

# Determinants of Work Motivation and Its Implications on Employee Performance at Land Agency (BPN) Aceh

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#### Abstract

This study is to test the effect of leadership, work discipline, and work environment, on work motivation and its impact on employee performance. This research is carried out at BPN Aceh with population as much as 142 people. Sample is taken using census method, and it provides the amount as same as the population amount, that is 142 people as respondents. This research uses Structural Equation Model (SEM) to test the hypothesis. Special for the indirect effect, this research uses Sobel Test p-value to see significance based on the hypothesis. The result proves that leadership has an influence on work motivation, work discipline has an influence on work motivation, work environment has an influence on work motivation, work motivation has an influence on employee performance, leadership has an influence on employee performance, work discipline has an influence on employee performance, work environment has an influence on employee performance, there is an indirect effect of leadership on employee performance through work motivation, there is an indirect effect in work discipline on employee performance through work motivation, there is indirect effect in work environment on employee performance through work motivation in BPN Aceh. These findings support the academic area to be the update of the causality theories. This model also enriches the knowledge in social science, especially in management. This model has implications in practical area, related to variables that has been tested. The originality lies in the combination of the causality models from the previous models, and SEM as a statistical approach for testing. The limitation lies in the amount of variables and with only one object.

Keywords: Leadership, Work Discipline, Work Environment, Work Motivation and Employee Performance.

# 1. Introduction

The success of an organization or an institution in an effort to realize its vision and mission is determined by the quality of human resources and its work environment. Human becomes part of the factors that play an important role in efforts to achieve goals, both in their position as the leaders and the members of organization. Likewise, employee work discipline factors will be created along with the management of organization that is implemented, programmed and directed well. The role of leaders in managing organizations and creating employee work discipline which is supported by a quality work environment will influence the growth of work motivation for employees. It will determine the high/low employee performance in an effort to

achieve the specified goals.

The Government of Indonesia in Work Cabinet which is led by the President and Vice President establishes the existence of National Development Vision for 2015-2019, namely: "To Realize Sovereign, Independent and Characterized Indonesia Based on Mutual Cooperation". In order to achieve this vision, National Development Mission was also established.

In preparing Work Cabinet, the strengthening of agrarian institutions is reinforced by combining National Land Agency with government units that regulate spatial planning, forestry planning, planology, and geospatial information into a Ministry of Agrarian and Spatial Planning/National Land Agency (ATR/BPN). This ministry is an institution that has the authority to organize government affairs in the field of agrarian/land and spatial planning both in national, regional and sector. This authority encompasses activities which relate to government policies and public services, especially in agrarian/land services and spatial planning.

In organizing the functions and tasks of the Ministry of ATR/BPN in the regions, Regional Office of National Land Agency was formed at the level of province and District Land Office was formed at the level of district/city. Regional Office of National Land Agency in Aceh Province is one of them, which coordinates a number of 21 (twenty one) district/city land offices and 2 (two) representatives of district/city land offices in Aceh Province.

Regional Office of National Land Agency in Aceh Province, which in this study is called BPN Aceh as a public institution, of course seeks to improve the quality of services in the land sector. One of the efforts which are made is by increasing the quantity and quality of Human Resources through performance-based Bureaucratic Reform. This is done to accelerate land services, especially Land Registration activities.

Other efforts which are taken by the Ministry of ATR/BPN, including within BPN Regional Office in Aceh Province are by innovating various land services based on communication and information technology. This land service innovation has the purpose of improving land services for the community, legal entities and stake holders that are more satisfying, either with the regard to necessary requirements, service procedures or service time so that they are expected to deliver transparency and accountability in services in the land sector. Some of the innovations are in the form of Land Certification People Services (LARASITA), Computerized Land Office (KKP), Quick Service, One-Night Service, One Day Service, Weekend Service, Seven Minutes Service (Lantum), non-cash payment system and Short Messages Service and other innovations.

Efforts to realize land services that meet the expectations of the public for the assurance of legal certainty over land rights and the use of space in realizing land for the greatest prosperity of the people are noble work that is mandated to all employees of BPN Aceh. In the framework of land services to the public, BPN Aceh carried out the legalization of land assets through Agrarian National Program of 2017 as the implementation of the provisions of the Minister of Agrarian National Program (PRONA). Land Registration Activity through PRONA in its implementation was sporadic and subsequently transformed into systematic Land Registration Activity with the issuance of the provisions of the Minister of Agrarian and Spatial Planning/Head of National Land Agency No. 12 of 2017 concerning the Acceleration of Complete Systematic Land Registration (PTSL), which is not only carrying out per plot-based land plot mapping, but also complete mapping of per village-based land plot.

