

THE EFFECT OF MOTIVATION AND PERFORMANCE APPRAISAL ON ORGANIZATIONAL COMMITMENT (CASE STUDY AT PT. BANK SULUTGO BITUNG BRANCH OFFICE)

PENGARUH MOTIVASI DAN PENILAIAN KINERJA TERHADAP KOMITMEN ORGANISASI (STUDI KASUS DI PT. BANK SULUTGO CABANG BITUNG)

By:

Ronald Kapantow¹

David P. E. Saerang²

Merinda Pandowo³

Faculty of Economics and Business
International Business Administration (IBA) Program
University of Sam Ratulangi Manado

Email:

¹octavronald@gmail.com

²d_saerang@lycos.com

³inpan@yahoo.com

Abstract: Facing an issue of economic crisis, the leaders were faced with the problem of reduction of the number of employees or frequently called layoffs. The company and organization are looking for alternative in order his company remain stable from productivity and services efficiently and effectively. PT. Bank Sulawesi Utara Gorontalo (Bank SULUTGO) continue to improve the quality of human resources and continue to do training in order to be able to apply the standards of banking so that services to customers and communities increase. The aim of this study is to determine the effect of motivation and performance appraisal on organizational commitment. In this study, population refers to the employees of PT. Bank SULUTGO Bitung Branch Office by using simple random sampling technique and sample size of 60 respondents through questionnaires. This study used multiple regression analysis method. Result and conclusion shows that motivation and performance appraisal significantly influence organizational commitment. Motivation has significantly influence on organizational commitment. While performance appraisal has no significantly influence on organizational commitment.

Keywords: *Human resource management, motivation, performance appraisal, organizational commitment*

Abstrak: Menghadapi masalah krisis ekonomi, pemimpin di hadapkan dengan masalah pengurangan jumlah karyawan atau sering di sebut PHK. Perusahaan dan organisasi mencari alternatif dalam rangka perusahaan tetap stabil dari produktifitas dan layanan yang efektif dan efisien. PT. Bank Sulawesi Utara Gorontalo (Bank SULUTGO) terus meningkatkan kualitas sumber daya manusia dan terus melakukan pelatihan untuk dapat menerapkan standar perbankan sehingga meningkatkan layanan bagi pelanggan dan masyarakat. Tujuan dari penelitian adalah untuk menentukan pengaruh motivasi dan penilaian kinerja terhadap komitmen organisasi. Dalam penelitian ini, populasi mengacu pada karyawan PT. Bank SULUTGO cabang Bitung dengan menggunakan teknik simple random sampling dan sample dari 60 responden melalui kuesioner. Penelitian ini menggunakan metode analisis regresi berganda. Hasil dan kesimpulan menunjukkan bahwa motivasi secara signifikan mempengaruhi komitmen organisasi; sementara penilaian kinerja secara signifikan tidak mempengaruhi komitmen organosasi.

Kata kunci: *Manajemen sumber daya manusia, motivasi, penilaian kinerja, komitmen organisasi*

INTRODUCTION

Research Background

Success in today's competitive market depends less on advantages associated with economies of scale, technology, patents but are more derived from organizational human resources and high involvement of human resource management practices (Tahir M. Quresh, Akbar, Khan, Sheikh and Hijazi., 2010). For an organization to be more effective it should have skillful and innovative employees to work and should also try to retain them.

In an era of economic crisis, the leaders were faced with the problem of changes in structure, changes in the goals and the reduction of the number of employees or frequently called layoffs. Facing an issue is certainly the leader of the company and organization are looking for alternative in order his company remained stable from the productivity and services efficiently and effectively. Those manager needs to apply motivation and performance appraisal as a tool to measure and identify the workers against the company's commitment to achieving the goals of the company.

Motivation can be defined as "the development of a desire within an employee to perform a task to his or her greatest ability based on that individual's own initiative" (Rudolph and Kleimer, 1989). By analyzing this definition, one can as certain, motivation to be the level at which an employee will perform a specified activity for the company, an imperative function for success.

