

Redesign Improved Employees' Performance of a Textile Industry

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Abstract

This research aims to redesign improved employees' performance of corporate textile in terms of compensation, competence, quality of work-life and organizational citizenship behavior. The method used in this research is a survey conducted on the employees of a textile factory. Employees who serve the population of this study is diversified from the level of staff to the Director. The sample is 245 respondents. Data analysis and hypothesis test in this study using the Structural Equation Model - Partial Least Square (PLS-SEM). The results showed that each variable compensation, competence, quality of work-life and organization citizenship behavior has a positive and significant impact on employee performance. Variable organization citizenship behavior can be variable which can improve the effect of compensation, competence and quality of work-life toward employees' performance.

Keywords: compensation, competence, quality of work-life, organization citizenship behavior, performance.

1. Introduction

Human resources factor in an organization to occupy a central and decisive role in the life and progress of the organization, as implemented and achieved the purpose of the organization is highly dependent on the activities of the members of the organization. Organizations generally believe that to achieve excellence should seek the maximum possible individual performance because it is essentially individual performance affects the performance of the team or workgroup and ultimately ends up in the level of overall organizational performance. Good performance requires employees to behave in accordance with the expected organization.

Phenomena related to the condition of the textile industry, represented by the head of the company, among others, relating to the competitiveness of the similar industry. Textiles products is one of the priority industrial sectors are the mainstay of the future. To that end, in 2016, the rate of growth of Textile, Leather, Footwear and Miscellaneous expected to climb 6.33 percent and contributed as much as 2.43 percent of Gross Domestic Product (GDP) of the National. Textile industry sector will continue to strengthen because it is labor-intensive and become a social safety net that supports the incomes of the population.

Robbins and Judge (2008) showed that organizations that have employees with good Organizational Citizenship Behavior (OCB) will have better performance than other organizations. Chiang and Hsieh (2012) states that the OCB effect on employee performance. In contrast, research on the performance of the OCB carried out by Komalasari et al. (2009) showed that OCB not significant effect on performance.

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Competence is a characteristic inherent in individuals who are relatively stable and can be measured from the behavior of the individuals concerned in the workplace or in other situations, as an individual character that is inherent in a person of competence is always guided by skill and knowledge and is supported by work attitudes required in the job. Competence itself can be divided into two types (Hutapea and Thoha, 2008), namely technical competence (hard skills) and behavioral competencies (soft skills). The hard skills required by employees in performing work based on knowledge, while the necessary soft skills associated with the behavior of a person in carrying out the work properly.

The assessment focused on the behavior of employees at the level of the individual or individuals that examines the behavior of employees in an organizational context that an individual's behavior or response of employees to the research variables, because employees of a textile company as part of the organization certainly has the behavior of heterogeneous individually, individually as a respondent will be given the space to respond to the questionnaire research. Pursuant to the data of the respondent's response will be analyzed statistically associated with an effect between the behavior depicted in the study variables. The analytical tool used is SEM, so that would be obtained models in an effort to encourage employee performance behavior of a textile company.

2. Research Method

This study uses a survey conducted on the employees of a textile company in Surakarta. Research using a sample of 245 respondents. The sampling technique used in this study was stratified random sampling. The data used in this study are primary data using questionnaires.

The data analysis and hypothesis test in this study using Structural Equation Model - Partial Least Square (PLS-SEM). Structural equation modeling (SEM) is a multivariate analysis technique which combines factor analysis and path analysis that allows researchers to simultaneously test and estimate the relationship between exogenous and endogenous multiple by many factors (Chin, 1998; Gefen et al., 2011). SEM is divided into two types, namely the covariance-based Structural Equation Model (CB-SEM) and Partial Least Square - Structural Equation Model (SEM PLS) (Ghozali and Latan, 2012). Stages are used to perform data analysis in this research is to use a two-step approach (two-step approach proposed by Ghozali and Latan (2012). Steps in the two-step approach, including (1) conduct a confirmatory factor analysis, (2) test the model overall structural.

