and gave each one a score on a five-point Likert scale that went from "strongly disagree" to "strongly agree." Each poll question's mean and standard deviation (SD) were found. This is the average answer that the subjects gave on a five-point scale. The standard deviation (SD) shows how spread out the answers were.

Table 2: Descriptive statistics.

Questionnaire items					Indicators		
Coding	Survey	Mean	SD		Variable	Mean	SD
SV_01	My job provides a lot of variety	4.13	.57		Skill Variety	4.23	.48
SV_02	Many aspects of my work are simple and repetitive	4.31	.64				
SV_03	My job is particularly challenging and needs a lot of different skills.	4.25	.70				
TI_01	I consider my job as a complete work	4.10	.72		Task Identity	4.14	.54
TI_02	I can assist to serve my clients comprehensively and completely	4.29	.66				
TI_03	I am not authorized to change a whole piece of work from start to finish	4.04	.70				

TS_01	My job is important to my clients' lives and wellbeing	4.34	.63	Task Significance	4.33	.47
TS_02	My clients are directly affected by the level of my work	4.34	.62			
TS_03	My work is very important and significant for the department and organization as well	4.31	.63			
AU_01	I have full control over how my work is organized	3.90	1.03	Autonomy	3.91	.76
AU_02	I can set up and organize my work independently	3.88	1.05			
AU_03	There are so many rules and guidelines that make it hard for me to come up with new ideas for my work	3.95	.86			
FB_01	The way people rate my work really helps me understand how good or bad it is	4.03	.90	Feedback	4.11	.63
FB_02	When I do my assigned work, it's easy for me to see how well I work	4.16	.74			
FB_03	My job delivers me useful feedback about how well I am performing	4.12	.85			
JS_01	In terms of my job and surroundings, I am happy with what I do	3.99	1.00	Job Satisfaction	3.97	.74
JS_02	I am satisfied with career prospects in my organization	4.02	1.01			
JS_03	I am satisfied with my salary and other benefits that I get	4.00	1.10			
JS_04	I am satisfied with the support of management and administration	3.85	1.12			
JS_05	I am satisfied with the reward offered for superior job performance	3.92	1.04			
JS_06	I am pleased with the institutions' management and guidance.	3.95	1.02			
JS_07	The opportunity of growing my talents at work is satisfactory.	4.01	.96			
JS_08	I am satisfied with the job security at my work	3.99	.94			
JS_09	I am satisfied for autonomy and freedom at work	3.88	1.09			
JS_10	I am satisfied with the extent of challenging work in my job	4.08	.90			

a. On five-point Likert scales, responses were rated on a continuum from "strongly disagree" to "strongly agree."

Samples gave "SV_01" an average skill range score of 4.13 (SD = 0.57). This demonstrates that most respondents believed their work was varied. The item "SV_02" had a mean score of 4.31 (SD = 0.64), indicating that most respondents believed their employment required easy, repetitive activities. For item "SV_03," the average score was 4.25 (SD = 0.70), indicating that participants believed their work was difficult and needed many talents. The item "TI_01" had a mean task identification score of 4.10 (SD = 0.72), indicating that most respondents felt their employment entailed completing a task. The "TS_01" scored 4.34 (SD = 0.63) for task significance, indicating that individuals believed their job had a major impact on customers. Participants believed there

was a clear relationship between their job quality and customer impact for item "TS_02" (mean rating 4.34, SD = 0.62). People considered they had moderate level of flexibility to arrange their job, since the mean autonomy score on item "AU_01" was 3.90 (SD = 1.03). However, the item "AU_03" had a mean rate of 3.95 (SD = 0.86), suggesting that participants felt confined by rules and restrictions, making it tougher to come up with new ideas.

The mean feedback rate for "FB_01" was 4.03 (SD = 0.90), indicating that participants considered customer evaluations were a useful tool to evaluate their work. The average score for item "FB_03" was 4.12 (SD = 0.85), indicating that participants considered their employment provided valuable feedback on their work.

People in "JS_01" were largely satisfied with their jobs, with a mean of 3.99 (SD = 1.00). Their average score was 4.02 (SD = 1.01), indicating work satisfaction for "JS_02". Item "JS_03" had a mean score of 4.00 (SD = 1.10), indicating that participants were happy with their income and benefits. The mean score for "JS_04" was 3.85, and the SD was 1.12 which indicate that customer satisfaction with management and office staff was lower. Item "JS_05" received an average score of 3.92 (SD = 1.04), indicating moderate satisfaction with the reward for performing well. Participants gave "JS_06" a mean score of 3.95 (SD = 1.02), indicating they were relatively happy with their institution's leadership or administration. A mean score of 4.01 (SD = 0.96) for "satisfaction with the opportunity to develop skills at work" (item "JS_07") indicates moderate contentment. Participants also expressed a moderate level of satisfaction with job security at work (mean = 3.99, SD = 0.94), autonomy and freedom at work (mean = 3.88, SD = 1.09), and the extent of challenging work in their job (mean = 4.08, SD = 0.90).

Overall, the summary data show that the people who took part in the study think their job has a lot of skill variety (mean = 4.23), task identity (mean = 4.14), and task importance (mean = 4.33). Participants value feedback (mean = 4.11) and express moderate levels of job satisfaction (mean = 3.97), with some areas having room for improvement. However, they need some limitations regarding authority, independent planning, and the ability to bring new ideas into their work involving autonomy (mean = 3.91).

4.3 Reliability Analysis

According to George (2011), Cronbach's alpha value shows how well the items in a variable measure the same underlying concept. Generally, a higher alpha number means the internal consistency is more reliable (Nunnally, 1978). Cronbach's α values greater than 0.60 are considered reasonable (Hair et al., 2019).

Table 3: Cronbach's alpha values.

Variables	Cronbach's alpha
Skill Variety	.612
Task Identity	.675
Task Significance	.603
Autonomy	.659
Feedback	.639
Job Satisfaction	.898

Some of the factors in this study agreed with each other. The Cronbach's alpha scores for skill variety, task identity, task importance, autonomy, and input were all between .603 and .675. Based on these numbers, it looks like the replies to the questions in each variable are pretty much the same. On the other hand, a Cronbach's alpha value of .898 showed that the measure of job

satisfaction had a high amount of internal consistency. This means that the things that measure job satisfaction are very reliable and always measure the same thing. These findings indicate that the constructs used in this study are more reliable for further analysis.

4.4 Hypothesis Testing

4.4.1 Correlation Analysis

The correlation matrix shows the pairwise correlations between different variables. A correlation is measured on a range from -1 to 1. If the correlation is 1, the two things have a perfect positive correlation. If it is -1, there is a perfect negative association. And If it is 0, there is no correlation.

Table 4: Correlation matrix.

	Skill Variety	Task Identity	Task Significance	Autonomy	Feedback	Job Satisfaction
Skill Variety	1					
Task Identity	.251**	1				
Task Significance	.332**	.184**	1			
Autonomy	.327**	.343**	.217**	1		
Feedback	.361**	.312**	.186**	.467**	1	
Job Satisfaction	.414**	.443**	.250**	.692**	.578**	1

Correlation is significant at the 0.01 level (2-tailed).

There is a weak correlation between skill variety and both task identity ($r = .251$, $p < .01$) and task importance ($r = .332$, $p < .01$). A weak correlation can be seen between task identity and autonomy ($r = .343$, $p < .01$) and between task significance ($r = .184$, $p < .01$). We discovered a weakly positive relationship between the task significance and autonomy ($r = .217$, $p < .01$), and also feedback ($r = .186$, $p < .01$). The autonomy is related to feedback with a moderate positive correlation ($r = .467$, $p < .01$) and skill variety with a weak positive correlation ($r = .327$, $p < .01$). While the relationship between feedback and skill variety is weak ($r = .361$, $p < .01$), the relationship between feedback and task identity is also weak ($r = .312$, $p < .01$). There is a modest correlation between job satisfaction and autonomy ($r = .692$, $p < .01$) as well as feedback ($r = .578$, $p < .01$). There is a weak but significant link between job satisfaction and skill variety ($r = .414$, $p < .01$), task identity ($r = .443$, $p < .01$), and task significance ($r = .250$, $p < .01$). Thus, the results of this study confirm the findings of Hackman and Oldham's (1974) Job Characteristics Model (JCM) regarding job satisfaction.

In summary, the correlation results suggest that skill variety, task identity, task significance, autonomy, feedback, and job satisfaction are significantly and positively correlated to varying degrees. These findings indicate that the above factors can contribute to higher levels of job satisfaction.

4.4.2 Multicollinearity Test

A multicollinearity test was used to see if there was any collinearity between the independent factors and the dependent variable. Variance Inflation Factor (VIF) and tolerance level may detect multicollinearity. VIF should be less than 5 and tolerance over 0.10 (Hair et al., 2019).

Table 5: Results of multicollinearity test.

Independent Variable	Collinearity Statistics	
	Tolerance	VIF

Skill Variety	.771	1.298
Task Identity	.836	1.196
Task Significance	.871	1.148
Autonomy	.715	1.399
Feedback	.717	1.395

Dependent Variable: Job Satisfaction

The findings show that all independent variables have a high range of tolerance values of 0.715 to 0.871. This indicates no severe multicollinearity issue among the variables since the tolerance values are well above the threshold of 0.10.

VIF values between 1.148 and 1.399 indicate modest multicollinearity. High multicollinearity is shown by VIF values above 5, but none of the factors in this case have VIF values that are even close to those levels. To sum up, the multicollinearity test shows that there is no major problem with multicollinearity between the independent factors. A multiple regression analysis can determine how skill variety, task identity, task significance, freedom, and input affect job satisfaction.

4.5.3 Multiple Regressions Analysis

The formulated hypotheses were put to test with the regression analysis. The three tables below were added so that regression analysis could be done. There are three numbers in Table 6 shown model summary: R, R Square, and Adjusted R Square. ANOVA, which includes F values and significance value, is shown in Table 7. The results of multiple regression between the independent factors and job satisfaction are shown in Table 8. It includes the p-value, regression coefficients (Beta), and t statistics.

Table 6: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777 ^a	.603	.595	.46832

It was discovered that there is a strong, positive significant relationship ($R = .777$) between the Job Characteristics Model factors and job satisfaction. In this case, $R^2 = 0.603$ and modified $R^2 = 0.595$ show that the independent factors (skill variety, task identity, task significance, autonomy, and feedback) can explain nearly 59.5% of the total variability of the dependent factor (job satisfaction).

Table 7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.357	5	15.471	70.541	.000 ^b
	Residual	50.884	232	.219		
	Total	128.241	237			

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), Feedback, Task Significance, Task Identity, Skill Variety, Autonomy

The regression model as a whole is significant because $F(5, 232) = 70.541$, $p = .000$, i.e. $<.001$. That showed that the explanatory factors skill variety, task identity, task significance, autonomy and feedback could significantly predict the dependent variable job satisfaction. This means that the regression model fits the data well.

Table 8: Coefficients.

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	-.934	.374		-2.496	.013
	Skill Variety	.175	.072	.114	2.424	.016
	Task Identity	.226	.061	.167	3.694	.000
	Task Significance	.049	.070	.031	.699	.485
	Autonomy	.454	.047	.469	9.586	.000
	Feedback	.302	.057	.260	5.313	.000

a. Dependent Variable: Job Satisfaction

The unstandardized coefficients (B values) indicate the relative influence of the entered variables; that is, autonomy has the greatest influence on job satisfaction ($B_4=.454$), followed by feedback ($B_5=.302$), task identity ($B_2=.226$), skill variety ($B_1=.175$), and task significance ($B_3=.049$). The directions of the influence for the five variables are positive.

The t value from a two-sided t-test is used as a test statistic in linear regression. The critical value of t (two-tailed) for the degree of freedom of 237 is ± 1.970 .

A value of $t = 2.424 >$ the critical value of $t = 1.970$ has been found for skill variety. Also, the skill variety's coefficient ($B_1=.175$) is significantly different from zero because its p-value is .016, which is less than the significance level of 0.05. It means that the alternative hypothesis (H1) is supported and the null hypothesis is rejected. So, a positive number for the skill variety's coefficient ($B_1=.175$) means that there is a significant, positive linear relationship between skill variety and job satisfaction.

A value of $t = 3.694 >$ the critical value of $t = 1.970$ has been found for task identity. Also, the task identity's coefficient ($B_2=.226$) is significantly different from zero because its p-value is .000, i.e. $<.001$, which is less than 0.05 (level of significance). It means that the alternative hypothesis (H2) is accepted and the null hypothesis is rejected. There is a significant, positive linear relationship between task identity and job satisfaction because the task identity's coefficient is positive ($B_2=.226$).

The value for task significance was found to be $t = .699$, which is less than the critical value of $t = 1.970$. Also, the task significance's coefficient ($B_3=.049$) is not significantly different from zero because its p-value is .485, which is higher than the significance level of 0.05. It means that the alternative hypothesis (H3) is rejected and the null hypothesis is supported. Given that the task significance's coefficient was positive ($B_3=.049$), it means that there was a positive relationship between task significance and job satisfaction, but it wasn't statistically significant.

A value of $t = 9.586 >$ the critical value of $t = 1.970$ has been found for autonomy. However, the autonomy's coefficient ($B_4=.454$) is significantly different from zero because its p-value is .000, i.e. $<.001$, which is less than the significance level of 0.05. It means that the alternative hypothesis (H4) is supported and the null hypothesis is rejected. So, the fact that the autonomy's coefficient

is positive ($B_4=.454$) shows that there is a significant, positive linear relationship between autonomy and job satisfaction.

A value of $t = 5.313 >$ the critical value of $t = 1.970$ has been found for feedback. Besides, the feedback's coefficient ($B_5=.302$) is significantly different from zero because its p-value is .000, i.e. $<.001$, which is less than the significance level of 0.05. It means that the alternative hypothesis (H_5) is accepted and the null hypothesis is rejected. Since the feedback's coefficient is positive ($B_5=.302$), this means that there is a significant, positive linear relationship between feedback and job satisfaction.

4.5. Discussion

Researchers in this study wanted to find out how job satisfaction and the different parts of the Job Characteristics Model (JCM) are connected among the employees of Bangladeshi Shariah-based private commercial banks. The outcomes provide clear-sightedness into the dimensions influencing job satisfaction.

The descriptive statistics stated that most of the respondents showed their job as having a high degree of skill variety, task identity, and task significance. This result indicates that the Islami Shariah-based Private Commercial Bankers of Bangladesh are satisfied with their job due to their performing a variety of duties as a banker. On the other hand, autonomy had a limitation in that they were subjected in some way to guidelines and specifications. This result highlights the importance of giving employees more autonomy (full control over work, independent work, or easy rules and guidelines) as a way to increase job satisfaction.

When correlation analysis was performed, the results showed significant positive correlations between the JCM dimensions and job satisfaction. Skill variety, task identity, task significance, autonomy and feedback were positively related to job satisfaction, to some extent. The results of this study are supported to those of Millette and Gagné (2008), Blanz (2017), Ali et al. (2014), Hung and Huang (2014), Roy et al. (2017), Osterberg and Rydstedt (2018), and Sulistyono and Suhartini (2019).

The multiple regression analysis also showed that the JCM's aspects, which include task identity, autonomy, feedback, and skill variety, significantly predicted job satisfaction among bankers in Bangladesh's Islami Shariah-based Private Commercial Banks. The model explains about 59.5% of the variability in job satisfaction. That's what Roy et al. (2017) found. They discovered that the model matched almost 60% of the total predicted variance in how satisfied public doctors were with their jobs. The result is also similar to Ozturk et al. (2014), who studied hotel workers where the adjusted R^2 was 0.619 i.e. the model explained 61.9% of the total variability in case of job satisfaction.

When individual dimensions are considered, skill variety has a big effect on job satisfaction significantly. This finding is similar to that of Ali et al. (2014), who looked at managers of fast food restaurants; Blanz (2017), who looked at social workers; and Karim and Rahman (2020), who looked at young university professors in Bangladesh. It was also found that task identity had a good effect on job satisfaction. The results are similar to those of Osterberg and Rydstedt (2018), who looked at Swedish soldiers who had just been hired, and Ali et al. (2014). But there wasn't a strong relationship between task significance and job satisfaction. The positive correlation between task significance and job satisfaction was statistically insignificant. Even so, its beta coefficient was positive, which means it affected the dependent measure positively. This result backs up what Osterberg & Rydstedt (2018) and Karim & Rahman (2020) found, where task

significance did not have a statistically significant effect on job satisfaction, and in both studies task significance's beta values were less than zero. Based on Hackman and Oldham's (1975, 1976) study, it was the strangest finding. Furthermore, autonomy had a significantly positive effect on the job satisfaction of bankers. The standardized and unstandardized beta coefficients indicated that autonomy was the most influential factor for job satisfaction among bankers. This result is similar to what Karim and Rahman (2020) found when they looked at faculty members and found that the beta coefficient of autonomy was also the most important factor. The outcome is also in line with what Daly and Dee (2006) and Ababneh and Hackett (2019) found when they studied faculty members. The results of this study are supported to some other studies, like Ali et al. (2014) and Osterberg and Rydstedt (2018). Finally, feedback had a positive impact on the job satisfaction significantly. Same results have been found from the prior studies, like Ozturk et al. (2014), Ali et al. (2014), Blanz (2017), Österberg and Rydstedt (2018), and Karim and Rahman (2020).

In total, this study's results showed that four key job characteristics, such as skill variety, task identity, autonomy, and feedback, were significant factors of job satisfaction for bankers of Islami Shariah-based Private Commercial Banks in Bangladesh. As per the findings of this study, task significance is not significantly affecting in relation to the job satisfaction. The result of task significance contradicts to that of some previous studies such as Ali et al. (2014) and Blanz (2017), where task significance had a significant effect on job satisfaction.

6. Conclusion

The study shows that there is a significant relationship between the dimension of the Job Characteristics Model and how satisfied bankers of Islami Shariah-based Private Commercial Banks in Bangladesh are with their jobs. The formulated hypotheses are mostly supported by the results, except for the one about the relationship between task significance and job satisfaction. The results of this study have big effects on how human resources are managed in private commercial banks in Bangladesh based on Shariah law. Managers and leaders of organizations should think about ways to make jobs more satisfying for workers by giving them more skill variety, task identity, task significance, autonomy, and feedback. Getting employees to be happy with their jobs can be done in a number of ways, such as through job growth, employee freedom, and success ratings. Companies can make the workplace more rewarding for their workers by solving these issues. This will lead to more engaged, productive, and loyal workers.

It is essential to observe that this study has some limitations. The limited sample size and sector-specific data collection (Islami Shariah-based Private Commercial Banks in Bangladesh) potentially restrict the applicability of the results. Future research could consider a more extensive and diverse sample to validate and extend the findings of this study. Qualitative study methods could also be used to find out what makes people happy with their jobs in the banking business. In Bangladesh's Islami Shariah-based Private Commercial Banks, this study gives us important information about the link between job characteristics and job satisfaction among bankers. The results make it clear how important it is to create jobs that encourage a range of skills, task identity, autonomy, and feedback in order to make employees happier at work and, in the end, help the company succeed.

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The Effect of Education, Training, and Competence on the Performance of Teachers in Kabupaten Musi Rawas

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Abstract

This study aims to determine the Effect of Education, Training, and Competence on the Performance of Junior High School Teachers in Muara Lakitan District, Musi Rawas Regency. This type of research is quantitative descriptive. The sample in this study was 105 junior high school teachers in Muara Lakitan District, Musi Rawas Regency. This study used primary and secondary data sources. The study results indicate that education, training, and competence together affect the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency. The hypothesis in this study indicates that H_0 is rejected. Education involves the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency. This is because H_0 is rejected. Training affects the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency. This is indicated by H_0 being rejected. Competence affects the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency. This is evidenced by the hypothesis in the study H_0 , which is rejected.

Keywords: Education, Training, Competence, and Performance

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1. Introduction

The findings of this study have significant implications for the field of education and human resource management. They underscore the importance of education, training, and competence

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in shaping the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency.

Human resource management is very important in improving the quality of education. This is considering that an organization or educational institution can progress and develop with the support of human resources. Therefore, every educational institution or organization that wants to develop must pay attention to human resources and manage them properly so as to create quality education.

Every organization, including schools, always tries to improve teacher performance. For this reason, leaders need to find ways and solutions to improve teacher performance. This is important because performance reflects a deep pleasure in the work being done, allowing work to be completed faster and better results to be achieved.

Moekijat in Yeni (2018: 7) states that performance describes feelings related to soul, group spirit, joy, and activity. If workers seem happy, optimistic about activities and tasks, and friendly to one another, then the employee is said to have high morale. Conversely, if employees appear dissatisfied, irritable, often sick, argumentative, anxious, and pessimistic, this reaction is evidence of low morale.

Education is a learning process through processes and procedures that take place in a relatively long time. Zainun in the Dawn. (2010: 76) explains that education is basically intended to prepare human resources before entering the labor market, with the knowledge obtained from education in a certain proportion expected to be in accordance with the requirements demanded by a job. Education has a function as a driver as well as a driver of the potential capabilities of human resources in improving their work performance. Irianto (2001:75), states that the competency value of a worker can be fostered through education, development and training programs.

In research conducted by Defi Lia Safitri (2018) which shows the results of the research based on testing the first hypothesis, namely the effect of education on employee performance shows that education has a positive and significant effect on employee performance at PT Surabaya Industrial Estate Rungkut.

Research conducted by Lingga (2018) shows the results that the job training that has been implemented at SMA Negeri 2 Lubuk Linggau has been very good and has had a pretty good influence on the performance of teachers at SMA Negeri 2 Lubuk Linggau. Job training can also improve their skills and achievements. Training has a significant effect on teacher performance at SMA Negeri 2 Lubuk Linggau. However, it is inversely proportional to research conducted by Hengki Apriansyah (2018) which states that the training variable has no significant effect on the performance of employees of the Office of the National Narcotics Agency, Lubuklinggau City. Edi Saputra (2015) The results of his research show that the role of education in the Malang City Regional Personnel Board is quite good

Edy (2017: 202) Competence possessed by the individual teacher must be able to support the implementation of the teaching and learning process and be able to condition the class so that it runs conductively. Competence of human resources is also one of the factors to improve the performance of an organization or agency.

Research conducted by Sudarmik, (2018) shows that competence influences the performance of STIE Riau lecturers, namely 54.1%, which means that the competencies possessed by lecturers affect their performance in teaching and learning activities. However, this is not in

line with research conducted by I Gde Adnyana Sudibya, et al (2012) which showed that the results of statistical data analysis showed a positive but not significant effect between competency variables on performance variables as indicated by a standardized direct effect value of 0.009. This indicates the competence of employees in the Bali provincial Public Works office environment affects employee performance but has an insignificant effect.

Komang Septia's research (2016) shows that there is a positive and significant influence between professional competence and teacher performance which shows that the relationship between professional competence and teacher performance is one-way. Dony, et al (2018) The research results show. Competence has a positive and significant effect on the performance of high school teachers under the guidance of Kesatrian 67 Semarang Education.