Performance appraisal, as a process of identifying, observing, measuring and developing human performance in organizations (Cardy and Dobbins, 1994:803), The process is also viewed as making an important contribution to effective human resource management, as it is closely linked to organizational performance (Erdogan, 2002).

Every year establish companies involve their employees in motivational activities because they have realized that organizational growth and effectiveness depend on the growth of the individuals. The present study has some important implications for the human resource administration of banks. The study reveals that there is a positive and significant impact of performance appraisal on the organizational commitment of bank employees. Most importantly these banks should focus primarily on three aspects of performance appraisal i.e., the awareness of existing appraisal, fairness in the appraisal and performance based payment practices (Singh and Shika, 2015).

The organizational commitment is defined as the relative strength of an individual's identification with and involvement in a particular organization. Employees who have strong organizational commitments are characterized as having strong belief in the values and goals of the organization, willing to step up efforts in the interests of the organization and have a strong desire to remain in the organization. This model of commitment is also known as affective or attitudinal commitment that explains the organizational commitment from the perspective of the employees' attitude towards the organization (Mowday, 1998; Allen and Mayer., 1990). Another popular definition is based on the multidimensional nature of organizational commitment there is a growing support for a three component model proposed by Meyer and Allen (1990:61). All three components have implications for the continued participation of the individuals in the organization. The three components are: (a) affective commitment; psychological attachment to organization (b) continuance commitment; costs associated with leaving the organization (c) normative commitment; perceived obligation to remain with the organization.

Research Objectives

Regarding the problems which have been formulated and identified that are mentioned in previous section, the following research objectives are:

1. To analyze the significant effect of motivation and performance appraisal on organizational commitment simultaneously
2. To analyze the significant effect of motivation on organizational commitment partially
3. To analyze the significant effect of performance appraisal on organizational commitment partially.

THEORETICAL FRAMEWORK**Human Resource Management**

Human resource management (HRM) can be seen as the design of formal systems in an organization to ensure effective and efficient use of human talents to accomplish organizational goals. Human resource management are the organization's methods and procedures for managing people to enhance skills and motivation also activities to enhance the organization's ability to attract, select, retain and motivate people. Griffin (2010:40), defined human resource management as the set of organizational activities directed attracting, developing and maintaining an effective workforce. Human resource management concerns the procurement or recruitment, staffing, welfare, maintenance, training and retraining, placement, promotion, motivation relationship, compensation or rewards, transfer and discipline of staff. It lies at the care of the efficiency of the organization.

Organizational Commitment

According to Bateman and Strasser (1984), Organizational commitment is the willingness to continue employment with an organization, to be loyal to the employing organization, to put exert extra effort for the achievement of organizational goals, and the level of identification of employee's and his employing organization's goals. A wide variety of definitions and measures of organizational commitment exist. Becker, Randal, and Riegel (1995:21) defined the term in a three dimensions: A strong desire to remain a member of a particular organization; a willingness to exert high levels of efforts on behalf of the organization; a define belief in and acceptability of the values and goals of the organization.

Motivation

Motivation can be defined as the power (energy) of a person who can rise to the level of persistence and his enthusiasm in carrying out an activity, whether originating in the individual itself as intrinsic motivation or from outside individuals as extrinsic motivation (Robbins, 2001:250).

Intrinsic Motivation

A study by Hayati and Caniago (2012:272), found that those who are more motivated intrinsic with their jobs are more satisfied their job and performed well in their job. However, despite its significance, the person's behavior is not because of they are fundamentally motivated, but it is because of external factors (Schulze and T. Steyn, 2003:138). This is called extrinsic motivation and it involves every activity undertaken to achieve distinguished results than the activity itself. In the context of a career, extrinsic motivation can be referred as a desire to meet the needs and wants that was not related to the work itself.

Performance Appraisal

Performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. Other aspects of individual employees are considered as well, such as organizational citizenship behavior, accomplishments, potential for future improvement, strengths and weaknesses (Manasa and Reddy 2009). According to Muczyk and Gable (1987), "How performance is managed in an organization determines to a large extent the success or failure of the organization. Therefore, improving performance appraisal for everyone should be among the highest priorities of contemporary organizations".