3. Result and Discussion

Based on data analysis using Partial Least Square program - Structural Equation Model (SEM PLS) obtained estimated value and significance of the five variables, namely compensation, competence, quality of work-life, organization citizenship behavior, and performance can be seen in the Figure 1. In more detail, the data computation and data analysis using Partial Least Square approach - Structural Equation Model (SEM PLS) are presented in the table 1:

Table 1. Statistical test results using the Partial Least Square - Structural Equation Model (PLS-SEM)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics
Compensation → Performance	0.2599	0.2608	0.0448	0.0448	5.8005
Compensation → OCB	0.0338	0.0245	0.0764	0.0764	0.4427
Competence → Performance	0.2117	0.2094	0.0446	0.0446	4.7432
Competence → OCB	0.2172	0.2114	0.0781	0.0781	2.7813
OCB → Performance	0.7126	0.7147	0.0897	0.0897	7.9438
Quality of Work Life → Performance	0.1619	0.1634	0.0810	0.0810	2.0000
Quality of Work Life → OCB	0.7491	0.7637	0.0767	0.0767	9.7622

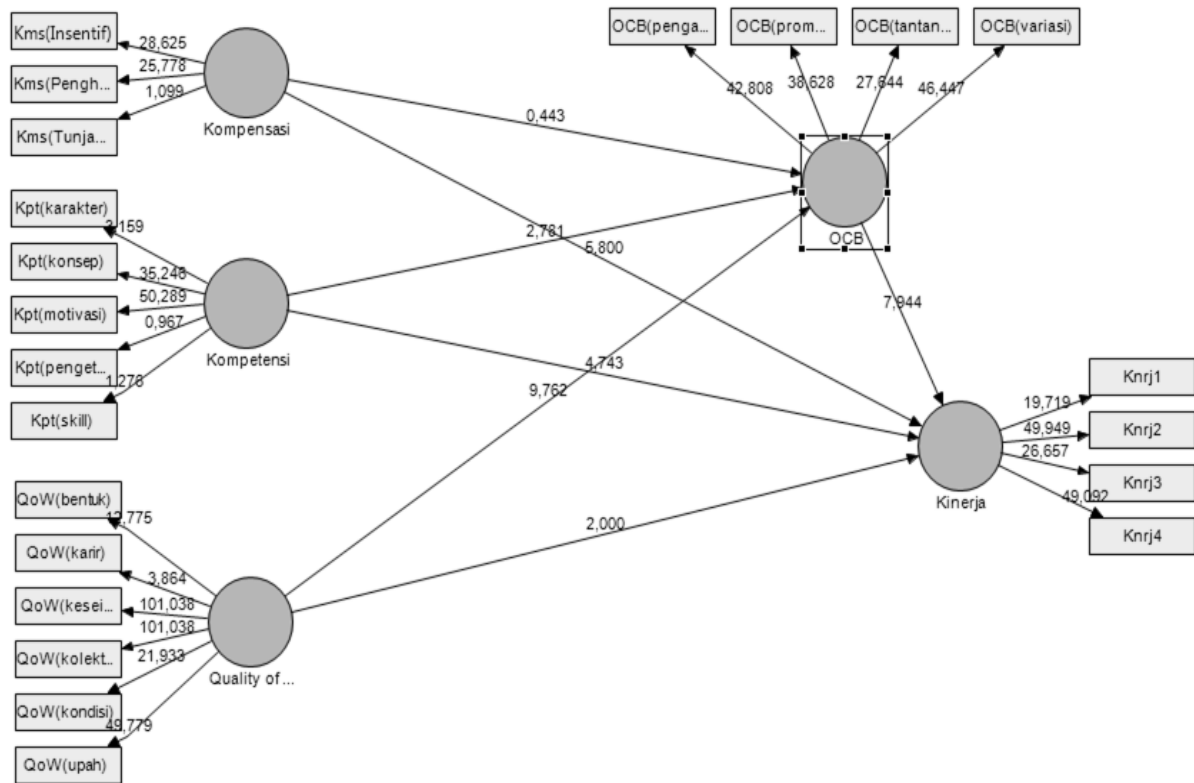


Figure 1. The construct models of the relationship between variables

According to Ghazali and Latan (2012) PLS goal is helping researchers for the purpose of prediction. Model formally defines the latent variables is linear aggregates of the indicators. Weight estimate to create the latent variable component score obtained based on how the inner workings of the model (structural model that links between latent variables) and outer models (model measurement of the relationship between the indicators with the constructs) specified. A variable is said to be significant if it has a value of T Statistics (> 1.96) and the magnitude of the effect seen based on the value of variables constructs Original Sample (O) (Ghozali and Latan, 2012).