Junior High School (SMP) is the level of basic education in formal education in Indonesia after graduating from elementary school or the equivalent is taken within a period of 3 years. There are 99 junior high schools 54 with state status, 16 private schools 1 state madrasa and 28 private madrasas in Musi Rawas district. Teachers are professional educators with the main task of educating, teaching, guiding, directing, training, assessing and evaluating students. Teachers have duties, functions, and important roles in educating the life of the nation. Professional teachers are expected to be able to participate in national development to create Indonesian people who fear God Almighty, excel in science and technology, have an aesthetic, ethical, virtuous character, and personality. Therefore the teaching profession needs to be developed continuously and proportionally according to the teacher's functional position. In addition, so that the functions and tasks attached to the teacher's functional position are carried out in accordance with applicable regulations, it is necessary to increase the competence and performance of teachers in carrying out their duties.

Based on interviews conducted by researchers with teacher 'L', most teachers tend to work as is, there is no innovation and concern for the progress of the school and its students. In terms of teacher obedience in carrying out their duties also shows problems. Based on observations made by researchers in 4 junior high schools, it can be seen that some teachers do not comply with existing regulations, there are still teachers smoking at school and some teachers come late. The existence of conflict between teachers is also a problem in this study, the existence of teachers who do not greet each other, often offend each other makes the situation in the teacher's room become tense as a result the teachers do not cooperate with each other. Interviews conducted by researchers with 10 students in 4 different junior high schools showed that there were problems in teacher leadership, some teachers were unable to handle students who were hyperactive, naughty, and difficult to control, so that there was no optimal effort by the teacher in guiding and directing these problematic students. , this emphasizes that there are still teachers who have not been able to become leaders for their students.

Furthermore, the obstacles experienced by teachers in the learning planning process which includes the preparation of syllabus, annual program, semester program, and learning plans are that there is often a mismatch between learning tools that have been prepared such as syllabus, annual program, semester program, and learning plans with classroom implementation. then observations made by researchers, in teaching most teachers only use the lecture method, so it seems that the class becomes less interactive, students tend to get bored, and do not pay attention to the teacher's explanation. it is clear that the emphasis on the use of teaching and learning methods is not optimal. In addition, the lack of fulfillment of training needs provided by relevant agencies, both the local education office and schools.

Teachers also seemed less enthusiastic about participating in the training, some teachers thought that the age factor was the reason they were lazy to carry out training activities. Lack of teacher awareness of the importance of improving skills is also a problem, most teachers seem to just want to work without any enthusiasm to improve their abilities and capacities as professional teachers. Some teachers serve not in accordance with their educational background, this results in the teacher having difficulties in selecting and teaching the material to be taught to students, meaning that knowledge related to the work carried out by the teacher is not optimal. In addition, in relation to Individual Skills, some teachers do not master the use of information and communication technology tools; the impact is that teachers hire other teachers to carry out their duties, such as filling out grade lists and E-reports. Teachers also tend to be less up to date on current developments in education in Indonesia. Competency issues are also related to work attitudes. There are several teachers who are not professional in carrying out their profession; some teachers dress less neatly and wear sandals, and some teachers even bully their students who commit violations.

Based on this background, the researcher is interested in conducting research on the Influence of Education, training, and Competence on Teacher Performance in Junior High Schools in Muara Lakitan District, Musi Rawas Regency.

2. Literature Review

2.1. Performance

Sutrisno (2017: 151) defines Performance as the work achieved by a person through his work behavior in carrying out work activities. According to Kasmir (2018: 182), Performance is the result of work and work behavior in completing the tasks and responsibilities given in a certain period.

According to Ma'ruf Abdullah (2016: 3) Performance is work performance which is the result of the implementation of a work plan made by an institution carried out by leaders and employees who work in that institution, both government and companies to achieve organizational goals. Meanwhile, according to Sinambela (2018: 483) Performance is the willingness of a person or group to carry out an activity and perfect it according to their responsibilities with the expected results.

Wibowo (2017: 3), states that performance is the implementation of plans that have been prepared. Performance implementation is carried out by human resources who have the ability, competence, motivation, and interests. Hasibuan (2014: 94) performance is the result of work achieved by a person in carrying out the tasks assigned to him based on skills, experience, sincerity and time.

Mathis (2012: 135), performance is a record resulting from the function of a particular job or activity over a certain period of time. Kasmir (2016: 182) states that performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities given within a certain period.

According to Harun (2018: 82), performance indicators are: Loyalty, work performance, responsibility, obedience, honesty, cooperation, initiative, leadership.

2.2. Education

According to Al-Abrasyi in Ramayulis (2015: 16), Education is the process of preparing humans to live perfectly and happily, to love the motherland, to be physically fit, to have perfect

morals (morals), to have organized thoughts, to be refined in feelings, to be proficient in their work, to speak sweetly. either orally or in writing.

Daharma & Bathnagar in Rulam (2016:38) define Education as the process of bringing about the desired changes in human behavior. It can also be defined as the process of acquiring knowledge and habits through learning or study.

Rulam (2016: 38) Education is a process of human interaction with the environment that takes place consciously and planned in order to develop all its potential, both physical (physical health) and spiritual (thought, taste, intention, work, creativity, and conscience) which lead to positive changes and progress, both cognitive, affective and psychomotor that take place continuously in order to achieve their life goals.

Republic of Indonesia Law number 20 of 2003 Education is a conscious and planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have religious spiritual strength, self-control, personality, intelligence, noble character, and the skills needed by them. , society, nation, and state.

Danim in Rulam (2016:45) The aims of education are as follows:

- a. Optimizing the cognitive, affective, and psychomotor potential of students
- b. Passing on cultural values from generation to generation to avoid as much as possible children being uprooted from the cultural roots and life of the nation and state
- c. Develop students' adaptability to face ever-changing future situations, both the intensity and the requirements needed in line with advances in science and technology.
- d. Improving and developing students' moral responsibility, in the form of the ability to distinguish what is right and what is wrong, with the spirit or belief to choose and uphold it.
- e. Encouraging and helping students to develop a responsible attitude towards their personal and social lives, as well as making contributions in various forms freely to society.
- f. Encourage and help students understand the balanced relationship between law and personal and social liberties.

Notoadmodjo in Asri (2017:21) Educational indicators are:

- a. Development of abilities: A person's abilities can be developed through education. The education that a person follows can help him develop the potential that exists within him.
- b. In the area of ability, the longer a person is in education, the more knowledge and development he has.
- c. The suitability of the program: The suitability of the educational program experienced by a person will bring about a change in him. These changes were due to the influence of the education he experienced.
- d. The material provided and the amount of material that has been given will also impact a person's ability to solve and find a way out of the problems they face.
- e. Emphasis on the use of teaching and learning methods: The teaching methods used will affect the success of education carried out by someone.
- f. End-of-process reward This award is intended to motivate someone to correct their deficiencies.

2.3. Training

According to Kasmir (2018: 126), Training is a facility companies provide to learn jobs related to employee knowledge, skills, and behavior. Meanwhile, according to Donni (2018: 176),

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Training is a systematic and planned effort to change or develop new knowledge, skills, and attitudes that suit organizational needs.

According to Donni (2018: 180), Training is carried out by referring to a number of interrelated principles. The basic principles of the training are as follows:

- a. training is given systematically and based on stages.
- b. These stages must be adjusted to the goals to be achieved.
- c. The trainer/teacher/presenter must be able to motivate and disseminate responses related to a variety of subjects.
- d. The existence of reinforcement (reinforcement) to evoke a positive response from participants.

According to Yulianti, (2017: 120) Training Indicators are as follows:

- a. Fulfillment of training needs
- b. Able to identify employee needs
- c. Requirements for training participants to have the enthusiasm to take part in the training
- d. Material tailored to the needs
- e. Ability enhancement

2.4. Competence

Meanwhile, according to Marshall in Sudarmanto (2018: 47) Competence is a basic characteristic of a person that allows him to provide superior performance in a particular job, role, or situation. Wibowo, (2017: 271) Competence is an ability to carry out or perform a job or task that is based on skills and knowledge and is supported by the work attitude demanded by the job.

According to Sutrisno (2017: 203) Competence is an ability that is based on skills and knowledge supported by work attitudes and their application in carrying out tasks and work in the workplace that refers to the specified work requirements.

Hutapea in Ria et al, (2015: 5) Competency indicators are as follows: Knowledge related to work, individual skills and work attitudes.

According to Zwell in Sudarmanto (2018: 54), there are seven factors that affect competence, namely:

- a. Beliefs and Values. One's beliefs and values towards something greatly influence one's attitudes and behavior.
- b. Expertise or Skills. This aspect plays a very important role in shaping competence. For example, public speaking is a skill that can be learned, practiced, and improved.
- c. Experience. Experience is an important element in establishing one's competence for the task.
- d. Personal characteristics. One's personality characteristics also influence one's competence.
- e. Motivation. A person's motivation in a job or activity will affect the results achieved.
- f. Emotional issues. Emotional blocks and blocks can often limit competent mastery.
- g. Intellectual capacity. A person's intellectual capacity will affect competence, which depends on cognitive abilities such as conceptual and analytical thinking.

3. Research Method

Research design is a work guideline that allows research to run effectively and efficiently. Design is beneficial for research implementers and useful for all those involved in the research

activity. The research design can be arranged based on the formulation of the problem and the hypothesis to be tested.

Based on the time dimension, this research is a cross-sectional study where data collection is carried out at one time and comes from different objects to describe the situation. As for the study environment, the research is included in the category of field research design. The researcher focuses attention on the phenomena that exist in the field so that the direct involvement of the researcher is limited to observations as cross-information material obtained from objects. Meanwhile, based on the objective, a descriptive design is used because it will only explain one independent variable.

This study was conducted on junior high school teachers in Muara Lakitan District, Musi Rawas Regency. The population is the entire group of people, or things of interest that researchers want to investigate (Sekaran & Bougie, 2013: 240). The total population is 141 teachers.

The sample according to Sekaran & Bougie (2013:241) is described as "a subset of the population." In other words, a sample is part of the population. The number of samples in this study was determined based on the Slovin formula. The research sample obtained was 105 teachers as respondents

Table 1. Sample Distribution

No:	Name of SMP	Total of Teachers	Sample
1	SMPN Semangus	22	16
2	SMPN Muara Lakitan	22	16
3	SMPN Prabumulih II	13	10
4	SMPN Pian Raya	14	11
5	SMPN Lubuk Pandan	11	8
6	SMPN Marga Baru	41	31
7	SMPN Bumi Makmur	18	13
Total		141	105

Source: processed by the author

Definition of Variable Operationalization

Research variables are studied, which can differentiate or change values. All variables in this study are described and developed for each variable into the following indicators:

Variable (Y): Teacher Performance is the result of the work done by the teacher covering work activities and assignments within a certain period at Middle School in Muara Lakitan District, Musi Rawas Regency. The indicators are work performance, responsibility, obedience, cooperation, and leadership.

Variable (X1): Education is a conscious and planned effort teachers make to seek and develop potential in junior high schools in Muara Lakitan District, Musi Rawas Regency. The indicators are capacity development, program suitability, and an emphasis on learning methods.

Variable (X2): Teacher Training is an effort by teachers to increase their knowledge, skills, and behavior to improve their performance as junior high school teachers in Muara Lakitan District, Musi Rawas Regency. The indicators are Fulfillment of Training Needs, Requirements for trainees to be enthusiastic about taking part in the training, and Capacity building.

Variable (X3): Teacher competence is the ability possessed by teachers to carry out tasks and obligations in work at junior high schools in Muara Lakitan District, Musi Rawas Regency. The indicators are knowledge related to work, individual skills and work attitudes.

The data needed in this study is qualitative data, namely data that cannot be measured on a numerical scale. Qualitative data in this study is interval data. However, because in statistics all data must be in the form of numbers, this qualitative data will be quantified so that it can be processed further.

In this study the data collection method used a questionnaire (questionnaire). Questionnaires are more efficient to use when the researcher knows clearly the variable being measured and what is expected of the respondent. In addition, the questionnaire is also suitable for use if the number of respondents is large enough.

The data analysis technique in this study used multiple regression analysis techniques. The stages of carrying out the analysis included: Validity and Reliability Testing

Analysis Techniques:

1). Multiple Regression Analysis

Used to determine how much influence the variables Education (X1), Training (X2) and Competence (X3) have on Teacher Performance (Y).

Multiple linear regression is used because the influence variable (X) is more than one, with the formula:

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

Where a is a constant value, b1, b2, b3 = multiple linear regression coefficients, and ε is the Error of Term

2). Concurrent Testing (Test F)

Concurrent test regression analysis (F test) was carried out to prove the research hypothesis that the independent variables in the study significantly influence the dependent variable together.

3). Partial Testing (T-Test)

Partial test regression analysis of each independent variable on the dependent variable can be explained using the t test.

4. Results and Discussion

Data analysis was carried out using instrument tests, testing the basic assumptions of multiple regression, models and hypothesis testing, as follows:

4.1. Instrument Testing Results

The results of the data validity test on question items on the variables Teacher Performance (Y), Education (X1), Training (X2), and Competency (X3) were declared valid at the level real (α) = 5% so that it can be used as a valid measurement tool in subsequent analysis.

Based on the reliability test on the dependent variable, namely Teacher Performance (Y), Education (X1), Training (X2) and Competence (X3) it can be seen that all Cronbach's alpha for each variable is above the number 0.600, declared relabeled, this means that all question

items that exist in each of these variables, can be used as a reliable measuring tool in the next analysis.

4.2. Analysis Techniques

1) Multiple Linear Regression Analysis

Used to determine how much influence the variables Education (X1), Training (X2) and Competence (X3) and Teacher Performance (Y). Based on the calculation results, the estimated function of the multiple linear regression equation is obtained, namely:

$$Y = 3,999 + 0,975X_1 + 0,132X_2 + 0124X_3$$

The regression equation can be described as follows:

A constant of 3.999 means that if Education (X1), Training (X2) and Competence (X3) have a fixed value, then Teacher Performance is 3.999

The coefficient value of the Education variable (X1) is 0.975. This means that for each increase in the number of Education variables, the Teacher Performance variable will increase by 0.975, assuming that the other independent variables in the regression model remain the same.

The coefficient value of the Training variable (X2) is 0.132. This means that for each increase in the number of training variables, the teacher performance variable will increase by 0.132, assuming that the other independent variables in the regression model remain constant.

The coefficient value of the Competency variable (X3) is 0.124. This means that for each increase in Competency variables, the Teacher Performance variable will increase by 0.124 assuming that the other independent variables in the regression model remain the same.

2) Simultaneous Testing (Test F)

Table 2 F Test Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1533,700	3	511,233	200,345	,000 ^b
Residual	257,728	101	2,552		
Total	1791,429	104			

a. Dependent Variable: Teacher Performance

b. Predictors: (Constant), Competence, Teacher Education, Teacher Training

Based on the results of data processing, it is known that the f-count value is 200.345 with a significance level of 0.000. The value of the F-table with df 1 = 3, df 2 = 101, and $\alpha = 0.05$ is 200.345. Because F-count > F-table (200.345 > 2.695) and Sig 0.000 < 0.05, then Ha: Accepted and H0: Rejected. This means the competence and the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency influence education and training.

3) Partial Testing (t-Test)

Table 3. Test Results t

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3,999	1,993		2,006	,047
Education	,975	,061	,782	16,110	,000
Training	,132	,056	,118	2,348	,021
Competence	,124	,056	,112	2,238	,027

a. Dependent Variable: Teacher Performance

a. The Effect of Education on Performance

- The t-count results for education have a value of 16.110 > t-table 1.984. This is confirmed by sig t 0.000 < $\alpha = 0.05$. Thus, H0 is rejected, which means that education has a significant effect on performance.
- Effect of Training on Performance
- The t-count results for training have a value of 2.348 > t-table 1.984. This is confirmed by sig t 0.021 < $\alpha = 0.05$. Thus, H0 is rejected, which means training has a significant effect on performance.
- The Effect of Competence (X3) on Performance (Y)
- The t-count results for competence have a value of 2.238 > t-table 1.984. This is confirmed by sig t 0.027 < $\alpha = 0.05$. Thus, H0 is rejected, which means that competence has a significant influence on performance.

4.3. Discussion

- 1). The effect of education and training and competence on the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency

The results of the f test show that education, training, and competence simultaneously affect the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency. The calculation results above illustrate that education, training, and competence have a sizeable impact on the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency.

When viewed from the theoretical concept according to Suprihati (2014: 96), which states that the factors that influence performance are education and training, and the theory according to Payaman (2011: 83), one of the factors that influences performance is individual competence, the results of this study are in line with the theoretical concepts expressed by the two experts.

In line with previous research conducted by Edi Saputra (2015) which proved that education and training affected the performance of the Malang City Regional Personnel Agency employees. Furthermore, research conducted by Fajar Sukoco (2010) proved that education and training had a positive and significant effect on teacher performance. and research conducted by Susi Hendriyani (2013), which proves that education and training and competence have a significant impact on performance

The difference is that in Fajar's research the variables that affect performance are not only education and training but organizational learning, and competence also affects teacher performance but when testing the mediating effect. Competence does not mediate the

relationship between the influence of education and training on teacher performance, while competence is able to mediate the relationship between the influence of organizational learning and teacher performance, meaning competence is able to explain this effect.

The link between education, training, competence and performance is that if the teacher has an educational background that is appropriate to his teaching duties, coupled with continuous training, and has adequate competence at work, it will be easy for the teacher to carry out his duties at school.

Based on the respondents' responses to the question items, it shows that teachers agree a lot about education and training and competence, therefore they also agree a lot about the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency.

2). The effect of education on the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency

The results of the t-test show that education affects the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency. This research is in line with the theory that, according to Mangkunegara (2015: 67-68), one of the factors that influences performance is education. With adequate education for his position and skills in doing daily work, it will be easier for him to achieve the expected performance.

This research is also in line with the theory expressed by Defi Lia Safitri (2013), which states that education affects employee performance at PT Surabaya Industrial Estate Rungkut. However, researchers have not found previous research stating that education has no significant effect on teacher performance.

Based on the respondents' responses to question items related to education, several question items cause problems, namely:

Against the indicators, the teacher arranges learning programs well. In this case there are still teachers who have not been able to compile learning programs that will be taught to students; this is caused by a lack of teacher knowledge of the importance of preparing learning programs before being taught to students so that learning activities in class become targeted, another thing is caused by the teacher's lack of awareness that wrong one task as a teacher is to develop a learning program. As a result, learning activities become undirected, and teachers experience difficulties when teaching material to students, which will ultimately result in poor teacher performance and students perceiving that the teacher is less professional in teaching. The researcher suggests that before teaching, the teacher must prepare a learning program first so that during implementation in class, the learning activities become directed, and the teacher can provide solutions when experiencing difficulties.

Regarding the indicator "the learning media that the teacher uses is by the subject matter provided," some teachers still doubt this. Even though the teacher has used learning media in teaching and learning activities, sometimes the learning media still does not follow the material to be taught to students. This is caused by a lack of teacher creativity and the lack of learning media available in schools. Some students have difficulty understanding the material taught by the teacher; the author's suggestion is that the teacher should prepare appropriate learning media to be taught to students, and the school should provide complete learning media so that the teacher's learning activities become optimal.

3) The effect of training on the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency

The results of the t-test show that training affects the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency. This research is in line with the theory expressed by Suprihati (2014: 96), which states that education and training are two of the factors that influence performance. Education and training is a relationship of increasing general knowledge and understanding of the work environment as a whole and also an effort to improve one's knowledge and skills to do a particular job.

This research is also in line with previous research conducted by Adiwinata et al. (2018), which stated that formal training had a positive and significant effect on teacher performance. However, this research is not in line with research conducted by Edi Saputra (2015) which states that training does not positively affect performance. This is caused by differences in the study indicators.

Based on the respondents' responses to the question items related to training, several question items cause problems, namely:

- a. Against the indicator the teacher always attends training without waiting for orders from superiors. Some teachers expressed doubts about this statement, which shows that there are still teachers who do not have the awareness of teachers to take part in training activities, teachers tend to only take part in training if there are orders from their superiors. As a result, the teacher lacks skills in carrying out his duties so that the teacher's performance is considered not good.
- b. Regarding the indicators of teachers being active in subject teacher deliberation organizations, some teachers are still hesitant about this statement which shows that teachers have not been active in this organization, as a result this organization has become a vacuum. The author's suggestion is that teachers should be active in this organization because this organization is a place for teachers to improve the abilities and skills of teachers in the process of teaching and learning activities.

4) The effect of competence on the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency

Based on the results of the t test, it shows that competency affects the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency. This research is in line with the theory expressed by Simanjutnak (2011: 83) which states that individual competency is one factor that influences performance. Individual competence shows a person's abilities and skills in carrying out duties.

This research is also in line with previous research conducted by Komang Septia (2016) which stated that competency has a positive and significant effect on teacher performance. However, this research is not in line with Rosmaini (2019) which states that competence has no significant effect on performance. This difference is caused by the use of indicators in research that are not the same as the indicators used by researchers.

Based on the respondents' responses to question items related to competency, there are several question items that cause problems, namely:

- a. On the indicator the teacher always uses technology in carrying out his daily duties. Some teachers answered doubtfully with this statement, this shows that there are still

teachers who have not been able to utilize technology in carrying out their duties. As a result, teachers become technologically illiterate and always lack information about developments in the world of education so that in their work the teacher uses old methods of teaching and students also tend to get bored with the teacher's way of teaching. The researcher's suggestion is that teachers should study and utilize developing technology, especially in the world of education, one of the things that teachers can do is study computers and gadgets.

- b. Teachers do not hire other teachers to compile e-rapot. It can be seen that there are still teachers who answer uncertainly which shows that in carrying out their duties, especially in compiling e-rapot teachers still hire other teachers, this is due to the teacher's lack of mastery in using computer devices. The author's suggestion is that teachers should learn to use computer devices so that they don't have to pay anymore to work on e-reports

5. Conclusion

- a. Based on the results of the research described in the previous chapter, it can be concluded:
- b. Together, education and training and competence have a significant effect on the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency
- c. Education has a significant effect on the performance of junior high school teachers in Muara Lakitan District, Musi Rawas Regency
- d. Training has a significant effect on teacher performance at Muara Lakitan Middle School, Musi Rawas Regency
- e. Competence has a significant effect on teacher performance at Muara Lakitan Middle School, Musi Rawas Regency

Implications

- a. Teacher performance can be improved by improving education and training as well as teacher competence.
- b. Regarding education, it is better that before teaching, the teacher must prepare a learning program first so that during classroom implementation, the learning activities become directed and the teacher can provide solutions when experiencing difficulties. The teacher should prepare appropriate learning media for students, and the school should provide complete learning media so that the teacher's learning activities become optimal.
- c. In relation to teacher training, it is better to seek information about training activities organized by the local office and other teacher training institutions to increase teachers' abilities and creativity in participating in training. Teachers should be active in this organization, considering that this organization is a place for teachers to improve their abilities and skills in teaching and learning activities.
- d. Concerning teacher competence, teachers should study and utilize developing technology, especially in the world of education. One of the things teachers can do is study computers and gadgets.