Previous Research

The first researcher state motivational factor influence organizational commitment and effectiveness, Idris Adamu Alhaji and Wan Yusoff (2012), using Keller's (1998) ARCS model identifies the four major components of human motivation: Attention, Relevance, Confidence, Satisfaction. Known as proven by research that motivated employees are satisfied and will increase their inputs to the highest level, and they will also contribute

to the overall success of the organization. The second research investigated the impact of performance appraisal on organizational commitment of Bank employees, S. P. Singh and Shikha Rana (2015). Contemporary research studies have revealed that performance evaluation practices have a significant and positive impact on the performance of employees. Former studies have also reported that performance appraisal is positively related to productivity. The third research paper examines the Effective HRM practices includes performance appraisal that motivates the employees and keeps them satisfied with their jobs and committed towards their organization, Saxena Neha and Rai Himanshu (2015). The results of the study found employees who were satisfied with the performance appraisal system of their organization were also satisfied with their job and were committed to their organization.

Conceptual Framework

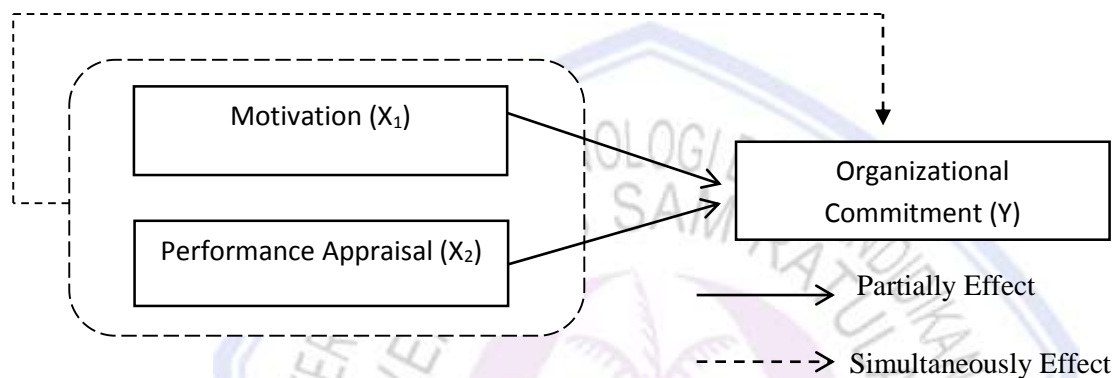


Figure 1 Conceptual Framework

Source: Data Processed, 2017

Research Hypothesis

- H₀ : Motivation and Performance Appraisal have no significant effects on Organizational Commitment of PT. Bank SULUTGO Bitung Branch Office
- H₁ : Motivation and Performance Appraisal effect Organizational Commitment simultaneously.
- H₂ : There is significant effect of motivation on organizational commitment partially.
- H₃ : There is significant effect of performance appraisal on organizational commitment partially.

RESEARCH METHOD

Type of Research

This research uses causal type of research which is a type that determines if one variable causes another variable to occur or change. Causal research, also called explanatory research is the investigation of research into cause-and-effect relationships (Brains., Willnat., Manheim., and Rich., 2011:76).

Place and Time of Research

This research was conducted in PT. Bank SULUTGO Bitung Branch Office at October 2016 until January 2017.

Population and Sample

Generally, this study focuses on bank employees working in PT. Bank SULUTGO the population that is mainly observed in this research are the employees who work at PT. Bank SULUTGO Bitung Branch Office. The samples of this research are 60 respondents. This research used simple random sampling.

Data Collection Method

The data used in this research consist of 2 types between primary data through questionnaire and secondary data taken from books, journal, and relevant literature from library and internet to understand the theoretical support in this research.

Operational Definition and Measurement of Research Variable

1. Motivation (X1)

Motivation is the encouragement of employee's attitude dealing with the situation of employment, to commit their time and effort to work in PT. Bank SULUTGO Bitung Branch Office.

Keller, (2006) ARCS design process: Attention; Arouse employee curiosity and interest, Relevance; Relate to employee's experiences and needs, Confidence; Scaffold employee's success of meaningful tasks, Satisfaction; Build employee's sense of reward and achievement.