Compensation variable is formed by three indicators of allowances, incentives, and rewards (reward). The results of statistical data analysis prove that there is a positive and significant influence between variable compensation to employee performance indicated from the original sample value estimate (r) of 0.2599 with a value of $t = 5.8005 (> 1.96)$. In the present study found a positive and significant influence between compensation and employee performance. This means that the higher the compensation given by the company, the higher the performance of employees. Conversely the lower the compensation given by the company, the lower the performance of employees. Hameed (2014) states that there are several causes that may affect the performance of employees in a company. One of the causes of the various influences that there is compensation in company.

Competency variable has construct indicators include personal character (traits), self-concept, knowledge, skills, and motives (Ruky, 2016). The results of statistical data analysis prove that there is a positive and significant influence between the variables of competence to employee performance indicated from the original sample value estimate (r) of 0.2117 with a value of $t = 4.7432 (> 1.96)$. So that the indicators in the variable competence can be integrated and work together to form an effective performance, then the employee should try to dig deeper to collect more information related to all the job duties, as long as there is a tendency of employees already feel quite able to routine his work without understanding the depth that the dynamics of the office continues to spin and does not rule out new problems will arise in the implementation of job duties. The employees must be able to demonstrate a consistent effort in carrying out all duties and responsibilities because there has been a tendency for employees to feel complacent on what has been achieved so far, so it makes the employees off guard and ended up with his attitude and his behavior (Zaim, 2013).

The last few decades, basic competence is often used for performance assessment. Competence, as a measurement tool, identify behavioral factors associated with job performance and see how the work is done. Therefore, many companies use competency models as part of their employee development program to assess the performance indicators of behavior together with a purpose. Thus, many researchers have claimed that the assessment of employee competencies provide an effective method to predict job performance (Alex, 2015).

The quality of work-life variable consists of the construct indicators includes wages, employment forms, work-life balance and working time, working conditions and job security, access to training and career development, representation of collective interests (Algirdas, 2014). The results of statistical data analysis prove that there is positive and significant correlation between quality of work-life variables on the performance of employees who indicated on the original sample value estimate (r) of 0.1619 with a value of $t = 2.0000 (> 1.96)$. Quality of work life is important factors that affect performance. Quality of work-life program has two objectives: to improve the productivity and performance of employees (Shiney, 2012). Approach to quality of working life trying to meet the perceived needs is important for employees to provide fair treatment, fair and supportive; provide an opportunity for every employee to use the full capabilities. It provides an opportunity to realize themselves and provide an opportunity to actively participate in making important decisions that involve their work in order to achieve optimal performance for each employee.

Organization citizenship behavior variable consists of the construct indicators include variations of the work, the challenge of employment, promotion of fair, and self-esteem (Ladislav, 2014). The results of statistical data analysis prove that there is a positive and significant influence between the variables of organization citizenship behavior to employee performance indicated from the original sample value estimate (r) of 0.7126 with a value of $t = 9.7622 (> 1.96)$. This suggests that a good organization citizenship behavior of employees may increase the effect of compensation, competence, quality of work-life to the performance. So the textile and clothing industry can take advantage of organizational citizenship behavior as a triggering factor in improving employee performance. This is achieved by providing a simulation of the employees in the work so as to realize a good organization citizenship behavior. Therefore, organization citizenship behavior is constructed, can provide the space for further encourage employee behavior towards employee performance improvement (Sharma, 2014).

4. Conclusion

Based on the elaboration and the findings of the study, some conclusion can now be drawn. First, the influence of compensation is positive and significant toward employee performance. This means that the higher the compensation given by the company, the higher the performance of employees. Second, the influence of competence is positive and significant toward employee performance. Competence can be integrated and work together to form an effective performance, then the employee should try to dig deeper to collect more information related to all the job duties. Third, the influence of quality of work-life is positive and significant toward employee performance. Fourth, the influence of organization citizenship behavior positive and significant toward employee performance. Approach to quality of working life trying to meet the perceived needs is important for employees to provide fair treatment, fair and supportive; provide an opportunity for every employee to use the full capabilities. Fifth, the influence of organization citizenship behavior can be variable which can improve the influence of compensation, competence and quality of work-life toward employee performance. Ultimately, the textile and clothing industry can take advantage of organizational citizenship behavior as a triggering factor in improving employee performance.

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