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Analysis of the Merger and Acquisition of PT GOTO (Gojek Tokopedia) Tbk: Share Valuation and Firm Financial Performance

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Abstract

Mergers and acquisitions have become business practices to improve shareholder welfare. One of the newest phenomena in Indonesia is the merger of two large companies, namely Gojek, a transportation service provider, and Tokopedia, an e-commerce platform. This merger occurred in 2021 with the official name PT GOTO Gojek – Tokopedia Tbk. When conducting an Initial Public Offering (IPO), the share price of PT GOTO Gojek – Tokopedia Tbk was set at Rp. 338 per share (CNBC, 2022). Many hopes were pinned on the share price, but the share price of PT GOTO Gojek – Tokopedia Tbk did not match expectations. In December 2023, based on the IDX website, the share price of PT GOTO Gojek – Tokopedia Tbk dropped drastically to Rp. 95, experienced a decrease of Rp. 243 since IPO. This research shows whether the merger decision of the two companies affects their intrinsic value as well as their liquidity ratio, activity ratio, solvability ratio, and profitability ratios.

Keywords: merger, acquisition, e-commerce, PT GOTO, Tbk

JEL Codes: L83, M19, O10

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1. Introduction

Mergers and acquisitions have become business practices to improve shareholder welfare. According to Hitt, a merger is a business strategy by combining two or more companies so that their resources become stronger, they are able to gain advantages, and they can compete in the business world. One of the newest phenomena in Indonesia is the merger of two large companies, namely Gojek, a transportation service provider, and Tokopedia, an e-commerce

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platform. Gojek was founded in 2010 by a young entrepreneur in Indonesia, Nadiem Makariem. At first, Gojek only operated as a call center service that could connect customers with motorbike (ojek) drivers in the area around them. In 2015, Gojek developed its innovation by launching a mobile application that made it easier for customers to order a motorbike taxi directly via cellphone, so that customers could experience a level of efficiency in saving waiting time when ordering a motorbike taxi. It doesn't stop there, Gojek's services are developing even more rapidly by providing various services for customers. Among them are food delivery services (GoFood), goods delivery (GoSend), and digital payments (GoPay). Gojek continues to innovate and develop its digital services so that Gojek begins to receive large investments from various international companies and investors, including Google and Tencent. This allows Gojek to expand its services by operating outside Indonesia, such as Vietnam, Thailand and Malaysia.

Tokopedia was founded by William Tanudwijaya and Leontinus Alpha Edison in 2009 with the initial aim of creating an e-commerce platform that could improve MSMEs in Indonesia with digital technology. Tokopedia is expected to achieve its goal of making the online buying and selling process easier for small entrepreneurs to reach a larger and wider market. Tokopedia offers various service features such as a safe and secure payment system, and fast delivery. In 2018, Tokopedia received significant investment funding from Alibaba Group and also the SoftBank Vision Fund, so that Tokopedia could strengthen its position in the e-commerce market in Indonesia. Tokopedia's innovations continue to develop, one of which is by launching various new services, such as Tokopedia Play, which is a video platform and Tokopedia Salam, which is a platform for halal products. Tokopedia then merged with Gojek which ultimately formed a new entity called GOTO Group.

The occurrence of this merger is a new breakthrough for the development of the digital ecosystem in Indonesia. Financial services (Gopay) and transportation services owned by Gojek, as well as share ownership in Bank Jago are considered to be able to support Tokopedia's e-commerce business. Gojek can provide delivery services needed by e-commerce companies, transaction tools, and financial services. Meanwhile, Bank Jago gained access to distribute credit to MSMEs, which numbered tens of millions of merchants on Tokopedia. From a business perspective, the aim of this action is to strengthen and expand market share for the two companies amidst increasingly competitive digital technology developments. For Tokopedia, joining Gojek provides advantages in the logistics sector. It is clear that this combination creates a mutualistic symbiosis. To date, apart from valuation issues, the GoTo ecosystem is one of the most complete. Merger and acquisition activity continues to increase due to very intense economic developments. Mergers and acquisitions can show significant growth in Indonesia. The influence of merger and acquisition activities can be seen from the condition of company profits and the company's share price.

2. Literature Review

Merger. A merger is a combination of two or more companies by transferring assets and liabilities from one company to another company. Company mergers are one way for businesses to develop by combining two or more businesses. Budi (2020) states that a merger is a process of combining or diffusing two companies; one of them remains standing under the name of the company, and the other disappears with all its wealth put into the company that remains standing. Combining two or more companies is called a merger, according to Moin (2007). In this case, only one company continues to operate, while the others cease to operate. According

to Floyd A. Beams and Amir Abadi Jusuf (2000), a merger is the process of taking over the entire operations of a company by another business entity, which will then be dissolved.

Share Prices. Stock appraisal (valuation) is a process for determining a fair price for a stock (Parahita, 2008). Stock valuation is divided into three types of value, namely book value, market value and intrinsic value. Intrinsic value shows the present value of cash. The guidelines used are:

- a. $NI < \text{current market price}$: Overvalued.
- b. $NI > \text{current market price}$: Undervalued.
- c. $NI = \text{current market price}$: Fair-valued.

Stock Returns. The level of profit obtained by investors from investments is called stock returns (Robert Ang, 2001). In capital market theory, return is a term commonly used to describe the amount of return received by an investor from shares of a company going public. The stock market does not always promise profits for investors. Dividends, bonus shares and capital gains are some of the components of stock returns that enable investors to make a profit.

Financial Performance. The financial performance of a company after mergers and acquisitions is one thing that can be used as a benchmark for whether the merger and acquisition has had a positive or negative impact. Financial performance is a tool for assessing the benefits and efficiency of using the financial budget. Investors can use financial performance as a consideration tool for investing capital in a company. Analysis of bank financial performance is carried out with two objectives, according to Brigham and Houston (2012:90). The first is to find out how successful the bank's financial management is, especially in terms of liquidity conditions, capital adequacy and profitability achieved in the current and previous years. The second is to find out how well banks can utilize all their assets to generate profits.

Financial Ratio Analysis. Financial ratio analysis is carried out by dividing certain accounts in the balance sheet and profit and loss report (Sujarweni, 2019) to find a picture of the relationship and comparison of the number of accounts when describing financial reports. Financial report analysis is very useful for analysts to find out the condition and development of a company's finances. Then, for investors, financial statement analysis is important to find out the rate of return on funds that will be invested in securities issued by the company.

Types of Financial Ratios. The financial performance of a company can be analysed using financial ratios. Financial ratios are a comparison of numbers obtained by comparing one item with other items in the financial statements. These two comparisons have a significant relationship. There are several ratios that can be used to measure the financial performance of a company which can be quoted from Weston (2008: 106), namely as follows:

Liquidity Ratio. Liquidity ratios are used to determine whether a company is able to carry out its obligations in the short term. If the company is deemed capable of paying off its debts, then the company is considered liquid. If not, the company is considered illiquid because it is unable to fulfil its obligations and pay its debts.

Current Ratio (CR). Kasmir (2019) states that the Current Ratio (CR) or current ratio is a tool used to evaluate the level of a company's ability to pay off short-term debt or debt that is almost finished if asked to pay in full. However, the drawback of this ratio is that some parts of current assets do not have the same level of liquidity.

Current Ratio = (Current Assets)/(Current Liabilities)

>1: Indicates that the company has more current assets than current liabilities, which is generally considered a sign of good liquidity.

<1: Indicates that the company may face difficulty meeting its short-term obligations.

Quick Ratio (QR). Kasmir (2019) said that the quick ratio is a ratio that shows a company's ability to pay its debts or obligations with its current assets without considering the value of inventory. The formula for measuring Quick Ratio (QR) is as follows.

>1: Indicates that the company can meet its short-term obligations without selling inventory.

<1: Indicates that the company may need to sell inventory to meet its short-term obligations, which could be riskier.

By using the formula above, the company can determine whether the company can fulfil its short-term obligations if the current ratio and quick ratio have a ratio of $\geq 1:1$ above 100%. Both the Current Ratio and the Quick Ratio are important tools in financial analysis to assess a business's ability to meet its short-term obligations. However, quick ratios provide a more conservative analysis by excluding inventory from the calculation.

Activity Ratio. Working Capital Turnover Ratio (WCTO). The working capital turnover ratio, also known as WCTO, is a formula used to determine how effectively a business uses its working capital to generate sales. Working capital is the ratio between a company's current assets (e.g., cash, accounts receivable, and inventory) and a company's current liabilities (e.g., accounts payable and short-term debt). This is an example of how effectively a business uses its working capital to generate income. Once all of a company's liabilities, such as debts and bills, are paid off, this formula shows the amount of money available for the company to operate. To calculate the Working Capital Turnover Ratio (WCTO).

High WCTO: Indicates that the company is very efficient in using its working capital to generate sales. This is usually considered positive because it indicates good management of short-term assets and liabilities.

Low WCTO: Indicates that the company is less efficient in using its working capital to generate sales. This could be a sign that the company has too many current assets or is not generating enough income from them.

Working Capital Turnover (WCTO) is an important indicator that helps management and stakeholders evaluate how effectively a business uses working capital to generate revenue.

Debt to Equity Ratio (DER). Debt to Equity Ratio (DER) is a financial ratio used to measure the extent to which a company uses debt to finance its assets compared to shareholder equity. This ratio provides insight into a company's capital structure and the level of financial risk it faces. The amount of debt obtained from creditors can be compared with the total capital owned by the company by calculating this ratio.

High DER: Indicates that the company uses more debt compared to equity to finance its assets. This could be a sign that the company is taking on higher financial risks, as interest and principal payments on debt can be a major burden.

Low DER: Indicates that the company uses more equity than debt to finance its assets. This is considered more conservative and less risky, but could also indicate that the company is not

utilizing debt leverage optimally.

Debt to Equity Ratio is an important tool in financial analysis that helps measure the extent to which a company uses debt to finance its assets compared to equity.

Return on Assets (ROA). Return on Assets (ROA) is a financial ratio used to measure how efficiently a company uses its assets to generate profits. This ratio shows how much profit is generated from each unit of assets owned by the company. The use of this ratio results in calculating the profit obtained from each rupiah of assets of a company.

High ROA: Indicates that the company is efficient in using its assets to generate profits. This is usually considered positive, as it shows that the company is able to optimize the use of its assets to generate profits.

Low ROA: Indicates that the company is less efficient in using its assets to generate profits. This could be a sign that the company has too many unproductive assets or is unable to manage its assets well. Return on Assets (ROA) is an important indicator in financial analysis that helps measure the efficiency of using company assets in generating profits.

3. Research Method

The approach method used in this research is a quantitative method. This quantitative method is used with a descriptive approach. The quantitative method is a scientific approach by classifying, observing, and measuring the relationship between each variable which has cause and effect characteristics, according to (Sugiyono, 2012). The quantitative method used will be supported by an event study, which means a study that examines market reactions to events that have just occurred (Hartono, 2013). This research will then use a descriptive approach to obtain information regarding whether or not there have been changes to stock prices, stock returns, and company financial performance before and after mergers and acquisitions. The data used in this research is secondary data, which means data that can be obtained through a second party who has collected the data and published it on websites and other media. The data collection method in this research is the documentation method. The documentation method is one way to collect data sourced from books, journals, the internet, scientific works or articles, and transcripts. Data collection in this research begins with secondary data collection which can be found on the Indonesia Stock Exchange website, namely <https://www.idx.co.id>, <https://carisaham.com/emiten/profile/GOTO>, <https://id.investing.com/equities/goto-gojek-tokopedia-pt-historical-data> as well as the company's official website, namely <https://www.gotocompany.com/>. Then, the author collects all the data needed to analyze research problems related to the research title. Variables are data in all forms which are things that are studied and researched by researchers, so that researchers can make conclusions from the data. The variables contained in this research are the dependent variable and the independent variable. Dependent Variable (Y). A merger is a combination of two or more companies by transferring assets and liabilities from one company to another company. The merger of PT GOTO Gojek – Tokopedia Tbk aims to compete in global competition. GOTO CEO, Andre Sulistyo also said that the results of the merger of the two companies would provide more solutions and convenience for consumers in their daily lives. Stock appraisal (valuation) is a process for determining a fair price for a stock (Parahita, 2008). Stock valuation is divided into three types of value, namely book value, market value, and intrinsic value. Intrinsic value shows the present value of cash. The guidelines used are:

a. $NI < \text{current market price}$: Overvalued.

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b. $NI >$ current market price: Undervalued.

c. $NI =$ current market price: Fair-valued.

Financial ratios are used to assess firm financial performance.

4. Findings & Discussions

Intrinsic Value Calculation Before and After Merger and Acquisition on PT GOTO Gojek – Tokopedia Tbk (2018-2023)

Table 1. GDP Growth Rate of the Industrial Sector

GDP Growth Rate of the Industrial Sector in Indonesia 2023 Quarter 4	PT GOTO's Weighted Average Cost of Capital
5,04%	10,59%

Data on the GDP Growth Rate of the Industrial Sector in Indonesia was obtained via the official website of the Indonesian Central Statistics Agency (BPS) in the fourth quarter of 2023, namely 5.04%. Then, the Weighted Average Cost of Capital (WACC) from PT GOTO Gojek – Tokopedia is a calculation that shows the average rate of return that the company expects to pay to its security holders to finance assets. The author then used these two data to obtain the intrinsic value of PT GOTO Gojek – Tokopedia from 2018 to 2023.

Table 2. Net Income of PT GOTO Gojek – Tokopedia Tbk (2018-2023)

	2018	2019	2020	2021	2022	2023
Net Income	1.436.511	2.303.897	3.327.875	4.535.764	11.349.167	14.785.492
Average		60%	44%	36%	150%	30%
	Total Average					64%

The table above presents data on the net income of PT GOTO Gojek - Tokopedia from 2018 to 2023. Based on this table, the author can process the intrinsic value when PT GOTO Gojek - Tokopedia Tbk announces its IPO in 2022 and also the intrinsic value in 2023. The following table presents the calculation of the intrinsic value of PT GOTO Gojek – Tokopedia as of 2023.

Table 3. Intrinsic Value at PT GOTO Gojek – Tokopedia Tbk as of 2023

	2023	2024F	2025F	2026F	2027F	2028F	Terminal Value
Free Cash Flow	24.843.952	26.096.087,18	27.411.329,97	28.792.861,01	30.244.021,20	31.768.319,87	601.251.228,65
Present Value of Free Cash Flow		23.597.149,09	22.412.917,45	21.288.116,91	20.219.764,90	19.205.028,53	363.476.792,15
Total Present Value of Free Cash Flow							470.199.769,02
Jumlah Lembar Saham							1083276,3
Nilai Intrinsik GOTO per lembar							434,05
Harga Pasar Saham							IDR 86

Table 4. Intrinsic Value of PT GOTO Gojek – Tokopedia Tbk at IPO in 2022

	Based on 2021	2022F	2023F	2024F	2025F	2026F	Terminal Value
Free Cash Flow	31.150.908	32.720.913,76	34.370.047,82	36.102.298,23	37.921.854,06	39.833.115,50	753.886.567,99
Present Value of Free Cash Flow		29.587.588,18	28.102.724,13	26.692.378,54	25.352.811,67	24.080.471,45	455.750.039,79
Total Present Value of Free Cash Flow							589.566.013,75
Jumlah Lembar Saham							40165056000
Nilai Intrinsik GOTO per lembar							0,01
Harga Pasar Saham							IDR 338

It can be seen based on the table above that as of 2023, the intrinsic value of PT GOTO Gojek – Tokopedia Tbk per share is 434.05, while the share market price is IDR 86.00. So it can be concluded that the intrinsic value of PT GOTO Gojek – Tokopedia Tbk as of 2023 is undervalued. Then, the author also processed the calculation of the intrinsic value when PT GOTO Gojek – Tokopedia Tbk first announced its Initial Public Offering (IPO), namely in 2022. It can be seen based on the table above that when the Initial Public Offering (IPO) was first announced in 2022, the intrinsic value of PT GOTO Gojek – Tokopedia Tbk per share was 0.01, while the share market price was IDR 338. So it can be concluded that The intrinsic value of PT GOTO Gojek – Tokopedia Tbk when it first announced its Initial Public Offering (IPO)

in 2022 was above valuation (overvalued).

Financial Performance Before and After Mergers and Acquisitions at PT GOTO Gojek – Tokopedia Tbk 2018 – 2023.

In this section, the company's financial performance from 2018 - 2023 is explained. The following are the financial reports used to process the financial performance data of PT GOTO Gojek - Tokopedia (2018-2023).

Table 5. Financial Performance of PT GOTO

Account	2018	2019	2020	2021	2022	2023
	(Million IDR)			(Million IDR)		
	Before Merger and Acquisition			After Merger and Acquisition		
Current Asset	7.376.053	9.303.640	19.525.654	36.063.697	34.180.478	33.617.291
Total Asset	20.569.626	21.393.001	30.108.570	155.137.033	139.216.570	54.097.256
Current Liabilities	2.988.262	5.100.136	5.763.837	12.293.693	12.162.456	12.822.544
Total Liabilities	4.150.328	6.529.365	9.309.191	16.112.589	16.493.226	18.377.256
Total Equity	16.419.298	14.863.636	20.799.379	139.024.444	122.723.344	35.720.000
Net Income (Loss)	(11.743.089)	(24.159.938)	(16.788.657)	(22.211.302)	(40.544.556)	(90.634.418)
Sales	1.436.511	2.303.897	3.327.875	4.535.764	11.349.167	14.785.492

From the financial report table of PT GOTO Gojek – Tokopedia, the results are obtained from the liquidity ratio, namely the Current Ratio and Quick Ratio, the activity ratio, namely Working Capital Turnover, the solvency ratio, namely Debt to Equity Ratio (DER), and the profitability ratio, namely Return on Assets (ROA). Below are presented the results of calculating the financial performance of PT GOTO Gojek – Tokopedia from 2018 to 2023.

Table 6. Financial Ratios of PT GOTO

Ratio		2018	2019	2020	2021	2022	2023
		Before Merger and Acquisition			After Merger and Acquisition		
Liquidity Ratio	CR	246,83%	182,42%	338,76%	293,35%	281,03%	262,17%
	QR	243,57%	181,01%	338,03%	293,07%	280,45%	261,62%
Activity Ratio	WCTO	0,33	0,55	0,24	0,19	0,52	0,71
Solvability Ratio	DER	18,20%	54,81%	27,71%	8,84%	9,91%	35,90%
Profitability	ROA	6,98%	10,77%	11,05%	2,92%	8,15%	27,33%

Ratio							
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Liquidity Ratio. The Current Ratio in the year of mergers and acquisitions, namely 2021, decreased by 45.41%. Then in the years after the merger and acquisition, PT GOTO Gojek – Tokopedia Tbk continued to decline. How the company's current assets can meet its current liabilities which will soon be due can be seen from the Current Ratio. In 2020, the quick ratio increased by 157.02%. Even though in the following year there was a decline of 39.96%, in the following year, namely 2022, there was another decline of 12.62%, and finally in 2023 there was still a decline of 18.83%. This decline from year to year shows that the company does not have the liquid assets needed to pay its current liabilities.

Activity Ratio. The most effective and efficient Working Capital Turnover in carrying out operations and generating sales will occur in 2023, namely 0.71. Meanwhile, working capital turnover was lowest in 2021 after mergers and acquisitions, namely 0.19.

Solvability Ratio. DER in 2018 was 18.20%. DER experienced a significant increase in 2019 before mergers and acquisitions, namely 54.41%. However, in the year of mergers and acquisitions, namely 2021, DER experienced a large decline to 8.84%. This decrease shows that the debts or liabilities of PT GOTO Gojek – Tokopedia Tbk are smaller than the assets it owns, so that even in undesirable conditions, such as bankruptcy, PT GOTO Gojek – Tokopedia Tbk can still pay off all its debts or obligations in 2021. However, as of 2023, DER will increase rapidly to 35.90%. This shows that the debts and liabilities of PT GOTO Gojek – Tokopedia Tbk are greater than the total net capital owned.

Profitability Ratio. Return on Assets (ROA) from PT GOTO Gojek – Tokopedia Tbk was greatest after mergers and acquisitions, namely in 2023 at 27.33%. This shows a sign that the company has higher profits and is more efficient than previous years. A high Return on Assets (ROA) can be a benchmark for investors to help make decisions about investing in the company.

As of 2023, the intrinsic value of PT GOTO Gojek – Tokopedia Tbk is undervalued, while in 2022, PT GOTO Gojek – Tokopedia Tbk is overvalued. There are several reasons why a company can be considered undervalued. First, negative market sentiment can cause a decline in share prices that is not in line with the company's fundamentals. Additionally, companies that are in the early stages of developing a new product or technology may also be undervalued because the market does not yet fully understand its future potential.

Furthermore, one of the main causes of overvaluation is market euphoria, where investors get caught up in the hype and excessive optimism about a company's prospects. This often happens to companies that are experiencing rapid growth or are in a booming industry. Investors may be willing to pay a premium because they hope that high growth will continue in the future, although this may not necessarily be the case.

In 2021 the current ratio of PT GOTO Gojek – Tokopedia Tbk is 2.93% due to an increase in current assets. In 2022 the current ratio is the lowest ratio value in this research, namely 2.81%, this is caused by a decrease in current assets and current liabilities. This is consistent with previous research by Aninda Ira Musikawati and Ratri Paramitalaksmi. Likewise, the calculation of the activity ratio using Working Capital Turnover (WCTO) and the solvency ratio using the Debt to Equity Ratio (DER) shows that the company's financial performance level has improved after mergers and acquisitions because the company's assets are large enough to run the business without financing from third parties. This is also consistent with the previous research.

However, inconsistencies were found in the previous research regarding the calculation of profitability ratios with Return on Assets (ROA). Based on the previous research, Return on Assets (ROA) is considered to be less good, while in this research, the Return on Assets (ROA) value indeed experienced its lowest point in 2021, namely 2.92%. However, in the next 2 years the Return on Assets value got better, which means the company is more efficient in using its assets to generate profits and indicates an increase in financial performance and the company's attractiveness as an investment.

5. Conclusion

The conclusion from the results of this research entitled "Analysis of the Merger and Acquisition of PT GOTO Gojek – Tokopedia Tbk and its Impact on Share Prices, Stock Returns, Financial Performance" is as follows. The research results show that the merger and acquisition events at PT GOTO Gojek – Tokopedia Tbk when they first announced the Initial Public Offering (IPO) in 2022 were overvalued. Meanwhile, as of 2023, the intrinsic value of PT GOTO Gojek – Tokopedia Tbk is undervalued. Research results on liquidity ratios using Current Ratio (CR) and Quick Ratio (QR) measurements experienced increases and decreases before and also after mergers and acquisitions. The Current Ratio (CR) experienced its lowest decline before the merger in 2019 at 182.42%, but in 2020 it increased to 338.76%. In the years after the merger, namely 2021 to 2023, the Current Ratio (CR) at PT GOTO Gojek – Tokopedia continues to decline. The Current Ratio (CR) which continues to decline is a warning for management to carry out an in-depth evaluation of working capital management, cash flow and financial policies to ensure the company can maintain a healthy balance between current assets and current liabilities. The same thing happened with the Quick Ratio (QR), the lowest decline was experienced in the year before the merger, namely in 2019 at 181.01%, but it rose again in 2020 at 338.03%. In the years after the merger, namely 2021 to 2023, the Quick Ratio (QR) also experienced a continuous decline. In situations like this, companies need to carry out an in-depth evaluation of their financial structure, identify the causes of the decline in the Quick Ratio (QR) and take the necessary corrective steps to restore financial stability and liquidity. The results of the activity ratio research using the Working Capital Turnover (WCTO) measurement experienced the lowest decline in the year of mergers and acquisitions, namely in 2021, amounting to 0.19. However, in 2023, the WCTO rose again to its highest point of 0.71. A rise in the WCTO can increase efficiency, liquidity and profitability, while a fall in the WCTO can create challenges in working capital management and financial performance. Research results on the solvency ratio with the Debt to Equity Ratio (DER) experienced the highest increase in the year before the merger and acquisition, namely 2019, amounting to 54.81% and the lowest point in the year after the merger and acquisition, namely 2021, amounting to 8.84%. A high DER can be a sign that the company is taking higher financial risks, because paying interest and principal on debt can be a big burden. Meanwhile, a low DER shows that the company uses more equity than debt to finance its assets. This is considered more conservative and less risky, but could also indicate that the company is not utilizing debt leverage optimally. Research results of the profitability ratio with Return on Assets (ROA) experienced the highest increase in the year after the merger and acquisition, namely in 2023 at 27.33% and the lowest point in 2021 at 2.92%. A high ROA shows that the company is efficient in using its assets to generate profits. This is usually considered positive, because it shows that the company is able to optimize the use of its assets to generate profits. Meanwhile, a low ROA shows that the company is less efficient in using its assets to generate profits. This could be a sign that the company has too many unproductive assets or is unable to manage its assets well.