2. Performance Appraisal (X2)

Performance appraisal is a system and process which assesses an individual employee's job performance and productivity in PT. Bank SULUTGO Bitung branch Office.

B. K. Punia, (2009) Measuring 4 dimension of performance appraisal: Awareness of existing performance appraisal, Performance based payment practices, Significance of existing performance appraisal, Fairness in appraisal.

3. Organizational Commitment (Y)

Organizational commitment is the willingness to continue employment with an organization, to be loyal to the employing organization, to put extra effort for the achievement of organizational goals in PT. Bank SULUTGO Bitung Brach Office.

Meyer and Allen, (1990) a three-component conceptualization of organizational commitment: Affective commitment, Continuance commitment, Normative commitment.

Data Analysis Method

Validity and Reliability Test

Validity is extent to which a construct measures what it is supposed to measure. An easy measure of validity would be to compare observed measurement with the true measurement (Hair et al, 2010:88). Reliability test is established by testing for both consistency and stability of the answer of questions. Consistency indicates how well the items measuring a concept hang together as a set. Alpha cronbach is reliable coefficients that can indicate how good items in asset have positive correlation one another (Sekaran, 2003:40).

Multiple Regression Analysis Method

Cooper and Schindler (2003:57) started that linear regression analysis is a technique to observed value or more than one X to estimate or predict corresponding Y value. The equation model of multiple regression analysis which used in this research can formulated as shown below:

$$Y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n + e$$

Notation:

- Y = Organizational Commitment
- X₁ = Motivation
- X₂ = Performance Appraisal
- a = Constant (value Y if X₁, X₂ ... X_n = 0)
- b = regression Coefficient (value increase or decrease)
- e = Error

RESULT AND DISCUSSION**Validity and Reliability****Table 1 Validity Test**

		Correlations			
		Motivation	Performance Appraisal	Organizational Commitment	Total
Motivation	Pearson Correlation	1	.634**	.601**	.873**
	Sig. (2-tailed)		.000	.000	.000
	N	60	60	60	60
Performance_ Appraisal	Pearson Correlation	.634**	1	.499**	.856**
	Sig. (2-tailed)	.000		.000	.000
	N	60	60	60	60
Organizational_ Commitment	Pearson Correlation	.601**	.499**	1	.813**
	Sig. (2-tailed)	.000	.000		.000
	N	60	60	60	60
Total _X1_X2_Y	Pearson Correlation	.873**	.856**	.813**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	60	60	60	60

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

Source: Data Processed, 2017

From the result in table 1 it can be seen that value of correlation index for relationship among variable independents (Motivation and Performance Appraisal) with variable dependent (Organizational Commitment) are greater than 0.3 and below the significant level of 5% (0.05). The Correlation between Motivation (0.873) Performance Appraisal (0.856) with Organizational Commitment (0.813) shows a positive relationship. Therefore, the data is considered as valid.

Table 2 Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.801	3

Source: Data Processed, 2017

Table 2 shows that Alpha Cronbach is 0.801 which mean that value of Alpha Cronbach is higher than the acceptance limit of 0.6 and it indicates that the data is acceptable or indicates good internal consistency. Therefore the research instrument is reliable.

Table 3 Multiple Linear Regression Output

		Coefficients^a				
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	7.209	2.225		3.240	.002
	Motivation	.470	.133	.475	3.532	.001
	Performance_Apraisal	.170	.115	.198	1.475	.146

a. Dependent Variable: Organizational_Commitment

Source: Data Processed, 2017

Recall that the Multiple Linear Regression model is used to determine the effect of several independent variables on a dependent variable. The computation was done by using SPSS 24 software. The computerized calculation ensures the accuracy of the analysis. From the result in the table above, the model define as:

$$Y = 7.209 + 0.470 X_1 + 0.170 X_2$$

The Result of Classical Assumption Test

Table 4 Multicollinearity Test

Model	Coefficients^a				
	Correlations			Collinearity Statistics	
	Zero-order	Partial	Part	Tolerance	VIF
(Constant)					
Motivation	.601	.424	.367	.598	1.673
Performance_Appraisal	.499	.192	.153	.598	1.673