Based on Performance Report of BPN Aceh in 2017, asset legalization activities were in the form of land certification through Complete Systematic Land Registration, which was set at 75.500 plots of land and were realized 59.833 plots of land or 79.25% of the total target. This

achievement is smaller than the achievements of previous years. The following is the achievement diagram of asset legalization performance through PRONA/PTSL activities in the last 7 (seven) years:

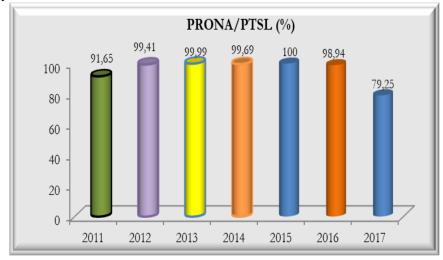


Figure 1. Comparison of Asset Legalization Activities Performance in 2011-2017.

Based on these conditions, the average performance achievement for 7 years is 95.56%. The achievements of employee performance of BPN Aceh in 2017 show a tendency to decline in performance, especially in terms of providing asset legalization land services in the form of land plots through PRONA/PTSL totaling 16.31% of the average performance achievements over the past 7 years and experiencing a decrease of 19.69% compared to the previous performance in 2016. The condition is influenced by several factors, either human resources or the working environment.

(Oktavina, Nurdasila and Kesuma, 2018) argue that leadership in an organization has influence in improving employee performance. According to (Manjuria, Nasir and Musnadi, 2018), performance improvements which are achieved by employees are influenced by the application of work discipline that is owned by them. Employees' performance of BPN Aceh can be seen from several perspectives, one of which through balance socrecard includes: 1) financial perspective, related to the achievement of budget absorption reaching 81.81%, is still below the national standard which reaches 85.73 %; 2) community perspective, namely community response to the services provided still seem old and have not given satisfaction; 3) internal process perspective, namely the efforts carried out by BPN Aceh, especially in providing services to the community, are still constrained by technical problems; 4) growth and learning perspective, related to the efforts to improve employee competency through education and training in order to increase knowledge and services to the community that are still minimal, not to all employees of BPN Aceh yet. This is in line with the opinion which is expressed by (Mahdinarmansyah, Nurdasila and Utami, 2016) state that the work environment in an organization has influence in increasing employee motivation and performance.

# 2. Literature Study

# **Employee Performance**

Achieving goals is a form of success of an organization. The success in achieving these goals is influenced by employees' performance. Therefore, every organization will strive to improve employees' performance. On the other hand, the efforts to improve employees' performance are very dependent on the ability of a leader to organize and to manage the organizational resources which he has.

(Mas'ud, 2004) argues, "Employee performance refers to a person's achievements that are measured by standards and criteria which are set by the company. Management to achieve the performance of human resources is intended to improve the company in overall. (Rivai and Sagala, 2014) argues, "Performance is the result of the work from an employee for a certain period compared to various possibilities, for example standards, targets/goals/criteria that have been determined in advance and have been agreed upon."

#### **Work Motivation**

Motivation is a condition that is needed by everyone. It is needed every day to run a life, to help other people, to lead a group of people to achieve a determined goal (Robbins and Coulter, 2016). The origin of the word motivation is '*movere*' (latin) which means moving or encouraging (Robbins and Coulter, 2016).

There are already several definitions and literature relating to motivation. The literature which is relevant to the modern business environment is considered for review. The word 'motivation' according to (Vroom, 1964) has been derived from the Latin word 'movere' which means 'move' that refers to internal strength, depends on the needs of individuals who encourage themselves to achieve (Tan and Waheed, 2011).

According to Webster dictionary by looking at the roots of terminology, motivation starts with a motive which means something causes something else to act, and thus, motivation can only be defined as an act of giving a motive that causes someone to act. Motivation is responsible for someone to act and other people themselves can make someone to be motivated (Burton, 2012).

Motivation is defined in the broad sense by (Gredler, Broussard and Garrison, 2011) as attributes that move us to do or not to do something. (Guay *et al.*, 2010) refer to motivation as the main reason for behavior. Researchers have different opinions about intrinsic motivation and extrinsic motivation (Deci, Koestner and Ryan, 1999). According to (Deci, Koestner and Ryan, 1999) intrinsic motivation is defined as an activity which carried out for inherent satisfaction rather than separable consequences.

A person who intrinsically motivates or is motivated by himself faces his own challenges and achieves the desired results without pressure or coercion from the outside. On the other hand, extrinsic motivation is interpreted as an activity which is carried out exclusively for the purpose of obtaining gifts or results that are not inherent. It is unlike intrinsic motivation of which the activity is carried out for happiness solely and because of the desire to work (Oudeyer and Kaplan, 2007).