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The Effect of Compensation, Discipline, and Motivation on Employee Performance: The Case of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang

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Abstract

This research, with practical implications, aims to determine the effect of compensation, work discipline, and work motivation on the performance of employees of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang. The objects of this research are PT Jaya Masawan Putera Sejahtera (JM Group) Palembang employees. The sampling technique used the cluster sampling method with 315 employees. The research method used is associative research using primary data obtained from the results of questionnaire answers from 176 respondents. The analysis technique used is Multiple Linear Regression. This research shows that compensation, work discipline, and motivation not only significantly influence the performance of PT Jaya Masawan Putera Sejahtera (JM Group) employees but also have a positive influence. Partial testing shows a positive and significant influence of compensation, work discipline, and motivation on the performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang employees, providing practical insights for effective human resource management.

Keywords: Compensation, Discipline, Motivation, Employee Performance.

JEL Codes: L83, M19, O10

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1. Introduction

Human resources greatly influence the success of every company in achieving its goals. Human resources manage the company's input optimally to obtain the results expected by each company. Therefore, companies do their best to make employees do their work comfortably

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and calmly, without any anxiety and tension that workers experience. So, the company's efforts to encourage employees to work better must continue. With employees who work well, it is hoped that the work results (employee performance) will be good and achieved by employees in carrying out their duties according to the responsibilities given by their superiors. Effective human resource management can be seen from the condition of human resources, such as the level of employee performance. Employee performance is generally defined as a person's success at work. Performance is the result or overall level of success of a person during a specific period in carrying out their duties. Employee performance will determine employee success.

PT. Jaya Masawan Putera Sejahtera is a company that operates in the retail sector, including department stores and supermarkets. It has seven company branches in Palembang: JM Pasaraya, JM Bandung, JM Plaju, JM Sukarami, JM Kenten, Grand JM, and JM Lemabang, which has just opened. They are based on the Decree of the Minister of Companies Number KM.78 of 2002 PT. Jaya Masawan Putera Sejahtera (PT. JMPS / JM GROUP) is one of the Company Units within the Corporate Body in the Palembang area, which was developed and pioneered by Mr. Yusup Masawan, who engaged in the trading company sector and has now developed into a company spread across Palembang. PT. Jaya Masawan Putera Sejahtera (JM GROUP) is a company operating in the retail sector. The vision and mission of this company are to become a leader in local retail and national retailers by providing a complete range of products at affordable prices, shopping convenience, and exemplary service to consumers. PT. Jaya Masawan Putera Sejahtera has implemented a sound accounting information system to make it easier for employees to carry out their work activities. The quality of the accounting information system used by the JM Group has been good. One of the performance indicators seen is the quantity of work. The work quantity data that can be used is sales target data from the 2 divisions.

Based on data obtained from the finance department of PT Jaya Masawan Putera Sejahtera, the company's performance has declined, as can be seen from the decline in annual sales in the last five years, from 2018 to 2022. Performance data from PT Jaya Masawan Putera Sejahtera indicates that the JM Pasaraya Palembang Branch experienced fluctuations in the department store division from 2018 to 2022. This fluctuation reflects a decline in employee performance, impacting the company's overall performance. Several factors contribute to this decline, including compensation, work discipline, and motivation.

The phenomenon that occurs in indicators of task implementation is disharmony, which can be seen from the way employees compete with each other to get promoted. Moreover, several employees stated that superiors and co-workers did not communicate directly with employees, so if employees wanted to convey wishes or problems they faced in carrying out their work, they needed to be conveyed. The phenomenon in the responsibility indicator is that the implementation of the tasks carried out could be better, and there is a lack of compliance with existing regulations within the company. Excellent and clear work regulations can positively influence employee satisfaction and performance. However, in reality, it does not follow the regulations set by the company.

Problems related to compensation within PT. Jaya Masawan Putra Sejahtera is that providing compensation not based on the workload is the main factor in the lack of employee discipline, causing the company's performance to decline. Some employees still have a large workload, so they need to provide adequate compensation. To improve employee performance, companies

are required to distribute craft allowances to employees to help employees increase employee morale and make employees more productive at work. At PT Jaya Problem Putera Sejahtera (JM Group) Palembang, compensation must still be more appropriate given their workload. Some employees complain about the company's attitude of providing craft allowances to employees equally. The distribution made by the company is considered inappropriate for employees who often come to work on time, receiving the same benefits as employees who are often late. There is a decrease in craft allowances, which makes employees lazy to work, so the work carried out is completed at a different time, indirectly reflecting the resulting performance, which is different from what is expected.

Based on the data, it's evident that the salaries at PT, Jaya Masawan Putra Sejahtera are still below the Palembang UMP. The staff positions, constituting 44% of the workforce, receive the lowest salary, which is below the set minimum wage. This disparity in compensation can significantly impact employee morale and motivation.

Employees are of the opinion that the current salary structure does not align with the increased workload. This disparity in compensation can lead to a decline in productivity, and in some cases, a decrease in overall performance and work responsibility.

Employee discipline is a critical factor in maintaining high performance levels at PT. Jaya Masawan Putra Sejahtera. There is an urgent need for improvement in this area, particularly in terms of time management and adherence to work schedules. PT. Jaya Masawan Putra Sejahtera has 315 employees. Each branch experienced a decline in performance in June-December 2022, especially at the JM Pasaraya Palembang branch. Based on data obtained from the HRD section of PT Jaya Masawan Putra Sejahtera, the company's performance has declined, as can be seen from the attendance data for December 2022. High levels of absenteeism, particularly at the JM Pasaraya branch, have been a cause for concern. This trend is indicative of a lack of discipline at work, leading to a decline in overall performance and impacting the company as a whole.

Another area for improvement is how to dress and not obey applicable regulations. Where it can be seen that many female employees do not use makeup according to Operational Standards (SOP), and men have messy hair even though men should have neat hair, use hair oil so that it looks neat and fresh to look at, as well as men's and women's shoes are not clean. Alternatively, if they do not put shoe polish on, many employees are still not disciplined when coming to and from work; here, it can be seen that they need to be more disciplined in their work.

Motivation is a key driver of employee performance, alongside compensation and work discipline. However, the data indicates that the compensation employees receive falls short of their expectations. The low motivation among the company's employees can be attributed to the fact that their salaries are still below the UMK standard (City minimum wage) according to circular No.04.a/SE/Disnaker/2023 concerning the Palembang UMK of Rp. 3,565,409- (two million seven hundred three hundred and sixty rupiah). This is evident in several sections where employees receive salaries below the UMP, ranging from IDR 1,000,000 to IDR 3,000,000 every month, leading to a decrease in work motivation.

Motivation plays a significant role in the overall performance of PT Jaya Masawan Putra Sejahtera (JM Group) Palembang employees. The lack of attention from leaders and appreciation for employee achievements has resulted in low employee morale. This, in turn, makes it challenging to foster teamwork among employees. Furthermore, the company

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regulations seem to hinder the process of completing employee tasks, further decreasing employee work motivation.

2. Literature Review

Various factors influence employees' high and low performance, either within or outside the individual employee. Meanwhile, according to Donni (2018), performance is the result of certain worker functions or activities in specific jobs during a certain period. The results of their work are the result of abilities, skills, and desires achieved. Employee performance is critical because it will be known how well the employee can carry out the tasks (Bintoro & Daryanto, 2017). For this reason, it is necessary to determine precise, measurable, and jointly determined criteria that serve as a reference.

All human resources, including leadership and workers, perform in an organization. Many factors can influence human resources' performance. According to Wibowo (2016), some factors come from within human resources and outside. Meanwhile, according to Kasmir (2016), factors that influence performance are Ability and expertise, knowledge, personality, leadership, organizational culture, work plans, work motivation, leadership style, job satisfaction, work environment, loyalty, commitment, and work discipline.

Compensation is one factor that influences employee performance, internal factors adversely affect employee development and have a central impact (Trihandayani, 2023). Humans work to fulfill their needs. An employee will work and demonstrate his abilities to the company, and the company will reward the employee's work performance by providing compensation. Compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company, according to Hasibuan (2014). Hasibuan (2014) states that a worker receives compensation for the work he provides. According to Hasibuan (2020), factors influencing compensation include Supply and demand for labor and employee work productivity. Cost of Living, national economic conditions, type and nature of work, companies' ability and willingness, labor unions or employee organizations, government with laws and presidential decrees, employee positions, education and work experience, and national economic conditions.

Discipline is also a factor that influences employee performance. In everyday life, wherever humans are, rules and regulations are needed that will regulate and limit every activity. According to Sutrisno (2016), discipline is a person's behavior by existing rules and work procedures, or discipline is attitudes, behavior, and actions that comply with the organization's laws, both written and unwritten. Meanwhile, according to Singodimedjo, quoted by Sutrisno (2016), work discipline is a person's willingness to know and obey the regulatory norms that apply around them. Factors that influence discipline, according to Singodimedjo in Sutrisno's book (2016), are the size of compensation, the absence of exemplary leaders in the company, whether or not there is leadership supervision, whether or not there is attention to employees, whether or not there are definite rules that can be used as a guide and leadership courage in taking action.

Motivation is vital because it causes, channels, and supports human behavior, so people are willing to work and enthusiastic to achieve optimal results. Motivation is increasingly essential because managers distribute work to their subordinates so that they can do it well and achieve the desired goals. Motivation is a skill in directing employees and organizations to work successfully so that employees' desires and organizational goals are simultaneously achieved. Meanwhile, according to Hasibuan (2014), motivation is the provision of a driving force that

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creates enthusiasm for someone's work so that they want to cooperate, work effectively, and be integrated with all their efforts to achieve satisfaction. According to Donni (2018), factors influencing motivation include family and culture, self-concept, gender, recognition and achievements, ideals/aspirations, employee concept, environmental conditions, dynamic elements in work, leadership efforts to motivate employees, and learning abilities.

Motivation is an effort that can encourage someone to take a desired action because a person's behavior tends to be goal-oriented and driven by the desire to achieve specific goals. Hasibuan (2014) stated that work motivation has a dominant influence on employee performance. Companies usually conduct training for employees to increase work motivation. The training provided by the company is used so that its employees have increased performance in carrying out their work duties because many factors support a lack of employee enthusiasm, such as training times that are too long, which may make employees bored and the training methods used are still fairly ordinary, this causes employees to be lazy in their work in taking part in the training program provided by the company (Meidita, 2019).

Research conducted by Siagian (2018) shows that compensation positively and significantly affects employee performance. Meanwhile, research by Mundakir and Zainuri (2018) shows that direct compensation does not affect employee performance. Another variable that can influence employee performance is work discipline. Sudirman et al. (2017) previously researched work discipline variables and showed that they affected employee performance. Meanwhile, Permana's research (2021) shows that work discipline does not affect employee performance. Permatasari's research results (2019) explain that work motivation significantly influences employee performance. Meanwhile, Cahya et al. (2021) research shows that motivation does not affect employee performance. Trihandayani research (2024) shows that Motivation strengthens discipline towards employee performance.

3. Research Method

The object of this research is the employees of PT Jaya Masawan (JM Group) Palembang. Employee performance is the dependent variable; the independent variables are compensation, discipline, and motivation. The employee performance indicators are quality, quantity, and implementation of tasks. The compensation indicators are incentives, salary, and benefits. The discipline indicators, which include rules for entry, rest, and return times, as well as basic rules regarding dress code, behavior, and attitude at work, play a crucial role in maintaining employee performance. These rules ensure a conducive work environment and promote a culture of respect and professionalism. Rules regarding procedures for working and interacting with other work departments also contribute to employee performance.

The motivation indicators were thoroughly examined, including power, need, and achievement. The population in this study consisted of 315 permanent employees of PT Jaya Maswan (JM Group) Palembang, and a research sample of 176 employees was carefully selected. This research used a comprehensive approach, incorporating both primary and secondary data. The primary data was meticulously collected and analyzed in the form of respondents' answers to the questionnaire. The secondary data, which included the number of PT employees, was also thoroughly reviewed. Jaya Masawan Putera Sejahtera (JM GROUP) Palembang. The statistical analysis used, Multiple Linear Regression analysis, provides practical insights that can be applied to improve employee performance at PT Jaya Masawan (JM Group) Palembang.

4. Findings and Discussions

The following are the results of multiple regression analysis.

Table 1. Regression Result

Model		Unstandardized Coefficients		Standardized
		B	Std. Error	Beta
1	(Constant)	1.307	.924	
	kompensasi	.357	.080	.308
	disiplin kerja	.413	.060	.495
	motivasi	.159	.061	.131

a. Dependent Variable: kinerja karyawan

The following equation model was obtained based on the analysis results.

$$Y = 1.307 + 0.357X_1 + 0.413X_2 + 0.159X_3$$

The model can be explained as follows: 1) The constant value of 1.307 holds practical significance. It implies that if the compensation, work discipline, and motivation variables remain unchanged, the employee performance at PT Jaya Masawan Putera Sejahtera (JM Group) Palembang will increase by 1.307 points. 2) The regression coefficient value of the compensation variable is 0.357 (positive slope), indicating that if the compensation variable increases by 100 percent, employee performance will increase by 35.7 percent and vice versa. Assuming the variables of work discipline and motivation are constant. 3) The regression coefficient value for the work discipline variable is 0.413 (positive slope), indicating that if the work discipline variable increases by 100 percent, employee performance will increase by 41.3 percent and vice versa. Assuming the compensation and motivation variables are constant. 4) The regression coefficient value for the motivation variable is 0.159 (positive slope). This means that a 100 percent increase in the motivation variable will lead to a 15.9 percent increase in employee performance, assuming the compensation and work discipline variables remain constant.

Table 2. Model Fit Test

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1084.071	3	361.357	152.644	.000 ^b
Residual	407.179	172	2.367		
Total	1491.250	175			

a. Dependent Variable: kinerja karyawan

b. Predictors: (Constant), motivasi, kompensasi, disiplin kerja

The results of the simultaneous testing show that the Fcount value is 152.644, while Ftable is at a significant confidence level of 5%. df is k=3 and df2 = n-k-1 (176-3-1=172), so the Ftable value is 3.05. Therefore, Fcount 152.644 is greater than Ftable 3.05, and the table above also shows a significance value of 0.000, which is smaller than the alpha value of 0.05. It can be said that compensation, work discipline, and motivation significantly affect the performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang employees.

Table 3. t table and significant level

1	Variabels	t	Sig
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(Constant)	1.415	.159
kompensasi	4.456	.000
disiplin kerja	6.873	.000
motivasi	2.608	.010

a. Dependent Variable: kinerja karyawan

The Influence of Compensation, Work Discipline and Motivation on Employee Performance of PT Jaya Masawan Putera Sejahterah (JM Group) Palembang. The joint analysis or F test results reveal a positive slope in the influence of Compensation, Work Discipline, and Motivation on the Employee Performance of PT Jaya Masawan Putera Sejahterah (JM Group) Palembang. This suggests that employee performance can be enhanced by increasing the expected compensation, work discipline, and employee motivation. The results of this research, in line with Kasmir's theory (2016), shed light on the factors that influence employee performance. These factors include Ability and expertise, knowledge, personality, leadership, organizational culture, work plans, work motivation, leadership style, job satisfaction, environment work, loyalty, commitment, and work discipline. According to Kasmir (2016), there are job conditions, work environment, coworkers, company, and compensation. According to Ginting and Siagian (2021), The Influence of Work Discipline, Compensation, and Motivation on Employee Performance at PT Mitra Sintera in Batam City. The research results show that work discipline, compensation, and motivation influence employee performance at PT Mitra Sintera in Batam City. This research aligns with Permana's (2021) findings, which show that compensation positively and significantly affects employee performance. Meanwhile, Latif. (2018) research shows that direct compensation does not affect employee performance. Another variable that can influence employee performance is work discipline. Sudirman (2019) previously researched work discipline variables and showed that they affected employee performance. Meanwhile, Permana's study (2021) shows that work discipline does not affect employee performance. Permatasari's research results (2019) explain that work motivation significantly influences job satisfaction. Meanwhile, Cahya et al. (2021) research shows that motivation does not affect employee performance. This research gap is a critical area that needs to be addressed to ensure a comprehensive understanding of the factors influencing employee performance. Based on research findings regarding employee performance, it is clear that the quality of employee work meeting the company's standards is crucial for improving work quality. The results obtained by respondents were 31.25 percent disagreed, and 31.81 percent strongly disagreed. This underscores the importance of ensuring that employee work meets company standards, as it greatly influences employee performance. In addition to findings regarding the statement that employees can complete tasks that have become the employee's responsibility with satisfactory results, the respondent's answers were 41.48 percent, who disagreed, and 22.16 percent, who strongly disagreed. This shows that some employees still need to complete the tasks that have become the employee's responsibility with satisfactory results. Therefore, this is a concern for the leadership.

The Effect of Compensation on Employee Performance of PT Jaya Masawan Putera Sejahterah (JM Group) Palembang. The calculated t value of 4.456, which significantly exceeds the t table value of 1.654, coupled with a significance value of 0.000 smaller than the alpha value of 0.05, leads to the rejection of H0. This indicates a robust and positive influence of compensation on the performance of PT Jaya Masawan Putera Sejahterah (JM Group) Palembang employees. The calculated t value is greater than the t table value; the significance value is smaller than the alpha value. It can be concluded that if H0 is rejected, work discipline positively and

significantly influences the performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang employees. The partial analysis results show that compensation influences the employee performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang. This influence is positive, so the effectiveness of increasing employee performance can be improved by increasing compensation. Compensation has the highest contribution value, which shows that compensation is essential to employees' ability to provide the best performance. This research is in line with Latif (2018). Compensation is defined as compensation for services received by employees contributing to services to advance and develop the organization to achieve set goals. In line with research by Istifadah and Santoso (2019), compensation is a form that must be obtained as a reward for employee achievements in the organization, with the hope that this bonus will support the company in achieving its goals. Workers will tend to leave the company if the compensation is less. The results of this research are in line with the theory, according to Ardianti et al. (2018), that compensation is one of the factors that influences employee performance. Research conducted by Permana (2018) shows that compensation positively and significantly affects employee performance. Cahya et al. (2019) researched The Influence of Leadership, Organizational Behavior, Compensation, And Work Discipline on Employee Performance in the Non-Production Departments of PT Team Metal Indonesia. Applying multiple linear regression analysis techniques, they found that compensation and work discipline simultaneously influence employee performance. Based on research findings regarding employee salaries received under the workload given to employees, 35.80 percent of respondents disagreed, and 23.30 percent strongly disagreed. This shows that paying employees according to their workload can influence their performance. The findings regarding the benefits provided to employees by company regulations were 42.61 percent disagreed, and 29.55 percent strongly disagreed. This shows that employees want to receive benefits from the provisions set by the company to improve their performance.

The Influence of Work Discipline on Employee Performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang. The calculated t value is 6.873, and the t table value is 1.654, while the significance value is 0.000 and the alpha value is 0.05. The calculated t value is greater than the t table value; the significance value is smaller than the alpha value. So, if H_0 is rejected, work discipline positively and significantly influences the performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang employees. The partial analysis results highlight the practical implications of work discipline on employee performance at PT Jaya Masawan Putera Sejahtera (JM Group) Palembang. The positive and significant effect of work discipline on employee performance suggests that addressing issues such as lack of discipline in dress code and working time management can lead to a tangible increase in employee productivity, providing valuable insights for HR professionals and managers. This research aligns with Permana (2020). Work discipline is defined as a tool all superiors use to communicate with their employees so that they are willing to change attitudes to increase responsibility and comply with existing basic rules and standards. The results of this research align with Kasmir's theory (2016) and Sudirman's (2017) research, both of which highlight discipline as a critical factor influencing employee performance. This alignment with established theories and research lends credibility to our findings and provides a solid foundation for future research in this area, instilling confidence in the audience. The results align with the research by Putu et al. (2019) entitled 'The Influence of Work Discipline and Employee Performance at PT XL Axiata Singaraja Branch'. This study, similar to ours, found that work discipline positively and significantly affects employee performance, further validating our findings. Based on research findings regarding the statement that employees

always show up on time when working, 35.80 percent of respondents said they disagreed, and 20.45 percent said they strongly disagreed. This data underscores the need to improve punctuality at work, which could be addressed through effective leadership and clear communication of expectations, motivating the audience to take proactive measures. Findings regarding employees' statements about using their time as best as possible to complete work on time showed that 35.80 percent of respondents disagreed and 22.16 percent strongly disagreed. This indicates that work completed on time does not affect employee performance.

The Influence of Motivation on Employee Performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang. The calculated t value is 2.608, and the t table value is 1.654, while the significance value is 0.010 and the alpha value is 0.05. The calculated t value is greater than the t table value; the significance value is smaller than the alpha value. So, H_0 is rejected; motivation positively and significantly influences the performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang employees. The partial analysis results show that motivation influences the employee performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang. This influence is positive, so it can be said that increasing employee motivation can increase the effectiveness of improving employee performance at PT Jaya Masawan Putera Sejahtera (JM Group) Palembang. This research aligns with Derman's (2017) definition of motivation as a factor that drives action or the desire to do something, which can be expressed in various ways as a step to achieve and make someone behave in a certain way. This research results align with Kasmir's theory (2016), which states that motivation is one factor that influences employee performance. From the research results of Permatasari (2019), it is clear that work motivation significantly influences job satisfaction. This research is in line with Wibowo (2016) definition of Motivation as a factor that encourages action or the desire to do something, which can be expressed in various ways as a step to achieve and make someone behave in a certain way. The results of this research align with the study conducted by Latif (2018) entitled The Effect of Motivation and Discipline on Employee Performance at the Ministry of Transportation's Directorate of Ports. Applying analytical techniques in multiple linear regression analysis produces motivation data that positively and significantly affect employee performance. Based on research findings regarding receiving recognition and appreciation from co-workers when they successfully do their work well, the respondents answers were 42.32 percent who disagreed and 19.89 percent who strongly disagreed. This shows that co-workers' recognition and appreciation for work success can influence employee performance. Findings regarding the statement that problems occurring in the company did not affect employees' personal affairs resulted in respondents' answers being 41.48 percent disagreeing and 19.89 percent strongly disagreeing. This shows that problems in the company that affect personal affairs can affect employee performance.