a. Dependent Variable: Organizational_Commitment

Source: Data Processed, 2017

Table 4 shows the tolerance of Motivation (X_1) is 0.598, and Performance Appraisal (X_2) is 0.598, it means that the tolerance values of both variables are greater than 0.2 it is a good fit. The VIF value of Motivation (X_1) and Performance Appraisal is (X_2) 1.673 it means that the VIF values of both variables are less than 10. Since all the tolerance value is more than 0.2 and the VIF value is less than 10, the model concluded to be free from multicollinearity.

Heteroscedasticity

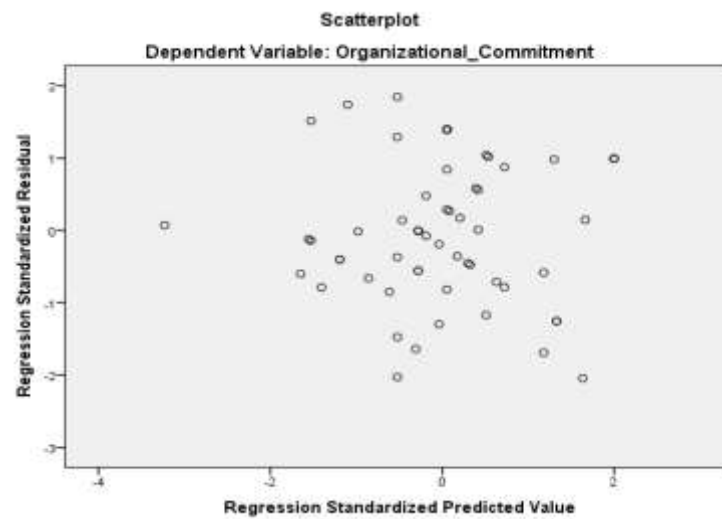


Figure 2 Heteroscedasticity Result
 Source: Data Processed, 2017

Figure 2 above, it can be seen that there is no established pattern. The pattern of the dots is spreading and do not clear pattern. In other words the graph describing the plot spread above and below the number 0 (zero) on the Y axis. This proves that Motivation and Performance Appraisal on Organizational Commitment are free from heteroscedasticity.

Normality

Figure 3 Normality Test

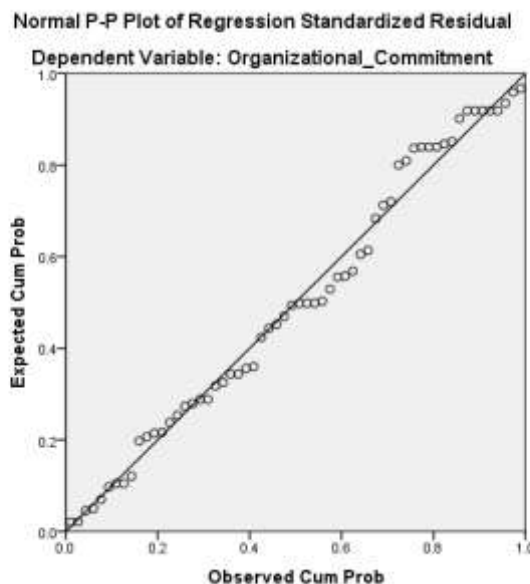


Figure 3 Normality Test
 Source: Data Processed, 2017

Figure 3 show the data represented by the dots are spreading near and follow the direction of diagonal line. This proves that regression model of the influence of Motivation (X_1) and Performance Appraisal (X_2) on Organizational Commitment (Y) fulfills the condition and passed the normality test.

Hypothesis Testing

F-Test

F-Test is any statistical test intended to determine whether the independent variables simultaneously influence the dependent variable. This test is done by comparing the F_{count} with F_{table} . If $F_{\text{count}} > F_{\text{table}}$ as confidence level of 95% $\alpha=0.05$).