#### Leadership

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According to Webster dictionary by looking at the roots of terminology, motivation begins with a motive which means something else to do, and thus, motivation can only be defined as an action that provides a motive that causes displacement. Motivation is responsible for someone to act and other people themselves can make someone to be motivated (Burton, 2012). Motivation is translated in a broad sense by (Gredler, Broussard and Garrison, 2011) as attributes that move us to do or not to do something. (Guay *et al.*, 2010) refer to motivation as the main reason for behavior. Researchers have different opinions about intrinsic motivation and extrinsic motivation (Deci, Koestner and Ryan, 1999).

According to (Deci, Koestner and Ryan, 1999) intrinsic motivation is determined as an activity which is carried out as inherent satisfaction that can be resolved. Every person who is motivated or self-motivated opposes his own challenges and achieves the desired results without pressure or coercion from the outside. On the other hand, extrinsic motivation is carried out as an activity which is carried out exclusively for the purpose of obtaining gifts or results that are not related to intrinsic motivation. The activity is carried out for happiness solely and the desire to work (Oudeyer and Kaplan, 2007).

#### **Work Discipline**

Etymologically, discipline comes from Latin '*disipel*' which means followers. In its development, the word changes to become 'discipline' which means obedience or concerning discipline. The word 'discipline' has developed following the progress of science and many different disciplines among the opinion of one expert to other experts.

'Discipline' is a sincere obedience that is supported by awareness to carry out their duties and obligations and to behave that should apply in certain environments. While the notion of 'work' is the act of doing something that aims to get results (Nadezda and Jozef, 2010). Still according to (Nadezda and Jozef, 2010) suggest that 'discipline' is every individual and group that guarantees compliance with orders and takes the initiative to take necessary actions if there is no order.

Then another opinion is also expressed by (Andree and Suhaji, 2012), state that work discipline of an employee is one of the traits whether consciously or not must be able to obey a rule and also the rules that are set by a particular organization. Work discipline greatly influences the performance of employees and companies.

#### **Work Environment**

Attractive and supportive work environment is very important for job satisfaction. Work environment has many traits that can influence physical and mental well-being. Quality workplaces are very important to keep workers in various tasks and to work effectively. A good workplace is examined by characteristics such as competitive wages, a relationship of trust between employees and management, equality and justice for everyone, and reasonable workload with goals that are challenging but achievable.

The combination of all these conditions makes the work station become the best working conditions for employees to work with high level of satisfaction. As a profit-oriented organization, creating conducive environment for satisfied employees is the basic guideline which is needed. Work environment can be grouped into three different but interrelated forms. These are physical work environment, psychological work environment and social work environment. According to (Robbins and Judge, 2014), a supportive work environment helps

workers to perform normal tasks more effectively, utilizes their knowledge, skills and competencies as well as possible and available resources to provide high-quality services.

The setting of physical work environment can have impact on the level and the nature of social interactions between coworkers. Open plan office design, for example, and other aspects of physical spatial planning can determine the types of interactions that can occur.

#### **Research Hypothesis**

From the problem identified above, authors formulate the research hypothesis as follows.

H1: leadership has an influence on work motivation,

H2: work discipline has an influence on work motivation,

H3: work environment has an influence on work motivation,

H4: work motivation has an influence on employee performance,

H5: leadership has an influence on employee performance,

H6: work discipline has an influence on employee performance,

H7: work environment has an influence on employee performance,

H8: there is an indirect effect of leadership on employee performance through work motivation,

H9: there is an indirect effect in work discipline on employee performance through work motivation,

H10: there is indirect effect in work environment on employee performance through work motivation in BPN Aceh

#### 3. Research Method

The study is conducted at BPN Aceh which is located in Banda Aceh with the variables are leadership, work discipline, work environment, work motivation and employee performance. The population is all employees in BPN Aceh as much as 142 people, and the sample is taken with census method, so it takes all population member as a sample, that is as much as 142 people. By looking at the framework on the theoretical foundation, the data analysis technique which is used in conducting this study is the structural equation model (SEM) with AMOS software. Special for the indirect effect, this research uses Sobel Test p-value to see significance based on the hypothesis.

#### 4. Result

The next analysis is Analysis Structural Model (SEM) in the form of Full Model. The results of data processing can be seen in figure 2 below.

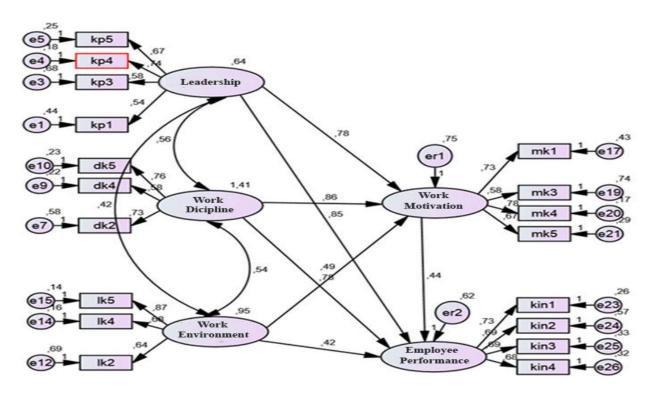


Figure 2. The Results of Structural Equation Model (SEM) Testing

# H1 is accepted

The effect of leadership on work motivation obtains the value of critical ratio (CR) by 9.733. Thus CR value which is obtained is greater than table value by 1.97 with probability smaller than 0.05. Based on these results, it is concluded that leadership of BPN Aceh has influence on the efforts to increase work motivation of BPN Aceh.