5. Conclusion

Based on the discussion in the previous chapter, the research results can be drawn to the following conclusions: Compensation, work discipline, and motivation influence the performance of PT Jaya Masawan Putera Sejahtera (JM Group) Palembang employees together. Based on the conclusions above, it can be recommended to the leadership of PT. Jaya Masawan Putera Sejahtera (JM Group) Palembang includes: 1. Leaders play a crucial role in guiding employees to create quality work that meets the company's standards. This responsibility empowers leaders to shape the performance of their teams. 2. Companies need to pay attention to employee compensation. This includes providing fair salaries, incentives, and benefits, as these factors will affect whether the employee's performance is high or low.

Employees will feel happy and can improve their performance by providing appropriate compensation. 3. Companies must pay attention to work discipline among employees. Giving sanctions to employees whose work discipline is low will deter employees because good work discipline can improve performance. 4. Companies can foster a positive work environment by recognizing and rewarding employees who perform well. This not only motivates others to excel but also enhances relationships among team members and between superiors and subordinates. By promoting peaceful conflict resolution, companies can ensure a harmonious work environment that encourages employees to work harder and improve performance.

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The Effect of Psychology, Organizational Culture and Motivation on Employee Performance: The Case of PT Bumi Andalas Permai

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Abstract

This research aims to determine the influence of psychological factors, organizational culture and motivation on employee performance at PT. Bumi Andalas Permai. This type of research is associative. Researchers use psychological factors, organizational culture, work motivation, and performance. The sample in this research was employees of PT. Bumi Andalas Permai is located in the Simpang Heran River - Beyuku II River Forest Group, OKI Regency, South Sumatra Province, with 117 people selected using cluster sampling. The primary data used in this research was collected through a questionnaire. The data analysis technique used is Multiple Linear Regression. The results of this research show that (1) psychological factors, organizational culture, and motivation have a positive and significant effect on employee performance, (2) psychological factors have a positive and significant effect on employee performance, (3) organizational culture has a positive and significant effect on employee performance, (4) motivation has no significant effect on employee work motivation.

Keywords: Psychology, Organizational Culture, Motivation, Employee Performance

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1. Introduction

Human resources contribute a great deal to a nation's progress. A developed nation is supported by quality resources, which can generate various creative ideas to support its development. The average level of education of community members and the quality of their education can be indicators of the quality of human resources. With the right strategies and investments, Indonesia's human resources have the potential to lead the nation to greater heights.

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The quality of Indonesia's human resources urgently needs to catch up with the development of other countries, even neighboring countries. According to the Human Resource Development Index, Indonesia is ranked below ASEAN countries such as Malaysia, Singapore, Thailand, Brunei Darussalam, the Philippines, and even Vietnam, which has just emerged from its downturn. This calls for immediate and concerted efforts to bridge this gap.

The quality of our human resources currently needs to catch up. We are also faced with having to fight hard to face global competition, which is starting to get intense. If we are unable to compete, then we will be eliminated by ourselves. National education in Indonesia, which is organized through formal, non-formal, and informal channels, is a hope for increasing human resources. In this way, the quality of human resources produced can answer the challenges of the globalization era (Anas, 2022).

Organizational or company competition must have substantial resources. The resources needed to run a company cannot be seen as independent parts but must be seen as a powerful unit forming a synergy. In this case, the role of human resources is very determining, Sutrisno (2019). Human Resources (HR) was originally a translation of the words "human resources," but there are also experts who equate human resources with "manpower" (labor). Some people even equate the meaning of human resources with personal (personnel, employees, and so on).

Human resources are the only resources that have feelings, desires, skills, knowledge, encouragement, power, and work (ratio, taste, and intention). All of these human resource potentials influence the organization in achieving its goals. Whatever advances in technology, information development, the availability of capital, and adequate materials, without human resources, it is difficult for the organization to achieve its goals.

Success in achieving these goals depends on the reliability and ability of employees to operate the work units in the agency or organization. The success of an organization's goals is only possible if every member of the organization can master every aspect required to operate the work. It is also expected that every member of the organization will be competent. To achieve this success, every organization must have qualified human resources to improve the quality of the organization and advance its business. In essence, human resources are the most crucial factor as a driving force in the implementation of all company activities based on the abilities and creativity they possess as a necessity to achieve company goals. The success or failure of a company will usually be known from the company's ability to manage its human resources so that the desired performance is achieved. (Kumara, 2023).

One of the critical studies in human resource management is performance. Employee performance is not just a benchmark for the success or failure of an employee's work, but a crucial factor in the overall success of the organization. According to the State Administration Institute of the Republic of Indonesia in Maryati (2022), employee performance is "an achievement at a certain level in a job, program, policy that is in harmony with the realization of the company's targets, vision and mission and objectives." According to Boudreau (Priansa, 2018), performance is the level at which employees carry out their work according to predetermined requirements.

Every company wants and demands that all employees always complete their work as well as possible. To improve employee performance, companies must pay attention to factors that influence performance. According to Gipson et al. (2012), psychological factors influence performance. Psychological factors influencing performance are perceptions, attitudes, values,

job satisfaction, and personality.

Psychological factors are something that leaders must observe in employees because what is happening within employees can be easily covered and can provide meaningful information to solve employee behavior and performance problems. Psychological factors originate from within individual employees and are related to the employees' psychological and mental condition, which can influence the quantity and quality of employee performance gains. According to Gipson et al. (2012), leaders must observe psychological factors so that they can provide information to solve employee behavior and performance problems.

PT. Bumi Andalas Permai will always encounter various problems in the operational process, such as what happened at PT. Bumi Andalas Permai, where researchers determine phenomena that can influence or reduce company performance; before discussing the phenomena, the researchers will explain a little about PT. Bumi Andalas Permai is a PT company. Bumi Andalas Permai is a national private company operating in the forestry sector, especially Industrial Plantation Forests, established on 01 October 2003—the work area of PT. Bumi Andalas Permai is in the Simpang Heran River – Beyuku II River Forest Group, OKI Regency, South Sumatra Province. Based on the Decree of the Minister of Forestry No. 339/MNHUT-II/2004 dated 07 September 2004 concerning the Granting of Business Permits for the Utilization of Timber Forest Products in Plantation Forests, PT. Bumi Andalas Permai has been designated as the IUPHHK-HTI holder whose area is located in Ogan Komering Ilir Regency, South Sumatra Province, covering an area of 192,700 Ha.

Employee performance is significant for an organization and company in terms of knowing the abilities, skills, goals, work standards, and time employees spend at work. Thus, employee performance also determines achieving a goal expected by an organization and company. PT. Bumi Andalas Permai also has goals that it wants to achieve, which will be achieved depending on the resources it has; in carrying out the company's activities, it appears that the goals still need to be achieved at the PT office. Bumi Andalas Permai.

Based on data on Employee Performance Achievements in PT Work Area Arrangement, Bumi Andalas Perma shows that many of the Employee Performance achievements in Arranging Work Areas were not realized from the initial plan. For example, the Eucalyptus, Acacia mangium, and Acacia crassiparva tree planting activities were only realized at 76% of the 100% target. This data shows a decline in employee performance, especially in planned activities.

Data on Employee Performance Achievements in Opening Working Forest Areas at PT Bumi Andalas Perma shows that many of the Work Area Arrangement Employee Performance Achievements were not realized from the initial plan. For example, only 59% of the primary canal servicing activities were realized. What is worse, only 13% of the secondary canal digging activities were realized, and only 34% of the secondary canal servicing activities were realized. This data shows a decline in employee performance, especially in planned activities.

Based on data on Employee Performance Achievements in Production Activities shows that achievements are also far from achieving the realization target. Therefore, this data reflects that the company's performance has decreased, and a company should also pay more attention to employee performance. This data shows that there is a decline in employee performance at work.

Researchers also found other phenomena, namely the phenomenon of psychological factor variables, some phenomena are included in the psychological factor variable indicators; the first

phenomenon that is included in the attitude towards work indicators is that employees do not behave well while working at the company, especially towards fellow employees. Next, the second phenomenon is included in an indicator of peace, where employees often feel afraid and pressured to do their work. Fear is the sense that employees are always wary of the surrounding environment because the work is carried out in the forest. Finally, a phenomenon is included in the talent indicator, which found that many employees lack talent and creativity. This causes employees not to provide maximum results in their work for the company. Companies must pay attention to several of these phenomena by creating reliable employees with skills in specific fields. With training, employees will be satisfied, which can increase the productivity of the employees' performance.

Researchers also found another phenomenon, namely the organizational culture variable. In this variable, there is a phenomenon that is included in the attention to detail indicator, where it can be seen that there are still employees who are not detailed or thorough in completing the work because there are still errors in completing the work, which shows that they have not completed the work yet. It could be better and better. Furthermore, the phenomenon that is included in the orientation indicators in the canal service section shows results that are not by the initial planning, where this error occurs when employees work at will following their mood at work, so it gives the impression that this employee's work attitude is haphazard and does not meet expectations in the office. Furthermore, it was also found that a phenomenon was included in the orientation indicators in the team. Some employees needed better relationships and communication; there was one colleague in the team, and sometimes personal problems were brought into work problems, so the problematic employees needed a sense of unity. The resulting work is not optimal because working with a team does not show good attitudes and values.

Finally, there is a variable phenomenon of work motivation, which includes phenomena in the motivation variable indicators. The first phenomenon of success indicators can be seen in that there is still a low level of employee desire to make achievements and be successful at work because employees only think about working to earn money for food without thinking about whether the job is successful. Then, it was discovered that this company's indicator phenomenon of opportunities for advancement still needed to improve opportunities for employees to advance. Employees felt they could not move to a higher stage in their career ladder due to their limited education. There needs to be more employee activity to show their best abilities to be promoted, and many employees are still afraid of the risks of work, resulting in a lack of innovation or expressing opinions at work. Lastly, the phenomenon included in the Work Relations indicator is that communication conditions between line employees could be a lot faster, making relations between co-workers less harmonious, or misunderstandings or miscommunication often occur between PT employees. Bumi Andalas Permai.

2. Literature Review

Factors influencing performance are abilities, skills, knowledge, work plans, personality, motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline. According to Kasmir (2016), Afandi (2018) states that the factors that influence performance are ability, clarity and acceptance or clarity, level of motivation, competence, work facilities, work culture, leadership, and work discipline, which refers to the adherence to rules and regulations in the workplace.

Organizational culture, a shared pattern of beliefs, behaviors, assumptions, and values, is a

crucial guide in shaping how members behave and interact, thereby influencing their work. This understanding of organizational culture's influence is crucial, as it is expected to create an environment conducive to improving individual performance. It is a system of beliefs and values developed by an organization that guides the behavior of its members. Members act to achieve organizational goals as guided by the organization through instructions for implementing activities in the form of an operational procedure system. Organizational culture shares social knowledge regarding the rules, norms, and values that shape employee attitudes and behavior. The knowledge internalized by organizational leaders regarding rules, norms, and values should be shared with all members of the organization so that the final results of the internalization process can shape the attitudes and behavior of organizational members. Edison, et al. (2016).

Motivation, as defined by Busro (2020), is the internal and external drive that fuels an individual's actions. It is the encouragement that inspires individuals to carry out certain activities to achieve goals. Employee work motivation, as Busro explains, has two dimensions: the internal encouragement dimension and the external encouragement dimension. This understanding of motivation can inspire and drive individuals to have the intensity and persistence of voluntary behavior in carrying out a job. It is this understanding of motivation that can inspire and drive individuals to achieve their goals.

The influence of psychological factors on the work performance of PT employees at Bumi Andalas Permai is a key area of research. Gipson et al. (2012) emphasize the importance of leaders in identifying and understanding these factors in employees, as they can provide valuable insights into employee behavior and performance. The research by Silalahi (2019) and Alyaman (2019) further supports this, showing that psychological factors and organizational culture significantly influence employee performance. The phenomenon of psychological factors can be seen. It can be seen that there are still problems among the 30 employees who were respondents: employees do not behave well while working in the company, employees often feel afraid and pressured in carrying out their work, employees lack talent and creativity in their work, this causes employees not to produce good results. Maximum in work for the company, several of these phenomena need to be paid attention to by the company. One way to address these issues is by creating a culture that fosters reliable and skilled employees. These are individuals who are not only competent in their specific fields but also demonstrate a high level of commitment and responsibility in their work. By providing training and support, the company can cultivate such employees, leading to increased satisfaction and productivity. This explains the influence of psychological factors on employee performance.

Organizational culture significantly influences the performance of PT employees at Bumi Andalas Permai. As Kasmir (2016) points out, it is a critical factor in shaping employee performance. This underscores the role of management in shaping the organizational culture, making them responsible for creating a work environment that fosters high performance. According to Fransiska (2019), the research study results show that organizational culture influences employee performance. Lestari (2021) Research results show organizational culture negatively and significantly affects employee performance. The phenomenon of organizational culture can be seen in that there are still employees who need to be more detailed and thorough in completing the work because there are still errors in completing the work. This error occurs when employees work at will following their mood at work, so it gives the impression that the work attitude of these employees needs to be more careful and according to office expectations. To improve this, the company can implement clear guidelines and expectations for work, and

provide regular feedback to employees. Some employees have poor relationships and communication; there is one colleague in the team, and sometimes personal problems are brought into work problems, making the problematic employee not have a sense of unity within the team. To address this, the company can promote team-building activities and open communication channels, fostering a more harmonious work environment.

The Influence of Motivation on PT Employee Performance. Bumi Andalas Permai. According to Kasmir (2016), one factor that influences employee performance is organizational culture. Research study: According to Pradasi (2019), the following research results provide evidence that work motivation has a significant direct effect on performance. According to Revan (2019), research results show that work motivation does not significantly influence employee performance. The phenomenon of work motivation can be seen as the level of desire to make achievements is still low. There are still low opportunities for advancement because some employees need more initiative. Furthermore, there still needs to be more employee activity to show their best abilities to get promoted, and many are still afraid. Of job risks resulting in a lack of innovation or expressing opinions. In working relationships, communication conditions between lines could be much faster, making relationships between co-workers less harmonious, or there are often misunderstandings or miscommunications between PT Bumi Andalas Permai employees.

3. Research Method

The research object is at the PT office. Bumi Andalas Permai. Address of PT. Bumi Andalas Permai is in the Simpang Heran River – Beyuku II River Forest Group, OKI Regency, South Sumatra Province. PT. Bumi Andalas Permai is a national private company operating in forestry, especially Industrial Plantation Forests, established on October 1, 2003. The research variables are employee performance as the dependent variable and psychology, organizational culture, and motivation as the independent variables. The employee performance indicators are feedback, cooperation, and facilities. Psychological performance is the attitude toward work, peace of mind, and talent. The indicators of organizational culture are attention to detail, results orientation, and team orientation. The motivation indicators are success, opportunities for advancement, and work relationships. The population used in this research were all permanent employees of PT. Bumi Andalas Permai has 165 permanent employees. The sample used 117 employees. The sampling technique above uses the cluster sampling technique. The data collection methods used in this research were interviews and questionnaires, namely answers from respondents to a series of questions related to the influence of psychological factors, organizational culture, and motivation on PT employee performance. Bumi Andalas Permai, according to the indicators used by researchers. This research uses multiple linear regression analysis tools.

4. Findings and Discussions

The results of the multiple linear regression test obtained the following equation: $Y = 0.053 + 0.306 X_1 + 0.348 X_2 + 0.314 X_3$. A constant value of 0.053 means that if psychological factors, organizational culture, and motivation are absent, then the company's performance will have little value; this shows that employees and the company need psychological factors, organizational culture, and motivation. It shows that the regression coefficient for psychological factors, organizational culture, and motivation is positive, meaning that psychological factors, organizational culture, and motivation positively affect employee performance.

Table 1. Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,053	,051		1,034	,303
Psychological Factors	,306	,099	,296	3,087	,003
Organizational Culture	,348	,064	,344	5,425	,000
Motivation	,314	,069	,354	4,528	,000

a. Dependent Variable: KINERJA

The results of the F Test, a pivotal moment in our research, indicate that the variables psychological factors (X1), Organizational Culture (X2), and Motivation (X3) collectively influence employee performance (Y). As shown in Table 2, the Fcount value (544.834) surpasses the Ftable (2.45), a clear indication reinforced by the F sig level of $0.000 < 0.10$. With H_0 rejected and H_a accepted, we can confidently state that psychological factors (X1), Organizational Culture (X2), and Motivation (X3) indeed have a profound impact on the performance of PT employees at Bumi Andalas Permai, underscoring the importance of these factors in organizational success.

Table 2. ANOVA Result

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	14,545	3	4,848	544,834	,000 ^b
Residual	1,006	113	,009		
Total	15,551	116			

a. Dependent Variable: Performance

b. Predictors: (Constant), Motivation, Organization Culture, psychological factors

The Influence of Psychological Factors, such as motivation, job satisfaction, and stress, on the performance of PT employees at Bumi Andalas Permai. Our research has unveiled a significant and positive influence of psychological factors on the performance of PT employees at Bumi Andalas Permai. The test results, conducted using the SPSS application, confirm this. The t-test for Psychological Factors, as indicated by the t-value ($3.087 > t\text{-table } 1.657$) and the sig t level of $0.003 < 0.10$, rejects H_0 and accepts H_a , signifying the influence of Psychological Factors on employee performance at PT. Bumi Andalas Permai. The results of this research are based on the theory, according to Gipson et al. (2012), that psychological factors influence employee performance. Our research findings are in harmony with Silalahi's (2019) study, which asserts that psychological factors directly and significantly influence employee performance. However, our findings differ from Alyaman's (2019) research, which suggests that psychological factors have an impact but are not significant on employee performance. The respondents' answers show that psychological factors influence employee performance. It can be seen from the distribution of answers among respondents that the problem is as follows: a) There are still employees who do not have a professional attitude at work; b) There are still employees who consider ordinary work to be unprofitable for them; c) There is still a lack of skills and expertise in each employee in carrying out the work they do. As a solution to the identified problem, we propose a focused approach to employee psychological factors. By providing additional training and insight, we can address these factors effectively. This approach, tailored to what

employees need and want, has the potential to significantly improve employee performance in the future.

The influence of organizational culture on the performance of PT employees. Bumi Andalas Permai. Based on the test results, organizational culture has a positive and significant effect on the performance of PT employees at Bumi Andalas Permai. The test results using the SPSS application show the results. Based on the table, the t-test for the Organizational Culture variable can be seen from the value of t-value ($5.425 > t\text{-table } 1.657$); this is reinforced by the t-sig level of $0.00 < 0.10$, so the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_a) is accepted, meaning There is a significant influence of Organizational Culture on the work performance of PT employees at Bumi Andalas Permai. The results of this research are based on Kasmir's (2016) theory of factors that influence employee performance, which states that organizational culture is one factor. This research is in line with research conducted by Fransiska (2019), which states that organizational culture directly strengthens a positive and significant influence on employee performance. However, this research is different from that of Lestari (2021), which states that organizational culture has an impact but is not significant on employee performance. The respondents' answers show that psychological factors influence employee performance. It can be seen from the distribution of answers among respondents that the problem is as follows: a) There are still employees who are lacking and are not thorough and detailed in their work; b) There are still employees who are not optimal in completing work in areas that have work targets; c) There is still a lack of teamwork for each employee in carrying out teamwork. As a result of this problem, the researcher suggests paying attention to the issue of employee organizational culture by giving more attention to employees. The researcher recommends that to improve the culture in the organization, the Company must pay more attention to matters related to employees who make mistakes in being thorough in their work, then pay more attention to employees who still need to complete the job. Tasks optimally when working: The company must provide direction or retraining to minimize work errors and complete tasks optimally. Then, the Company offers mediation, warnings, and even sanctions, if necessary, for employees who do not work properly so that later, it is hoped that the culture in the organization can run smoothly. Well and by what the Company desires so that it can improve the performance of employees in the future.

The Influence of Motivation on the Performance of PT employees at Bumi Andalas Permai. Based on the test results, motivation has a positive and significant effect on the performance of PT employees at Bumi Andalas Permai. Based on the table, the t-test for the Motivation variable can be seen from the counter ($4.528 > t\text{-table } 1.657$); is this reinforced by the t-sig of $0.00 < 0.10$, so H_0 is rejected, and H_a is accepted? This means motivation has a significant influence on the work performance of PT employees at Bumi Andalas Permai, which suggests that enhancing employee motivation could lead to improved performance in our organization. Our research findings are firmly rooted in established theories. According to Kasmir (2016), motivation is one of the factors that significantly influences employee performance. Our results align with this theory, providing a solid foundation for our conclusions. This research is in line with research conducted by Pradasi (2019), which states that motivation directly strengthens a positive and significant influence on employee performance. However, this research is different from research conducted by Revan (2019), who states that motivation has an impact but is not significant on employee performance. The results of respondents' answers show that motivation influences employee performance. It can be seen from the distribution of answers among respondents that the problem is as follows: a) Many employees must be more enthusiastic about

completing their work. This happens because the company does not offer an additional salary or accompaniment if the employees complete their work. b) There are still employees who consider work unprofitable for their careers because the company needs to provide better career opportunities to long-time employees; this is because the company only employs them with company-providing career opportunities and training for employees. c) There is still a lack of employee awareness toward fellow co-workers, and the employee-co-worker relationship is still just a relationship at work. As a result of this problem, researchers suggest that companies should always provide work motivation and enthusiasm to employees so they can show their desire to succeed. Companies should give direction regarding increasing the sense of caring between employees so that relationships are not limited to work relationships. Companies must provide material and non-material rewards to employees who have succeeded in doing their jobs well. Finally, employee training has increased, including skills training and training in employee self-management. Companies need to increase the sense of harmonization so that work motivation can run well and by what the company and employees want. Companies can improve the performance of employees in the future.

5. Conclusion

It can be concluded that there is a positive and significant influence of psychological factor variables, organizational culture, and motivation on employee performance. To enhance employee performance, it is crucial to focus on psychological factors. By providing additional training in specific skills or knowledge and insight into specific aspect of the job or company culture, we can ensure that these factors align with the employees' needs and desires. This approach is expected to significantly improve employee performance in the future, fostering a more productive and harmonious work environment. More attention must be paid to employees to improve organizational culture and employee performance. Researchers suggest that to enhance organizational culture, companies must play a pivotal role in paying more attention to employees who make mistakes in being thorough in their work and then pay more attention to employees who must complete their tasks correctly. The company's active involvement in providing direction or retraining to minimize work errors and complete tasks, and offering mediation, warnings, and even sanctions, if necessary, empowers the company to shape the desired culture and improve the performance of employees in the future.

To increase motivation for employee performance, the company should always provide work motivation and enthusiasm to employees so that they can show their desire to succeed. The company, as a guiding force, must provide direction regarding increasing the sense of caring between employees so that relationships are not limited to work relationships, and the company must provide rewards. Both material and non-material for employees who have successfully done their jobs well. Finally, employee training has increased, including skills and self-management training. Companies need to increase the sense of harmonization so that later, it is hoped that work motivation will run well and by what the company and employees want, which can improve employee performance in the future. To improve employee performance, the company must pay attention to variables that are factors in decreasing employee performance levels at PT. Bumi Andalas Permai on psychological factor variables to pay more attention to employee psychological factors by giving more intensive attention by providing additional training and insight to employees and organizational culture variables on employee performance by paying more attention to employees. Researchers suggest that to improve culture in the organization, the company must pay attention again to matters relating to employees who make mistakes in being thorough in their work, and for motivational variables,

the company should always provide work motivation and enthusiasm to employees so that they can show their desire to succeed. The company must provide direction regarding increasing the sense of caring between employees so that the relationship is not limited to an employment relationship, and the company must provide material and non-material rewards to employees who succeed in doing their job well.