Table 5. F-Test Simultaneous Analysis Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	116.202	2	58.101	17.786	.000 ^b
	Residual	186.198	57	3.267		
	Total	302.400	59			

a. Dependent Variable: Organizational_Commitment

b. Predictors: (Constant), Performance_Appraisal, Motivation

Source: Data Processed, 2017

The F value from F distribution table is $F_{\text{table}} = 3.158$, while the value of F_{count} from the table above is $F_{\text{count}} = 17.786$. It means, $F_{\text{count}} = 17.786 > F_{\text{table}} = 3.158$. The table also shows that the significance value is $0.000 < 0.05$. H_0 is rejected and H_1 is accepted. It means that the independent variables significantly affect the dependent variable simultaneously. Therefore, hypothesis is accepted.

T-test

T-Test is any statistical test intended to determine the partial effect of each independent variable (X) to dependent variable (Y).

Table 6. T-test Result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	7.209	2.225		3.240	.002
	Motivation	.470	.133	.475	3.532	.001
	Performance_Ap praisal	.170	.115	.198	1.475	.146

a. Dependent Variable: Organizational_Commitment

Source: Data Processed, 2017

Table 6 shows that T_{count} for Motivation (X_1) is 3.532. Value on T_{table} used for comparison is found at the level of significance of 0.05, which is at the value of $T_{\text{table}} = 2.002$. The result for Motivation (X_1) is $T_{\text{count}} = 3.532 > T_{\text{table}} = 2.002$ meaning that H_0 is rejected and H_1 is accepted. The result of this test can be used to declare that Motivation (X_1) has significant partial influence on Organizational Commitment (Y).

Table 6 shows that T_{count} for Performance Appraisal (X_2) is 1.475. Value on T_{table} use for comparison is found at the level of significance of 0.05, which is at the value of $T_{\text{table}} = 2.002$. The result for Performance Appraisal (X_2) is $T_{\text{count}} = 1.475 < T_{\text{table}} = 2.002$ meaning that H_0 is accepted and H_1 is rejected. The result of this test can be used to declare that Performance Appraisal (X_2) has no significant partial influence the Organizational Commitment (Y).

Discussion

Organizational commitment became a critical factor for maintaining both the human resource and company's activity. A strong desire, a willingness to exert high levels of efforts and define acceptability of the values and goals of the organization become a part of individual motivation to perform well and belief that their job is important for development of their company.

In this research discover there are factors that influence organizational commitment on PT. Bank SULUTGO Bitung Branch Office. The value of validity and reliability in this research also confirm that the data in this research are valid and reliable. Based on the F-test result, there is a linear relationship in this multiple regression equation model. In other words both of motivation and performance appraisal influence organizational commitment simultaneously.

Both independent variables have positive impacts on dependent variable. This proves the theory that motivation and performance appraisal have a positive impact on company goals through organizational commitment.

CONCLUSIONS AND RECOMMENDATION

Conclusions

Based on the result of analysis and discussion in this research, several conclusions can be formulated.

1. Motivation and Performance Appraisal are simultaneously influence the Organizational Commitment at PT. Bank SULUTGO Bitung Branch Office.
2. Motivation has significant influence to Organizational Commitment at PT. Bank SULUTGO Bitung Branch Office.
3. Performance Appraisal does not have significant influence to Organizational Commitment at PT. Bank SULUTGO Bitung Branch Office.

Recommendation

There are three practical recommendations that can be concluded from overall result in this research, which are listed as follow:

1. Motivation is very important for employees to maintain its performance in order to commit their time and effort to work. For example, employers seeking to retain good and productive employees might use this research to improve their employee engagement policies, programs, and practices. The company need to concern that the motivation of employees impact positively in order to achieve the organizational commitment.
2. Appraisals are also important to help staff member improves their performance and as an avenue by which they can be rewarded or recognize for a job well done. Although performance appraisal does not have a significant influence on organizational commitment partially, it does not mean that the performance appraisal can be disregarded. This is no way to manage and motivate employee.
3. Taking into account the employee's performance is assed, then the company will set the value of compensation salary increases or bonuses periodically for employees concerned or compensation could also be a rise in the post or position that is often known as promotion office. The previous year's assessment will be reference in the granting of compensation in the current year.

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