# H2 is accepted

The effect of work discipline on work motivation obtains the value of critical ratio (CR) by 7.951. It is greater than table value by 1.97 with probability that is smaller than 0.05. Based on these results, it indicates that work discipline which is given to the employees of BPN Aceh has influence on increasing e work motivation of BPN Aceh.

# H3 is accepted

The effect of work environment on work motivation obtains the value of critical ratio (CR) by 7.367. It is greater than table value by 1.97 with probability that is smaller than 0.05. Based on these results, it figures that work environment which is given to the employees influences the increase of work motivation of BPN Aceh.

# H4 is accepted

The effect of work motivation on employee performance obtains the value of critical ratio (CR) by 8.235. It is greater than table value by 1.97 with probability that is smaller than 0.05. Based on these results, it explains that work motivation has influence on employees' performance of BPN Aceh.

# H5 is accepted

The effect of leadership on employee performance obtains the value of critical ratio (CR) by 8.763. It is greater than table value by 1.97 with probability that is smaller than 0.05. Based on these results, it describes that leadership of BPN Aceh influences employee performance.

# H6 is accepted

The effect of work discipline on employee performance obtains the value of critical ratio (CR) by 5.795. It is greater than table value by 1.97 with probability that is smaller than 0.05. Based on these results, it describes that work discipline of the employees of BPN Aceh has influence on employee performance which is more increasing at BPN Aceh.

#### H7 is accepted

The effect of work environment on employee performance obtains the value of critical ratio (CR) by 6.525. It is greater than table value by 1.97 with probability that is smaller than 0.05. Based on these results, it shows that working environment at BPN Aceh has influence on the efforts to improve employees' performance at BPN Aceh.

#### H8 is accepted

The indirect effect hypothesis that says there is an influence of leadership on employee performance through work motivation, has the significant value form Sobel test p value that is 0.02, it is smaller than 0.05. This indicates that hypothesis is proved, and in this is hypothesis the work motivation is the partial mediation type, because the direct effect result works as well. So as a basis for formulating the policies, the analysis of both direct and indirect effects can be used.

#### H9 is accepted

The indirect effect hypothesis that says there is an influence of work discipline on employee performance through work motivation, has the significant value form Sobel test p value that is 0.04, it is smaller than 0.05. This indicates that hypothesis is proved, and in this is hypothesis the work motivation is the partial mediation type, because the direct effect result works as well. So as a basis for formulating the policies, the analysis of both direct and indirect effects can be used.

#### H10 is accepted

The indirect effect hypothesis that says there is an influence of work environment on employee performance through work motivation, has the significant value form Sobel test p value that is 0.01, it is smaller than 0.05. This indicates that hypothesis is proved, and in this is hypothesis the work motivation is the partial mediation type, because the direct effect result works as well. So as a basis for formulating the policies, the analysis of both direct and indirect effects can be used.

#### 5. Conclusion

The result proves that leadership has an influence on work motivation, work discipline has an influence on work motivation, work environment has an influence on work motivation, work motivation has an influence on employee performance, leadership has an influence on employee performance, work discipline has an influence on employee performance, work environment has an influence on employee performance, there is an indirect effect of leadership on employee performance through work motivation, there is an indirect effect in work discipline on employee

performance through work motivation, there is indirect effect in work environment on employee performance through work motivation in BPN Aceh. From this model, it concludes also both direct and indirect effects can be used for further analysis, because both have the significant influence based on hypotheses. These findings support the academic area to be the update of the causality theories. This model also enriches the knowledge in social science, especially in management. This model has implications in practical area, related to variables that has been tested. The originality lies in the combination of the causality models from the previous models, and SEM as a statistical approach for testing. The limitation lies in the amount of variables and with only one object.

The increase in work motivation and employee performance in BPN Aceh that needs to be considered is the leaders should give more awards to the subordinates if the task can be carried out according to the plan. To improve work motivation and employees' performance based on work discipline, it is important to note that the standard of work discipline needs to be reviewed so that the implementation of work discipline can really run well. The leaders of the BPN Aceh is also expected to pay attention to the work environment by creating more comfortable and peaceful office atmosphere, so as to create a better atmosphere in increasing work motivation. The increase in work motivation and employees, performance of the BPN Aceh can be pursued through the provision of work motivation to employees. It should be given in the form of appreciation to employees.

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