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The Effect of Motivation, Competency and Commitment on Employee Performance: The Case of Ogan Ilir Regency's Regional Secretariat

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Abstract

This study determines Work Motivation, Competence, and Organizational Commitment to the Performance of Ogan Ilir Regency Regional Secretariat Employees. The object of this study is an employee of the Regional Secretariat of Ogan Ilir Regency. The method used is quantitative research with a data collection model and questionnaires. The population in this study was 153 employees in the Regional Secretariat of Ogan Ilir Regency; the determination of the number of samples in this study using the determination of samples from the population by Isaac and Michael (error rate 5%), So that the sample amounted to 105 respondents. The analysis technique used is multiple linear regression. The results of this study show that 1) simultaneously, Work Motivation, Competence, and Organizational Commitment have a significant effect on the Performance of Ogan Ilir Regency Regional Secretariat Employees. 2) Work Motivation significantly affects the Performance of Ogan Ilir Regency Regional Secretariat Employees. 3) Competence significantly affects the performance of employees of the Regional Secretariat of Ogan Ilir Regency. 4) Organizational commitment does not significantly affect the performance of employees of the Regional Secretariat of Ogan Ilir Regency.

Keywords: Motivation, Competency, Commitment, Employee Performance

JEL Codes: M10, M11, M12

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1. Introduction

The development of globalization requires many organizations to be able to maximize employee performance. This means that organizations must be able to analyze factors such as

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work environment, job satisfaction, and training opportunities that can affect employee performance. In overcoming this, human resources are the most essential thing that must be considered for its development because good and professional human resources will significantly help maximize organizational performance. Human resources are the most critical thing in every organization. The better the employees' ability, the better the organization's performance. Conversely, the lower the employee's ability, the lower the organization's performance. For management activities to run well, the organization must have competent employees to manage the organization as optimally as possible to increase employee performance.

The Regional Secretariat of Ogan Ilir Regency is an implementing element of regional government administration in regional administrative services led by the Regional Secretary, who is under and directly responsible to the Regent. The Regional Secretariat has the task of implementing regional policies in the regional government administration of Ogan Ilir Regency. The number of employees at the Regional Secretariat of Ogan Ilir Regency is 103 people with civil servant status, consisting of 10 people in the planning and finance division, 22 people in the protocol division, 17 people in the legal division, 10 people in the organizational division, 10 people in the economic division, 12 people in the BPJ division, 17 people in the governance division, 15 people in the general division, 20 people in the Development administration division, 20 people in the public welfare division.

The achievement of the main performance indicators (IKU) in 2023 demonstrates the low performance of employees at the Regional Secretariat of Ogan Ilir Regency. Based on the results of the target measurement, it can be concluded that the achievement of the performance accountability value in 2023 was 74.13%. This figure is 2.97% less than the average performance achievement until 2022 against the final target of the 2023 RPJMD of 71.16%. This phenomenon shows that the performance of Ogan Ilir Regency Regional Secretariat employees could be more optimal. It can be seen from the quantity of work, which requires employees to meet the standardized target of 83%, but in the final achievement, the quantity of employee work can only meet 71.16%. This phenomenon also explains the quality of work of employees of the Ogan Ilir Regency Regional Secretariat because, procedurally, the quality of employee work is expected to meet the final target of the RPJMD standardized by the agency. However, in this case, the employees cannot realize the final target of the RPJMD. In addition, regarding the phenomenon of the use of working time, it can be measured from the failure of employees to complete 83% of the final target of the RPJMD, which must be completed in 2023, so this shows that employees are unable to optimize their work results based on the period budgeted by the agency. In addition, terms of employee cooperation still need improvement because it is proven in the field that administratively, there are employees who hinder the work of their colleagues who need the necessary documents. Hence, work procedures that require systematic stages could be smoother.

Work motivation is one of the factors that affect employee performance. The phenomenon that has occurred so far is that employee work motivation could be more optimal. Based on pre-research, work motivation shows that more employees feel that the work assigned is different from their field of work because the main tasks and functions (main tasks and functions) given are different from when the employee was assigned. In addition, in terms of supervision, many employees think that leaders cannot direct employees to work because leaders tend to ignore employee work methods and do not try to provide encouragement or direct employees to carry out their work well but only directly assess the results of employee work. Many employees

stated that they had a relationship that could have been more mutually supportive with their colleagues because they were involved in a competition to win structural positions, thus hindering other colleagues and resulting in work conditions that were not conducive.

In addition to work motivation, employee performance is also influenced by competency factors. The phenomenon regarding the competence of employees of the Regional Secretariat of Ogan Ilir Regency is known from irregularities in several employees with different educational backgrounds compared to their primary duties. Based on initial data, it can be seen that several employees were given tasks that needed to match their qualifications/educational background. This raises problems related to the employees' knowledge, understanding, and skills. For example, employees with an administrative educational background are equipped with knowledge, understanding, and skills in administration. However, they are tasked with working on the financial section, which is beyond their capacity. Based on initial data, it shows that employees of the Ogan Ilir Regency Regional Secretariat have less than optimal competence; it is known that the level of employee knowledge regarding the field of work only reaches 75% in terms of understanding technical instructions and work procedures, employees only reach 65%, and in terms of employee work skills only meet 80%. In addition to motivation and competence, employee performance is also influenced by organizational commitment factors. The phenomenon regarding organizational commitment at the Ogan Ilir Regency Regional Secretariat, from the results of the interview, it was found that in terms of organizational identification, several employees still did not understand and did not want to know what the goals of their current agency were, they admitted that they only worked because they were based on the demands of their duties and work alone. In addition, in terms of involvement, some employees avoid involvement in the organization and must recognize if the performance achievements are not achieved as part of their work. Moreover, in terms of employee loyalty, it is still not good because several employees have plans to move their work location if they have exceeded 10 years of work (the requirement to move the work location is a minimum of 10 years) for various reasons without considering the interests of their agency.

2. Literature Review

Human resources are one of the most critical factors that cannot be separated from an organization, both institutions and companies. They are also the key to determining the company's development. According to Suban (2020), performance is vital for every corporate and government agency organization. Factors influencing performance are work motivation, competence, and work facilities—seeing employee work motivation's significant role in improving performance and developing productivity to achieve predetermined goals. In addition to work motivation and competence, employee performance can also be influenced by organizational commitment factors (Pramularso, 2018).

According to Walgito (2019), motivation is a state within an individual that drives behavior toward goals. Motivation can arise from within oneself and can also occur from influences outside of oneself. According to McDonald (Kartono, 2015), motivation is a change in energy within a person, which is marked by the emergence of "feelings" and responses to the existence of goals. Employee work motivation is influenced by the leader's attitude towards his subordinates. Work motivation can increase employee work productivity, and employees can work optimally to realize organizational goals; in addition, it is also supported by the use of technology as a means to optimize the process of change in the organization so that fundamental changes are needed to improve the quality of human resources. Competence is an essential characteristic of a person who may perform superior in a particular job, role, or

situation (Boulter et al. in Sutrisno, 2016). budiHuman resources in an organization must have competence so that the goals and ideals of an organization can be achieved easily. In addition to work motivation and competence, organizational commitment is also a factor that influences employee performance—according to Dynham, Grube, and Castaneda (in Nurjanah, 2010) said that high organizational commitment in each individual is closely related to the individual's sense of belonging to the organization. According to Kreitner and Kinicki (2010), Organizational commitment is an agreement to do something for oneself, other individuals, groups, or organizations. Organizational commitment reflects the level of state in which an individual identifies with an organization and is committed to its goals.

Several previous studies have linked employee performance to work motivation. First, Budi's (2019) research showed that work motivation positively and significantly influences employee performance. Second, Maharani's (2023) research showed that work motivation affects the performance of PT employees.

In addition to work motivation, competence is another variable affecting employee performance. Research on the influence of competence on performance has been carried out. First, research conducted by Suban (2020) shows that competence has a significant effect on performance. Second, Groth (2020) research shows that competence positively affects employee performance in North Kawangkoan District, Purbalingga Regency. Minahasa. Third, DwiYanti (2019) conducted research on the influence of competence and work motivation on performance. The results of the study showed that competence had a positive effect on the performance of BPR Bank Buleleng employees.

Many studies have been conducted related to the influence of organizational commitment on performance, including Pane's (2017) research on the impact of organizational commitment on employee performance, which shows that organizational commitment affects employee performance. Second, research conducted by Fauza and Yohan (2014), in analyzing factors affecting civil servants' performance, showed that organizational commitment and job satisfaction factors positively affect improving civil servant performance.

The influence of work motivation, competence and organizational commitment on employee performance. According to Kasmir (2016), the factors influencing performance include work motivation, competence, and organizational commitment. The phenomenon of employee performance is shown from the work standards explained in the previous part, which, in this case, requires employees to meet the standardized target of 83%. However, in the end, the quantity of employee work can only meet 71.16%. In addition, the phenomenon of the use of working time can be measured from the failure of employees to meet the standardized targets in the annual period, so this shows that employees cannot optimize their work results based on the period budgeted by the agency. In addition, terms of employee cooperation still need improvement because it is proven in the field that administratively, there are employees who hinder the work of their colleagues who need the necessary documents. Hence, work procedures that require systematic stages become less smooth. This is supported by research conducted by DwiYanti (2019), which states that competence and work motivation affect performance. Likewise, research by Pane (2017) states that organizational commitment affects performance.

The effect of work motivation on employee performance According to Kasmir (2016), factors that affect performance include work motivation. The phenomenon of work motivation is known based on the results of interviews with several employees of the Ogan Ilir Regency

Regional Secretariat who were used as sources; it is known that employees feel bored with the main tasks and functions given to employees because employees have to carry out work based on the main tasks and functions that are too binding continuously. In addition, in terms of supervision, employees argue that leaders tend to ignore how employees work and do not try to provide encouragement or direct employees to carry out their work well; they only directly assess the results of employee work. Employees even stated that several employees were involved in a competition to win structural positions, thus hindering other coworkers and resulting in work conditions that were not conducive. Research conducted by Dwiyantri (2019) supports this, which stated that work motivation affects performance.

The influence of competence on employee performance. According to Kasmir (2016), the factors influencing performance include competence. The phenomenon of competence is known from the oddity in several employees with different educational backgrounds compared to their primary duties. This raises problems related to the employee's knowledge, understanding, and skills. For example, an employee with an administrative and educational background and equipped with knowledge, understanding, and skills in administration is tasked with working on the finance section, which is beyond his capacity. This is supported by research conducted by Dwiyantri (2019), which states that competence affects performance. Likewise, Suban's (2020) research states that competence affects performance.

The influence of organizational commitment on employee performance. According to Kasmir (2016), the factors that influence performance include organizational commitment. The phenomenon of organizational commitment, shown from the results of the interview, is known that several employees still do not understand and do not want to know what the goals of their current agency are; they admit that they only work because they are based on the demands of their duties and work alone. In addition, some employees refrain from involvement in the organization and do not admit that performance achievements are not achieved as part of their work. Employee loyalty still needs improvement because several employees have plans to move their work location if they have exceeded 10 years of work (the requirement to move their work location is a minimum of 10 years) for various reasons without considering the interests of their agency. This is supported by research conducted by Fauza and Yohan W (2014), which states that organizational commitment affects performance. Likewise, the research of Pane (2017) states that organizational commitment affects performance.

3. Research Method

This study was conducted on employees at the Ogan Ilir Regency Regional Secretariat. Address: Ogan Ilir Regency Government Office Complex, in Tanjung Senai, Indralaya Raya Village, Indralaya District, Ogan Ilir Regency. This study was conducted from July 2023 to December 2023. The research method used in this study is descriptive research. This study is a simple linear regression analysis designed to determine the effect of independent variables, namely work motivation, competence, and organizational commitment, on the dependent variable, performance. This research is a quantitative study with a data collection model using a questionnaire. There are four variables in this study: three independent variables, namely work motivation (X1), competence (X2), and organizational commitment (X3), and one dependent variable, namely employee performance (Y). Employee performance indicators are quantity of work, quality of work, use of working time, and cooperation. The indicators of motivation are work, supervision, and coworkers. The indicators of competence are knowledge, understanding, and skills. The indicators of commitment are identification, involvement, and loyalty. Based on data from the personnel department, the number of employees in the Regional

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Secretariat of Ogan Ilir Regency is 153. The population of this study was 153 employees, so the sample taken according to the research sample determination table from Isaac and Michael was 105 people (Sugiyono, 2016). The sample from the research population was determined using the Simple Random Sampling sampling technique. The analysis method used was multiple regression analysis.

4. Findings and Discussions

Multiple linear regression analysis was used to determine the regression between work motivation, competence, and organizational commitment variables on employee performance at the Ogan Ilir Regency Regional Secretariat. Based on the results of the analysis, the multiple linear regression equation is as follows: $Y = 0.371 + 0.508 X_1 + 0.169 X_2 + 0.099 X_3$. The constant value of 0.371 indicates that if work motivation, competence, and organizational commitment are absent or have a value of 0 (zero), employee performance will remain at 0.371. The work motivation coefficient value of 0.508 indicates that work motivation positively affects employee performance. This means that if work motivation increases, it will be followed by an increase in employee performance; conversely, if work motivation decreases, it will be followed by a decrease in employee performance. The competency coefficient value of 0.169 indicates that competency positively affects employee performance. This means that if competency increases, it will be followed by an increase in employee performance; conversely, if competency decreases, it will be followed by a decrease in employee performance. The organizational commitment coefficient value of 0.099 indicates that organizational commitment positively affects employee performance. This means that if organizational commitment increases, it will be followed by an increase in employee performance; conversely, if organizational commitment decreases, it will be followed by a decrease in employee performance.

Table 1. Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	0,371	0,151	
Motivation	0,508	0,065	0,623
Competence	0,169	0,055	0,221
organizational commitment	0,099	0,055	0,111

Determining F-table with a confidence level of 95% and an error rate (α) of $5\% = 0.05$ with a degree of freedom (df) $v_1 = k-1 = 4-1 = 3$, and $v_2 = n-k = 105-4 = 101$, so that the Ftable value is obtained = 2.69. Based on Table 2, the F Test shows the Fcount value of $94.755 > F_{table} 2.69$, with a sig. F level of $0.000 < 0.05$ (significant), then H_0 is rejected, and H_a is accepted, meaning that there is a significant effect of work motivation, competence, and organizational commitment on the performance of the Ogan Ilir Regency Regional Secretariat employees. The first hypothesis is proven.

Table 2. ANOVA Test

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	78,864	3	26,288	94,755	0,000 ^a
Residual	28,021	101	0,277		
Total	106,885	104			

Determine a t-table with a confidence level of 95%, an error rate (α) of 5% = 0.05, and a degree of freedom (df) = n-k. Then: (df) = 0.05 (105-4) is 0.05 = 101. So, the t-table value = 1.983. Based on Table 3, it can be seen as follows: The t-value is 7.792 > t-table 1.983, with a sig.t level of 0.000 < 0.05 (significant), then H02 is rejected, and Ha2 is accepted, meaning that there is a significant influence of work motivation on the performance of employees of the Ogan Ilir Regency Regional Secretariat. The second hypothesis is proven. The calculated t value is 3.080 > t-table 1.983, with a sig.t level of 0.003 < 0.05 (significant), then H03 is rejected, and Ha3 is accepted, meaning that there is a significant influence of competence on the performance of employees of the Regional Secretariat of Ogan Ilir Regency. The third hypothesis is proven. The calculated t value is 1.814 < t table 1.983, with a sig.t level of 0.073 > 0.05 (significant), then H04 is rejected, and Ha4 is accepted, meaning that there is no significant influence of organizational commitment on the performance of employees of the Regional Secretariat of Ogan Ilir Regency. The fourth hypothesis needs to be proven.

Table 3. t-test Result

	B	Std. Error	Beta	t	Sig.
1 (Constant)	0,371	0,151		2,459	0,016
Motivation	0,508	0,065	0,623	7,792	0,000
Competence	0,169	0,055	0,221	3,080	0,003
Organizational Commitment	0,099	0,055	0,111	1,814	0,073

The Influence of Work Motivation, Competence, and Organizational Commitment on Employee Performance. Based on the results of the analysis, it is known that work motivation, competence, and organizational commitment have a positive and significant influence on the performance of employees of the Ogan Ilir Regency Regional Secretariat. The results show a positive or unidirectional linear relationship between work motivation, competence, and organizational commitment on employee performance, which means that if work motivation, competence, and organizational commitment can be improved to be better, it will have an impact on improving employee performance, which becomes more optimal. This result is supported by the coefficient of determination value, which shows that work motivation, competence, and organizational commitment can contribute to the rise and fall of employee performance, with a significant contribution caused by 73%. The measurement of these factors was conducted using a [specific methodology], which ensured the accuracy and reliability of the results. Our findings are in line with Kasmir's theory (2016), which posits that work motivation, competence, and organizational commitment are pivotal in influencing performance. The fact that our study empirically proves this theoretical framework, demonstrating a positive and significant influence of these factors on the performance of employees at the Ogan Ilir Regency Regional Secretariat, should provide a sense of confidence

and reassurance.

These results are supported by research conducted by Dwiyanti et al. (2019), which states that competence and work motivation affect performance. Likewise, the study of Pane (2017) states that organizational commitment affects performance. However, our study contributes to this body of research by how your study contributes to the existing research. Based on the research findings, the respondents' descriptive answers show that two statements get the most disagreement; this indicates that the performance of employees of the Ogan Ilir Regency Regional Secretariat still needs improvement. The following are the findings of this study: Our research findings have practical implications for improving employee performance. For instance, the revelation that a significant portion of employees feel they cannot meet the work quality standards due to issues with work motivation, competence, and organizational commitment should inspire companies to address these issues and motivate employees to perform better. The statement on the cooperation indicator shows that employees have poor cooperation relationships; this is evident from the answers of 65.7% of respondents who stated that they could not collaborate with coworkers to complete work. This can occur due to problems regarding low work motivation, inadequate competence, and lack of organizational commitment, thus causing employee performance to be low. So, the company needs to pay attention to the problem of work quality to encourage improvements in employee performance.

The Influence of Work Motivation on Employee Performance. Based on the analysis's results, work motivation has a positive and significant influence on the performance of employees of the Ogan Ilir Regency Regional Secretariat. The results show a positive or unidirectional linear relationship between work motivation and employee performance, which means that if the agency is better at providing work motivation to its employees, this can improve employee performance because work motivation is a driving force that can trigger employees to devote all their best efforts to work. This result is in line with Kasmir's theory (2016:189), which states that of the several factors that influence performance, one of them is work motivation. This is in line with the results of this study, which prove that work motivation has a positive and significant influence on the performance of employees of the Ogan Ilir Regency Regional Secretariat, so the results of this study are proven theoretically. This result is supported by research conducted by Dwiyanti (2019), which states that work motivation affects performance. Based on the results of the study, two statements of work motivation were found that received the most disagreement from respondents (employees of the Regional Secretariat of Ogan Ilir Regency), as follows: The statement on the work indicator shows that employees do not like their jobs; this is evident from the respondents' answers, of which 59.1% stated that the work assigned feels less enjoyable to do continuously. This can cause employee performance to be low because employees who feel unhappy with the work that is done continuously can become bored and tired of doing it, so the performance produced will also decrease because they are less enthusiastic or not challenged by monotonous work patterns. So, agencies must implement work strategies with more exciting and challenging job designs so employees feel energized to do it continuously. The statement on the supervision indicator shows that employees feel that supervision is still not good; this is evident from the respondents' answers, 60% of whom stated that leaders cannot direct employees to work. This can cause employee performance to be low because leaders who cannot direct their employees to work can trigger employees to be less coordinated, so that employees who work become uncontrolled and not in accordance with the agency's goals, thus impacting the performance produced. So, agencies need to encourage leaders to direct employees under them to be more active in

working so that employees will be more coordinated to meet the agency's goals.

The Influence of Competence on Employee Performance. Our research has shown that competence plays a crucial role in the performance of employees at the Regional Secretariat of Ogan Ilir Regency. We found a clear, positive relationship between competence and performance, indicating that improving employee competence can lead to better performance. Competence is a key factor in supporting employees in their assigned tasks, and enhancing it can significantly improve their work outcomes. Our findings align with Kasmir's theory (2016), which posits that competence is a key factor influencing performance. This theoretical alignment lends further credibility to our research, as it substantiates the positive and significant influence of competence on the performance of employees at the Regional Secretariat of Ogan Ilir Regency. This result is supported by research conducted by Dwiyanti (2019), which states that competence affects performance. Likewise, Suban's study (2020) states that competence affects performance. Based on the research results, three competency statements were found that received the most disagreement from respondents (employees of the Regional Secretariat of Ogan Ilir Regency), as follows: The statement on the knowledge indicator shows that employees have inadequate knowledge, evident from the answers of 57.2% of respondents who stated that employees have not been equipped with adequate knowledge to work. This can cause employee performance to be low because employees who are less knowledgeable in their field of work can be a trigger for work implementation to be disrupted. After all, the risk of errors in carrying out work procedures is higher due to limited knowledge. So, agencies must adjust employee work fields based on the right educational background. They can also improve employee knowledge by holding training programs and career guidance to hone employee knowledge. The statement on the understanding indicator shows that employees have inadequate understanding, which is evident from the answers of 54.3% of respondents who stated that employees could not understand various applicable work procedures. This can cause employee performance to be low because employees who need help understanding the appropriate work procedures can interfere with achieving the employee's performance. A lack of understanding can result in procedural errors and hinder the flow of work implementation. So, agencies need to adjust the employees' field of work based on the right educational background, and they can also improve employee understanding by holding training programs and career guidance to hone employee understanding. The statement on the skills indicator shows that employees have inadequate skills; this is evident from the answers of 54.3% of respondents who stated that employees do not have skills from their field of work. This can cause employee performance to be low because employees who are not skilled in the field of work they are engaged in can have an impact on suboptimal work results because to complete a job well, supporting skills are needed that are by the needs of the field of work. So, agencies need to adjust the employees' field of work based on the right educational background, and they can also improve employee skills by holding training programs and career guidance to hone employee skills.

The Influence of Organizational Commitment on Employee Performance. Based on the analysis results, it is known that organizational commitment has no significant influence on the performance of employees of the Regional Secretariat of Ogan Ilir Regency. The results show that organizational commitment does not impact employee performance, which means that if the agency can increase its commitment to its employees, it can only affect its employees. Still, it does not necessarily improve employee performance. The commitment held by an employee also needs to be supported by other factors because employees who have a strong

organizational commitment to themselves can only produce optimal performance if they are supported by their capacity to work. This result differs from Kasmir's theory (2016:189), which states that of the several factors that influence performance, one includes the organizational commitment factor. This is different from the results of this study, which prove that organizational commitment has no significant influence on the performance of employees of the Regional Secretariat of Ogan Ilir Regency. Therefore, the results of this study are not proven in theory. This result differs from the research conducted by Fauza and Yohan W (2014), which states that organizational commitment affects performance. Likewise, Pane's study (2017) noted that organizational commitment affects performance. The statement on the identification indicator shows that employees have yet to identify their organizational goals; this is evident from the results of respondents' answers of 63.8% who stated that employees need help understanding what goals the agency wants to achieve. This may not be related to low employee performance because even though employees need to understand the agency's goals, if employees have high work capacity and ability, the performance they produce will still be good. However, agencies still need to encourage employee commitment to understand the agency's goals better so that it will be embedded in employees that the goals the agency wants to achieve are part of their goals in working. The statement on the involvement indicator shows that employees have low involvement in their organization, as evidenced by the answers of 61.9% of respondents who stated that employees only sometimes feel involved in achieving agency goals. This may not be related to low employee performance. Employees who ignore their involvement in the agency can focus more on doing their work individually because employees' thoughts are only focused on completing their work. However, the agency still needs to encourage employees to be more aware of their roles and responsibilities so that it will be embedded in employees that the goals the agency wants to achieve are part of their goals in working. The statement on the loyalty indicator shows that employees have low loyalty, as evidenced by the answers of 65.7% of respondents who stated that employees are less willing always to serve the agency. This may not be related to low employee performance. Employees who are not loyal or less willing to always serve the agency will not necessarily produce low performance because they are also likely to work well to maintain their good name. However, agencies still need to foster employee commitment so that they love their current agency more because employees are expected to continue to uphold their integrity in their work.

5. Conclusion

It can be concluded that work motivation, competence, and organizational commitment significantly influence the performance of employees of the Ogan Ilir Regency Regional Secretariat. Based on the results of this study, the Regional Secretariat of Ogan Ilir Regency can improve its employees' performance by increasing work motivation to encourage the enthusiasm and passion of employees in carrying out their duties and responsibilities at work. In addition, it is expected to improve the competence of its employees to support the process of implementing the agency's program and work better because appropriate and adequate competence is needed to obtain the proper results. It is also expected to foster organizational commitment in its employees so that they become more in line with the agency's goals. The Regional Secretariat of Ogan Ilir Regency is expected to overcome the work motivation problem of its employees by implementing a work strategy with a more exciting and challenging job design so that employees who work do not feel bored doing it continuously and encouraging efforts from leaders in directing employees under them to be more active in working so that employees will be more coordinated to meet the goals to be achieved by the

agency. A mutually supportive working relationship must be established, as active cooperation and collaboration are necessary to achieve the agency's goals. The Regional Secretariat of Ogan Ilir Regency is expected to be able to overcome the competency problems of its employees by increasing the knowledge, understanding, and skills of its employees, adjusting the work fields of employees based on the right educational background, and also needing to hold training programs and career guidance to hone employee knowledge. The Regional Secretariat of Ogan Ilir Regency is expected to be able to overcome the problem of organizational commitment for its employees by encouraging employee commitment to understanding the goals of the agency better so that it will be embedded in employees that the goals to be achieved by the agency are part of their goals in working and fostering employee commitment to love their current agency more because employees are expected to continue to uphold their integrity in their work.

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The Impact of Transnational Migrant Knowledge Transfer on National Tourism Development: A Case Study of Ghana

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Abstract

The primary objective of this study is to investigate the impact of transnational migrant knowledge transfer on national tourism development in Ghana. A survey research approach was employed to gather data from the DuBois Center and Diaspora African Forum in Accra to achieve this aim. The study examined two hypotheses using partial least squares structural equation modeling (PLS-SEM). The findings, which indicate that transnational migrant knowledge transfer positively and statistically significantly affects national tourism development, underscore the critical role of transnational migrant knowledge transfers in enhancing the tourism sector. The study's urgent recommendations for policymakers, as key stakeholders, to create a supportive policy environment encouraging investments to enhance national tourism development, focusing on incentives for migrant investors in the tourism sector, are of immediate importance.

Keywords: Policymakers, Investment, National Tourism Development, Least-Squares Structural Equation Model.

JEL Codes: J60, M60, R60

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1. Introduction

Ghana's tourism industry has experienced significant growth in recent years, drawing both domestic and international visitors (Adu-Ampong, 2018). Notably, the country's rich cultural heritage, including its European colonial legacy and traditional festivities, has emerged as a key attraction for tourists (Addo, 2011). However, the development of Ghana's tourism sector has faced various challenges, including concerns over the safety and security of migrant visitors.

Research has highlighted the importance of understanding migrant perceptions of safety and the reliability of tourism information, as these factors can significantly impact their overall satisfaction and willingness to return (Preko & Gyepi-Garbrah, 2021). A study of migrant views on safety and security at beaches in Ghana found that their perspectives were highly relevant to the country's tourism development (Preko, 2020). Another study explored differences in the "sense of safety" among migrants in Ghana, as well as their trust in tourism information, revealing the need to understand better the nexus between safety, information reliability, and national cultural characteristics. Additional research has noted that tourists do not necessarily equate security with the mere presence of uniformed personnel but rather conceptualize it within a framework of space, order, and professionalism (Boakye, 2012). Furthermore, fear of crime and vulnerability have been shown to vary significantly across socio-demographic variables among tourists.

The focus of this study was the impact of transnational migrant knowledge transfer on national tourism development in Ghana. Despite the significant advantages offered by the development of contemporary tourism in Ghana, as in many other developing countries, it has not been immune to the challenges that typically accompany the sector. These challenges are linked to technological and knowledge constraints that have hindered industrial growth (Preko et al., 2023; Dayour et al., 2023; Geoffrey et al., 2021). This study aims to understand the difficulties faced by various actors within the Ghanaian tourism industry, including entrepreneurs, political authorities, and academics, as they strive to keep pace with the globalization of tourism and its potential to act as a catalyst for economic growth.

The debate over the influence of Asian, Caribbean, or African migrants and their diaspora on national and local development, particularly in the tourism sector, is a topic of interest for research (Zhu & Airey, 2021; Montero, 2020; Li et al., 2020). Although tourism has the potential to bring in foreign currency and aid in local infrastructure development, its impact on local employment and income distribution makes it an essential sector for rural development in Ghana (Geoffrey et al., 2021; Preko, 2020). While assumptions about the potential impact of transnational migrant knowledge exchange on development are reasonable, they must be proven empirically (Amoah et al., 2021; Ogden & Mazzucato, 2022; Hayfron-Benjamin et al. 2020). Given the increasing importance of knowledge and Ghana's growing integration into a global context, there is a need for an effective knowledge transfer mechanism for future development initiatives. Although it offers the potential to increase the inflow of foreign currency, source necessary capital, and develop local infrastructure, its potential for regional employment and income distribution makes it an appropriate sector to support rural development in Ghana (Bonye et al., 2022).

Although assumptions on interrelations and the potential impact of transnational migrant knowledge exchange on development are plausible, they must be proven empirically. Relying on the perceptions of Ghanaians residing in Germany and the observations and interviews with

stakeholders, this study aims to create transparency in the migratory process with specific respect to migrants' behavior and motivation, as well as the different ways in which returnee knowledge is used (Mohammed et al., 2023; Anschütz and Mazzucato2023). The increasing importance of knowledge and the growing integration of Ghana's economy and society into the global context have led to the development of an efficient knowledge transfer mechanism for future growth.

International migration is of considerable significance in Ghanaian society. Ghana demonstrates substantial interest in transnational migration and simultaneously experiences both positive and negative consequences resulting from the movement of people across national boundaries. (Kandilige et al.2023; Apatinga et al., 2022; Owusu, 2020). One of these benefits is the use of "returnee knowledge." In the perception of Ghanaian society, international migrants, particularly those residing in Europe, can gain valuable knowledge from their contact with the Western industrial world and bring it back to support national development, particularly in underdeveloped regions such as Ghana. Disseminating knowledge of exclusive education and work experience is expected to contribute, first and foremost, to personal settlement and welfare and local or national development (Rodwin, 2022; Simasiku, 2020). The subject of this study is closely related to the development field, with an emphasis on both national and local development, as well as techniques for accomplishing them. It adds to the continuing discussion on transnational interventions and the roles of migrants during and after conflict. Therefore, this study aims to investigate the impact of knowledge transfer from migrants on Ghana's national tourism growth. Given the scarcity of previous research on this particular component of migrant knowledge transfer to developing nations, this study is exploratory. It tries to identify possible important events and destination categories that could be critical to maximizing national tourism development advantages.

Developing the tourism sector is widely viewed as an effective strategy for promoting economic expansion in both emerging and developed nations. Moreover, tourism fosters the exchange of information and proficiency across national barriers. Nonetheless, the transmission of knowledge and abilities associated with migration raises issues concerning credentials, particularly those acquired through informal or unconventional work experience. As tourism expertise and capabilities are commonly obtained outside traditional educational institutions, the training process in the tourism workplace is a crucial area of interest for the development of the tourism sector. Although most studies have concentrated on the function of tourism training at an international level, this research aims to contribute to the discourse by examining the processes of transnational migrant knowledge and skill transfer. A case study in Ghana demonstrates how the skills and knowledge generated by transnational migrants' impact both the economic and social dimensions of national tourism development.

2 Literature Review

2.1 Theoretical Review

Knowledge-Based View (KBV)

The Knowledge-Based View (KBV) presents several propositions relevant to understanding the impact of diaspora networks on knowledge transfer in tourism development. KBV, which emerged from the Resource-Based View (RBV), is one of the more widely accepted theoretical foundations for transnational entrepreneurship studies. This perspective emphasizes that

knowledge is the most crucial strategic asset, positing that competitive advantage is more likely in firms with high levels of skills and knowledge embedded within teams (Azeem et al., 2021).

Key aspects of KBV include the strategic importance and complexity of knowledge, the social and human dimensions of knowledge, and the integration of organizational and territorial knowledge and development. When applied to the context of diaspora networks and tourism development, the KBV suggests that national firms must strategically position themselves to meet the specific knowledge demands of the sector to acquire specialized knowledge within the industry (Grant & Phene, 2021; Duarte et al., 2022).

This approach involves motivating personnel through pay bonuses, training, promotion, and rewards, thereby creating a knowledge cycle that incorporates these themes into firms' future service conditions. It also advocates a service culture through policy interventions. Small and medium-sized enterprises (SMEs) can develop unique knowledge by maintaining strong relationships with skilled service industry workers, their customers, and both regional and international researchers (Ferraris et al., 2022).

Furthermore, such companies view knowledge as both explicit and implicit and adopt proactive and integrative strategies and structures. They are prepared to collaborate with suppliers, customers, and partners to formulate, develop, and commercialize knowledge-intensive products and services (Williams et al., 2024; Jayasekera et al., 2022). These competencies provide firms with a competitive advantage. Moreover, once these skills are imitated, they become essential capabilities for new industry entrants.

Network Theory

One of the prominent advocates of network theory is Granovetter, who introduced the concept of the 'weak tie.' A tie, or link, signifies the strength of the connection between actors and businesses, often occurring in large numbers or developing over time (Granovetter, 1973). These links are valuable because, in addition to strong ties, they provide a crucial connection between the small, close-knit world of individuals and groups with strong ties and the broader world beyond. According to Granovetter, networks of weak ties offer participants greater access across each network, providing new information, opportunities, and additional benefits. These benefits may include moderate power and legitimacy derived from the ability to influence or 'fence' the external world.

Friedland and Alford (1991) provided one of the most comprehensive formulations of the network theory. They characterized a network as "an element in self-consciously coordinated activity systems that may include tracks, common names, and reputation systems, social structures and group memberships, standard operating principles, shared cultures, diverse mechanisms for sense-making, information flows, and nodes of switch that guide them, and occasional sources of pure power, authority or sanction" (Friedland & Alford, 1991, p. 201). They emphasized that the patterned interdependencies within the network typically extend beyond the interaction of any two or more members (Friedland & Alford, 1991, p. 201).

2.2 Empirical Review

The current focus on sustainable and responsible tourism is driven by various global and national challenges, including environmental degradation, cultural erosion, host community disturbances, and uneven distribution of economic benefits (Baloch et al., 2022). It is widely acknowledged that tourism is the second-largest contributor to foreign currency in the global economy and a significant source of income and employment in numerous countries. Tourism

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is essential for improving people's economic and social conditions in developing countries (Thommandru et al., 2023; Sardak et al., 2023; Khan et al., 2020). However, there is a lack of empirical evidence demonstrating that international tourism effectively achieves its poverty reduction objectives in developing countries.

Sustainable tourism has become a crucial aspect of international development. However, further research is necessary to understand the influence of transnational migrant knowledge on the expanding international tourism industry in their home countries (Anschütz & Mazzucato, 2023; Sandoz et al., 2022; Brzozowski & Cucculelli, 2020). The increasing number of Ghanaians living abroad presents a significant opportunity to harness the knowledge they have gained from living and working in foreign countries and to apply it to the tourism sector in Ghana (Akom et al., 2022; Ameyaw-Brobby & Gupta, 2021; Owusu-Agyeman & Amoakohene, 2020). Social remittances related to sustainable tourism development can play a crucial role in raising awareness of travel's social and environmental impacts, thereby contributing to the advancement of tourism development in Ghana.

Tourism-related business migrants are those who move to establish or work in a tourism-related business or geographical area, representing a new form of international labor division characterized by the movement of individuals with relatively high affluence from developed countries to less developed regions. These individuals invest capital and specialized knowledge in the development of tourist facilities used by affluent visitors, often generating revenue that is then transferred back to their home economies (Rao et al., 2024). The redistribution of wealth from developed countries to developing regions is increasingly significant for sustainable global tourism development (Wang & Tziamalis, 2023). These migrants leverage their tourism-related knowledge and skills as human and social capital to reestablish themselves in new locations or to bring profits back to their home countries as 'returning home businesses', contributing intellectual capital to the country's tourism sector (Naumovski, 2021). In this study, a 'seasonal tourist worker' is defined as a person who temporarily relocates from their home country to gain additional income, to return home for further investment and potential geographic relocation.

As Martin-Rodriguez and Tran (2003) explain, transnationalism encompasses the interconnected relationships among social fields across various geographical areas. Specifically, it refers to the engagement of communities in establishing and reinforcing connections that link them beyond nation-states, encompassing social perspectives and practices often overlooked within a national framework (Portes, 2001). Consequently, transnational migrant knowledge transfer involves disseminating information, ideas, skills, and experiences acquired by migrants in technologically advanced countries to less technologically sophisticated countries. This transfer occurs through interactions, education, and investments, particularly with country of origin (Clark, 1987). Regarding tourism, the transfer of innovative practices and knowledge from visitors' home communities during vacations demonstrates the potential of individuals in their home communities through transnationalism (Hjalager, 2004). However, no study has conceptualized this transfer from a migrant perspective.

It is widely believed that knowledge equates to power, and possessing essential knowledge facilitates successful actions. By controlling knowledge, the privileged can exert dominance over the less privileged. Plants have evolved specific protective mechanisms to ensure survival. The dissemination of knowledge on foreign lands results in a significant loss of valuable information. Onwauchi (2006) emphasizes the ongoing struggle for data and information

between the North (developed countries) and the South (less developed countries), with the North often imposing data-dumping policies, while the South seeks information more relevant to their development efforts. Strohaken et al. (2008) argued that meta-analysis and systematic reviews yield data with the greatest transformative potential, involving the systematic aggregation of relevant studies and rigorous literature search methods to identify key papers or information for exploring various alternative explanations.

The concepts discussed revolve around the idea that when migrants return to their home countries, they bring with them valuable knowledge, networks, and fresh perspectives. These elements can act as crucial drivers of development, especially in emerging economies across West Africa (Sagmo, 2015). Migrant networks can assist resource-limited entrepreneurial ventures in securing finance for new business activities and provide support in areas such as marketing, management techniques, and the development of human resources (Nayir et al., 2023; Shi & Shi, 2022). Furthermore, migrants can exert a significant impact by introducing new or altering the traditional consumption and lifestyle patterns associated with the host economy (Ferrari, 2022). However, highly skilled migrants are typically required to return to their home countries to influence foreign investment decisions and to contribute directly to innovation. In addition, an enabling set of conditions in the home country must be present for these contributions to be practical.

Transnational migration impacts cross-national exchanges, which include transferring knowledge and ideas, typically in the form of remittances or other support (such as cognitive, social, and cultural). Those who send and receive this knowledge occupy distinct social, cultural, spatial, and economic positions, enabling them to generate, produce, and utilize knowledge differently. This study, which focuses on return migrants and knowledgeable migrant entrepreneurs who have returned to Ghana, connects transnational migrant knowledge transfer with previous research on remittances, brain circulation, and transnational diaspora networks (Lam & Rui, 2023). Thus, the study hypothesis that,

H1: Transnational migrant's knowledge transfer has a positive and significant impact on National tourism development



Figure 1. Conceptual Framework

Source: Authors own creation

3 Research Method

This section explores the research methodology used in this study. Research methodology is the systematic approach to collecting and analyzing data (Abdulai & Owusu-Ansah, 2014). Quantitative methods were applied in this study, which involved collecting and analyzing

numerical data to produce statistical results. These methods allow for objective and reliable measurements, making them suitable for examining the relationships between variables and generalizing the findings to a broader population.

A survey research design was adopted for this study, facilitating data collection from a large sample size and providing opportunities for an in-depth analysis of variable relationships (Abdulai & Ginardi, 2021; Abdulai & Owusu-Ansah, 2014). Stratified and simple random sampling techniques were used to ensure that participants had an equal chance of selection, enabling the researcher to obtain a representative sample from the target population.

Data collection involved distributing surveys to selected participants and incorporating structured questions and Likert scale measurements to gather quantitative data on various variables of interest. The Likert scale ranged from one (strongly disagree) to five (strongly agree). Surveys were administered using online platforms, such as Google Forms. The survey sampled 380 transnational migrants from the Dubai Center. Four items were used to measure transnational migrant knowledge transfer, while six were employed to measure national tourism development.

Transnational Migrant Knowledge Transfer (TMKT):

TMKT1: Frequency of knowledge sharing among migrants and their home communities.

TMKT2: Types of knowledge shared (e.g., technical, business, cultural).

TMKT3: Channels or platforms used for knowledge transfer (e.g., social media, face-to-face interactions).

TMKT4: Impact of knowledge transfer on local businesses or tourism-related activities.

National Tourism Development (NTD):

NTD1: Growth in the number of international tourists.

NTD2: Development of tourism infrastructure (e.g., hotels, transport).

NTD 3: Increase in employment within the tourism sector.

NTD4: Expansion of tourism-related services and products.

NTD5: Government policies and support for tourism development.

NTD6: Community engagement and local involvement in tourism initiatives.

4. Result and Discussion

4.1 Descriptive Analysis

Table 1 Demographic Result

DETAILS	MEASUREMENT	FREQUENCY	PERCENT
GENDER	Male	195	51.3
	Female	185	48.7
AGE Group	20-30	98	25.8
	30-40	96	25.3
	40-50	104	27.4
	50 and above	82	21.6
EDUCATIONAL LEVEL	Secondary Education	105	27.6
	College	175	46.1
	Masters and PhD	100	26.3

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Table 1 presents the study's demographic findings, including sex, age, education level, and visiting nation. This breakdown provided information on the characteristics of the participants. Participants were divided into two groups based on sex: male and female. The data revealed that 195 participants were male and 185 were female, indicating that 51.3% were male and 48.7% were female. These percentages show a relatively balanced distribution of both sexes in the participant sample.

The study analyzed participants' educational levels to gain insights into their educational backgrounds. The results showed the distribution of participants across different educational groups. Among the participants, 27.6 had secondary education, with a frequency value of 105. Notably, college-educated participants represented the largest group, comprising 46.1% of the sample, with a frequency of 175. Lastly, 26.3% of the participants had advanced degrees, including master's and doctoral degrees, with a frequency of 100.

4.2 Measurement Model

The components' and scales' reliability and validity were assessed using confirmatory factor analysis (CFA) (Kyriazos, 2018). Cronbach's alpha (CA), composite reliability (CR), and construct-specific factor loadings were used to assess internal consistency. The CFA results (Table 2) show that CA (α), CR, average variance extracted (AVE), and factor loadings exceeded the recommended levels (Bagozzi & Yi, 2012), showing excellent item convergence across all constructs.

Table 2 Construct reliability, validity, and Multicollinearity

Construct and Items	Factor Loading	Cronbach Alpha	Composite Reliability	AVE	VIF
NTD1	0.754	0.817	0.864	0.515	1.861
NTD2	0.687				1.799
NTD3	0.717				1.837
NTD4	0.702				1.305
NTD5	0.727				1.639
NTD6	0.719				1.499
TMKT1	0.814	0.758	0.843	0.575	1.829
TMKT2	0.802				1.837
TMKT3	0.718				1.808
TMKT4	0.692				1.798

As shown in Table 2, the indicators of the national tourism development construct exhibit high reliability, as indicated by Cronbach's alpha, above the commonly accepted threshold of 0.70. The items of the transnational migrant knowledge transfer construct also exhibited high reliability, as demonstrated by Cronbach's alpha, above the commonly accepted threshold of 0.70. The composite reliability measures (composite reliability) are higher, indicating better consistency. The AVE is moderate (above 0.50), suggesting that the indicators collectively capture a reasonable amount of variance in the construct.

To verify discriminant validity, it is crucial to compare the correlations between the constructs using the square root of the average variance recovered for the constructs. According to Ramayah et al. (2018), discriminant validity describes how distinct each construct is from the other study components. Table 3 presents the results of the validity analysis of the measurement

model. Testing was performed using a discriminant (Fornell & Larcker, 1981). Using the Fornell-Larcker criterion, discriminant validity is frequently assessed by comparing the square root of the AVE value to the correlation of latent variables. It is explicitly necessary that each AVE component's square root correlate with the other components more highly than its greatest correlation.

Table 3. Discriminant validity Fornell-Larker criteria

	NTD	TMKT
NTD	0.718	
TMKT	0.598	0.758

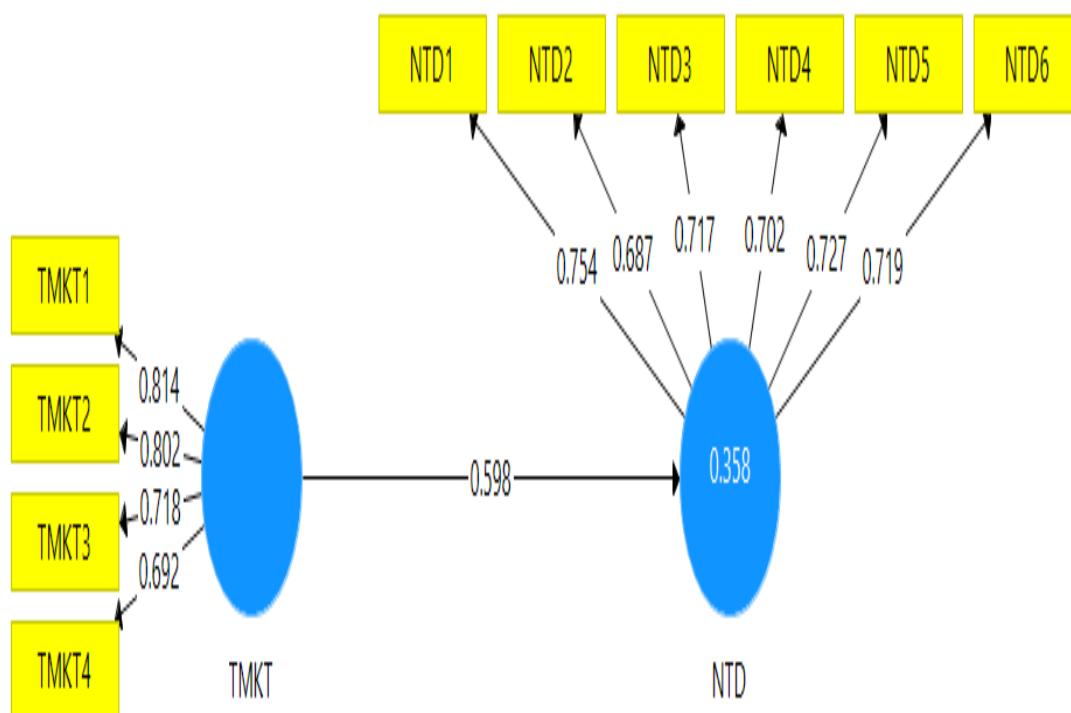
The findings suggest that the discriminant validity analysis achieved an acceptable moderate level, confirming the legitimacy of each variable used in subsequent analyses. The next step involves assessing the extent to which the independent variable accounts for variability in the dependent variable.

The last step in the measurement model of this study was to determine the degree to which the independent variable accounted for variability in the dependent variable.

Table 4 Model Fit – R Square

	R Square	R Square Adjusted
NTD	0.358	0.356

In Table 4, the R-squared value for national tourism development is moderate, at approximately 35.8%. This suggests that 35.8% of the variability in national tourism development has been explained by transnational migrant knowledge transfer.



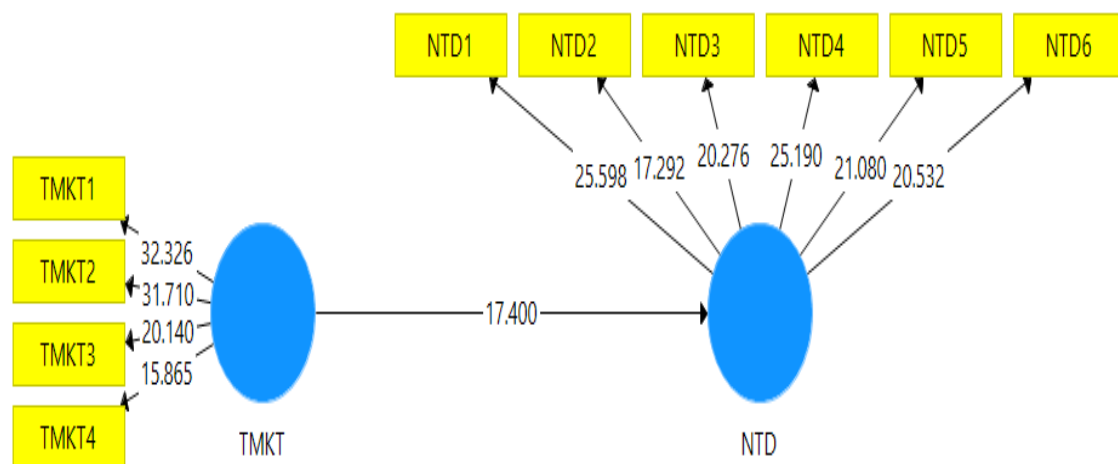
The hypothesis examined whether transnational migrant knowledge transfer positively and significantly impacts national tourism development. Table 5 lists details of the results.

Table 5 Structure Model Result

	Beta Coefficient	Standard Deviation	T Statistics	P Values
TMKT -> NTD	0.598	0.034	17.400	0.000

The results in Table 5 indicate that transnational migrant knowledge transfer has a positive and statistically significant effect on national tourism development ($\beta = 0.598$, $t = 17.400$, $p < 0.001$).

This finding suggests that a 1% increase in transnational migrant knowledge transfer could lead to a corresponding increase in national tourism development. These findings underscore the critical role of transnational migrant knowledge transfer in enhancing the tourism sector. The significant β coefficient (0.598) reflects the substantial impact of knowledge transfer on national tourism development, highlighting its importance as a strategic asset for fostering growth and innovation in the tourism industry.



4.3 Discussion

This study examines the impact of transnational migrant knowledge transfer on national tourism development. This finding suggests that an increase in transnational migrant knowledge transfers significantly enhances the development of the national tourism sector. This result aligns with that of several previous studies. For instance, Williams and Hall (2000) found that the knowledge and skills migrants acquire abroad contribute significantly to developing tourism industries in their home countries. Furthermore, Newland and Patrick (2004) highlight that remittances and knowledge transfers from migrants can stimulate tourism by funding tourism-related projects and introducing new business practices.

However, this finding contradicts that of earlier research. For example, Meyer (2008) argued that the benefits of migrant knowledge transfer are often overstated, and that the actual impact on tourism development can be limited due to barriers such as lack of infrastructure, bureaucratic hurdles, and inadequate local skills to utilize the transferred knowledge

effectively. Additionally, Sørensen (2014) suggested that while migrant knowledge transfer has potential, its success depends heavily on the receiving country's ability to absorb and implement knowledge, which is not always guaranteed.

In summary, while this study's results support the notion that transnational migrant knowledge transfer positively affects national tourism development, this effect can vary depending on several contextual factors. Future research should focus on identifying these factors to understand better how to maximize the benefits of migrant knowledge transfer for tourism development.

5. Conclusion

The findings of this study underscore the significant impact of transnational migrant knowledge transfer on national tourism development in Ghana. As migrants share their expertise, experiences, and cultural understanding, they enhance tourism services, promote innovative practices, and foster a deeper appreciation for Ghana's cultural heritage. This knowledge transfer can potentially elevate Ghana's tourism industry by introducing global best practices while remaining rooted in local traditions.

However, it is crucial to navigate the delicate balance between incorporating external influences and preserving the authenticity of Ghanaian culture. While the benefits of migrant knowledge transfer are evident, strategic measures are necessary to prevent cultural identity's dilution and ensure that tourism development remains sustainable and respectful of local customs.

To achieve this balance, policymakers should foster partnerships between the diaspora, local communities, and the tourism industry. Integrating migrant knowledge into the tourism sector through targeted programs can facilitate skill development and knowledge exchange. Additionally, creating a supportive policy environment that promotes investment in tourism and encourages sustainable practices is essential. By emphasizing both the economic and cultural dimensions of tourism development, Ghana can harness the full potential of transnational migrant knowledge while safeguarding its cultural heritage.

Ultimately, the study highlights the importance of a holistic approach to tourism development—one that leverages the unique contributions of transnational migrants and prioritizes the sustainability and integrity of Ghana's cultural landscapes. Through thoughtful planning and inclusive practices, Ghana can advance its tourism sector in a way that celebrates its diverse cultural identity and promotes long-term economic growth.

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Brand Image and Social Influence Analysis on Students' Decisions in Choosing Private University With Digital Marketing as Moderating

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Abstract

This research analyzes brand image and social influence on students' decisions in choosing private universities, with digital marketing as a moderating variable. Private universities increasingly utilize digital marketing to increase their visibility and attractiveness in the current digital era. This study uses quantitative methods with a survey of prospective students as respondents. The collected data was analyzed using multiple regression analysis techniques to identify the relationship between brand image, social influence, and student decisions, as well as the role of digital marketing in strengthening or moderating this relationship. The research results are expected to provide insight into how brand image and social influence influence college selection decisions and how digital marketing can be used to increase the effectiveness of private higher education marketing strategies. This research can help private university managers formulate marketing strategies that are more effective and relevant to the needs and preferences of prospective students. Based on analysis of variables that have a significant influence on student decisions, namely brand image, digital marketing and social influence

Keywords: Brand Image; Digital Marketing; Social Influence; Student Decision.

JEL Code: M10, M31, M54

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1. Introduction

When choosing a college, prospective students generally look for institutions that offer good quality education. Usually, prospective students prefer state universities. However, due to intense competition and limited quotas at state universities, many are unable to enter and end up switching to private universities. In facing this situation, private universities are trying hard to market themselves and attract the interest of prospective new students. Based on observations at the five best private universities in the city of Palembang, namely Bina Darma University, Muhammadiyah University, PGRI University, Indo Global Mandiri University and Musi Charitas Catholic University. Digital marketing has a significant impact on prospective students' decisions in choosing a university. Information disseminated through various online platforms often becomes the main reference for prospective students in determining their choices. Digital media, with its wide reach and accessibility, empowers prospective students to obtain information about higher education, and it makes it easy to respond to this information directly. With the easy access offered by digital media, prospective students can quickly obtain and evaluate relevant information in their decision-making process, making them feel more knowledgeable and in control of their choices.

In the current era of globalization, social influence is an important factor in determining a person's choice and view of a brand, including in the context of higher education. Although digital marketing plays a significant role in attracting the interest of prospective students, research by Juliana and Johan (2020) shows that brand image strongly influences students' decisions in choosing a higher education institution. This is also supported by research by Eka et al. and colleagues (2020), which revealed that brand image influences students' interest in choosing a university. The brand image reflects students' perceptions of a brand, in this case, a university. In the end, students' decisions in choosing private universities are greatly influenced by their own perceptions of the brand image. Additionally, opinions and experiences shared by alumni and existing students also influence prospective students' views of educational institutions, thereby contributing to their decision-making process.

From the description above, the author is interested in conducting a research entitled "Analysis of Brand Image and Social Influence on Student Decisions in Choosing Private Universities with Digital Marketing as Moderating."

2. Literature Review

2.1. Service Dominant Logic (SDL)

Service Dominant Logic (SDL) is a marketing approach that emphasizes the importance of interactions between producers, consumers and partners in the supply network. This concept emerged from the need to work collaboratively with other parties and is known as customer centric and responsive (Vargo et al., 2020). SDL introduces a new perspective in marketing, by placing service at the center of the exchange process, and viewing customers or consumers as an integral part of the company's internal processes. Service Dominant Logic (SDL) developed from a change in perspective in marketing that reduced the focus on resources, and placed more emphasis on creating value and relationships (Sulistiyowati & Rum, 2021).

2.2. Marketing strategy

A marketing strategy consists of a set of goals, policies and guidelines that provide guidance for a company's ongoing marketing activities. This strategy is designed to respond to changes in the environment and evolving competitive conditions, as well as to allocate resources effectively at

various levels and references. Thus, marketing strategy functions as a guideline that helps companies adapt and compete in a dynamic market (Siagian and Cahyono, 2021). As a key tool, marketing strategy is designed to achieve company goals through developing sustainable competitive advantages, with a focus on the market entered and the programs implemented to serve the target market (Endang, & Roni, 2021). Marketing strategy has four indicators, namely segmentation, targeting, positioning and differentiation (Ulfithroh, N, 2023).

2.3. Digital Marketing

Digital marketing is an activity in the marketing field that utilizes online platforms to reach target consumers. Apart from that, digital marketing can be interpreted as marketing products or services via the internet which includes various methods such as digital marketing, web marketing, online marketing, e-marketing, or e-commerce. The use of digital marketing is an attractive alternative because the costs are relatively low compared to conventional marketing and have a wider reach. In addition, digital marketing makes it easier for consumers to examine and compare products more conveniently. Digital marketing also offers broader information and the ability to store data accurately (Rustiana, 2022). Digital marketing is often equated with the terms online marketing or internet marketing. Basically, digital marketing involves all marketing efforts made to communicate with potential consumers through online communication channels, using devices connected to the internet with various digital strategies and media (Chakti, 2019). According to Istifadhoh et al. (2022) there are eight main benefits of digital marketing, namely increasing market coverage, cost effectiveness, ability to target audiences, interaction, measurement, increased visibility, customization, use of diverse content. By leveraging digital marketing, educational institutions can increase their visibility, communicate more effectively with prospective students, and ultimately, achieve their marketing and recruiting goals more efficiently.

2.4. Brand Image

According to Dewi et al (2020), brand image is the way consumers view a brand, which reflects a picture of what they think or feel about the brand. Brand image has a very important influence in influencing consumer interest and purchasing decisions. If the brand image of a product is good, then this can contribute to differentiating the product from its competitors (Erkmein & Hancer, 2019). Brand image is the perception embedded in the minds of buyers regarding a particular brand, which reflects how consumers perceive and feel the brand. With so many products available on the market, consumers tend to look for alternatives in choosing products, one of which is brand image. Testimonials or responses from other consumers to a product are also an important consideration in product selection (Mujid & Andrian, 2021). According to Firmansyah (2019), the benefits of brand image for private universities include several important aspects, namely attractiveness, increasing trust, reputation and alumni engagement.

2.5. Social Influence

According to Vahdat et al. (2020), social influence is a social factor that can influence someone's behavior by changing the way they think or act. Meanwhile, Kurniawan & Subhi (2021) stated that social influence is related to how individuals influence other people's perceptions of something that is considered important, so that it can motivate them to adopt new systems or technology. In other words, social influence includes how the interactions and opinions of others can influence an individual's decisions and behavior in the relevant context. According to Laela and Asdar (2022), there are several indicators of social influence, namely group, family, role and status.

2.6. Decision-making

Decision making involves the process of compiling and organizing available information to support a final choice. This process includes emotional considerations both before and after a decision is made, as well as dynamic interactions in the decision-making process. In addition, there is a difference between satisfaction and regret in the context of decision making, both before and after the process. Decision making is a process of evaluating one or more options with the aim of achieving the best expected results (Gonzalez, 2023). In general, decision making is the result of solving problems and answering questions to achieve certain goals. The results of decision making have two main functions: as the first step of conscious and directed individual or group activity, and as a strategic step for the future that has a long-term impact (Lipursari, 2019).

3. Research Methods

This research uses a quantitative approach by measuring the strength of the relationship between the dependent variable, independent variable and moderating variable. The type of data collected is the results of questionnaires from new students. The main data source comes from respondents who are part of a predetermined sample. The data collection process was carried out directly through distributing questionnaires to respondents. The questionnaire was formatted using Google Form, giving respondents the freedom to fill out the form online.

Primary data sources collected from the results of this questionnaire will include direct responses from new students regarding factors that influence student interest. Secondary data in this context refers to additional information obtained from previous questionnaires with the same respondents and direct observation by conducting interviews with new students at five Palembang Private Universities. In the of we the Slovi formula is method for determining number samples the and . Based on the Slovin formula, it is known that the number of employees who will be used as samples for this research is 400 respondents.

The method used to analyze the data is Smart-PLS version 3.0 software which is run on a computer. In general, SEM models are built using a covariance-based approach (Covariance-Free Structural Equation Model or CB-SEM) and variance or component-based (Variance-Based Structural Equation Model or Partial Least Square Structural Equation Model or PLS-SEIM) (Gunarto and Cahyawati, 2022). PLS- SEM is becoming a popular and effective choice, especially in the context of exploratory and confirmatory research.

4. Results and Discussion

4.1 Respondent Demographics

The general characteristics of respondents are based on sex/gender, age, and university in the decision to choose a private university. The results obtained from each previously determined respondent characteristic will be used to provide an overview of the respondents studied. Detailed demographic statistics of respondents can be seen in the following table:

Table 1. *Respondent Demographics*

Items	Option	Amount	Percentage
Gender	Man	210	52.3%
	Woman	190	47.7%
Age	18	59	14.6%
	19	273	68.3%

	20	68	17.1%
University	Muhammadiyah	80	20%
	PGRI	80	20%
	Bina Darma	80	20%
	Indo Global Mandiri	80	20%
	Catholic Musi	80	20%
	Charitas		

Based on the respondent demographic table above, the results obtained were a total of 400 respondents consisting of male respondents who dominated 210 people with a frequency of 52.3% and female respondents were 190 people with a frequency of 47.7%. Meanwhile, based on age, the majority of respondents were 19 years old and these results were obtained from new students at the university.

4.2 Test Outer Model

The Outer Model assessment of brand image and social influence analysis of students' decisions in choosing private universities with digital marketing as moderating is an important step to assess the factor load, validity and consistency of the constructs in the model. The main objective of this evaluation is to measure the extent of variables such as loading factors, validity and reliability of the constructs used in the model. The results of this test help ensure that the student decisions used in the research have strong conceptual validity and can be trusted in identifying factors that influence students' decisions in choosing private universities in the city of Palembang. Based on the results of the loading factor test, most items or indicators had a loading factor above 0.7 and there were two indicators that were invalid, namely the BI3 and SI2 indicators, so they were removed from the model and then a new model was formed without these indicators.

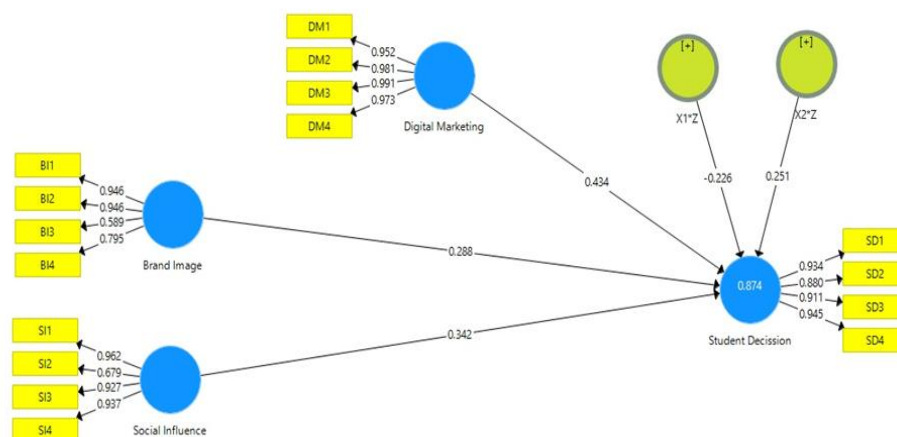


Figure 1. Outer Model

The convergent validity test results of all latent variables have an AVE value that reaches or exceeds 0.5, indicating that all latent variables are able to measure well the indicators that are

part of the construct. By conducting a convergent validity test, you can ensure that the results of measuring the variables in Brand Image of 0.692, Digital Marketing of 0.949, Social Influence of 0.781 and Student Decision of 0.842 are declared valid and reliable for understanding and measuring student decisions.

One of the reliability indicators used is the Composite Reliability coefficient, where the expected value to be considered reliable is usually 0.7 or higher. When the Composite Reliability coefficient value of a variable exceeds 0.7, the variable is considered consistent in measuring the construct being tested. The variables tested were Brand Image at 0.897, Digital Marketing at 0.987, Social Influence at 0.934 and Student Decision at 0.955, where all variables had values above 0.7 so the variables were said to be reliable or consistent in producing similar results at different times.

Table 2. Results of Convergent Validation Test and Reliability Test

Variable	Average Variance Extracted (AVE)	Composite Reliability
Brand Image	0.692	0.897
Digital Marketing	0.949	0.987
Social Influence	0.781	0.934
Student Decision	0.949	0.955
X1*Z	1,000	1,000
X2*Z	1,000	1,000

4.3 Inner Model

Inner models or inner measurements, which are also known as structural models, are part of path analysis in research to test the relationship between latent variables that are relevant in the analysis of Digital Marketing, Brand Image, Social Influence in students' decisions in choosing a college private. Test path coefficients (path coefficients) to analyze and test the relationship between variables that are relevant to student decisions. These path coefficients provide information about the strength and direction of the relationships between latent variables in the model. The relationship between these variables is significant by looking at the resulting T-statistic value. A T-statistic value greater than 1.96 indicates that the hypothesis proposed is acceptable or the variable being tested has a significant effect on other variables. It can be seen in table 4.6 that some variables have values above 1.96 and there are two variables that have values below 1.96, so the variables are said to not have a completely significant effect.

Table 3. Path Coefficients Test Results

Hypothesis	Path Coefficients	T statistics (O/Stdev)	P value	Information
Brand Image -> Student Decision	0.288	3,751	0,000	Positive and significant influence
Digital Marketing -> Student Decision	0.434	3,660	0,000	Positive and significant influence
Social Influence -> Student Decision	0.342	3,237	0.001	Positive and

				significant influence
X1*Z > Student Decision	-0.226	1,253	0.211	Has a positive and insignificant effect
X2*Z > Student Decision	0.251	1,356	0.176	Has a positive and insignificant effect

4.4 Hypothesis Testing

Table 4. Summary of Hypothesis Test Results

Hypothesis	Correlation Between Variables	Information
H1	Brand Image -> Student Decision	Supported
H2	Digital Marketing -> Student Decision	Supported
H3	Social Influence -> Student Decision	Supported
H4	X1*Z > Student Decision	Not Supported
H5	X2*Z > Student Decision	Not Supported

Based on the results of questionnaire data analysis in students' decisions in choosing private universities using smartPLS. These hypotheses were formulated to test the relationship between the identified variables and student decision levels, as follows:

H1 has a coefficient value of 0.288, a T statistic value of 3.751 and a p value of 0.000, which means that Brand Image has a significant effect on Student Decision. This can help students filter the available options and make a decision that is deemed to best suit their needs, aspirations and hopes.

H2 has a coefficient value of 0.434, a T statistic value of 3.660 and a p value of 0.000, which means that Digital Marketing has a significant effect on Student Decision. This can make it easier for students to get information about the college by easily accessing information, interacting with brands, getting recommendations from influencers and reviews, and enjoying a customized and interactive experience. Students are more likely to be influenced by digital marketing messages than traditional methods.

H3 has a coefficient value of 0.342, a T statistic value of 3.237 and a p value of 0.001, which means that Social Influence has a significant effect on Student Decision. This can help them determine what is considered appropriate, popular, or acceptable within their social group, ultimately influencing their choices and decisions in various aspects of their lives.

H4 has a coefficient value of -0.226, a T statistic value of 1.253 and a p value of 0.211, which means that Digital Marketing on Brand Image has a positive but not significant influence on Student Decision. This occurs due to factors such as ineffective targeting and personalization, inconsistent messaging, the predominant influence of external factors, ad fatigue, quality of user experience, lack of emotional connection, and the complexity of the decision-making process. Although digital marketing can have a positive impact, its influence may not always be strong enough to significantly change a student's decision if other factors are more influential.

H5 has a coefficient value of 0.251, a T statistic value of 1.356 and a p value of 0.176, which means that digital marketing on social influence has a positive but not significant influence on student decisions. This influence is important, because students are a group that is highly connected to technology and social media. Through strategies involving influencers, online reviews, interesting content, and community involvement, brands can harness the power of social influence to effectively influence student perceptions and decisions.

4.5 Coefficients of Determination (R²)

Based on the results of the Coefficients of Determination research, the R² value has a higher influential value close to or greater than 0.670, indicating that the independent variable significantly and strongly influences the dependent variable. Conversely, lower R² values, such as between 0.333 to 0.670, indicate a moderate influence, while values below 0.190 indicate a weak influence of the independent variable on the dependent variable.

Table 3. Results of Coefficients of Determination

Variable	<i>R Square Adjusted</i>
Student Decision	0.874

5. Conclusion

Based on analysis of various variables such as Digital Marketing, Brand Image, and Social Influence, most respondents showed a high level of decision regarding their interest in registering for private universities. Four variables that are proven to influence student decisions significantly are Digital Marketing, Brand Image, and Social Influence. These variables positively influence the level of students' decision to continue studying at the private university they choose.

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