

**THE EFFECT OF EMPLOYEE MORALE AND FACILITIES TOWARD EMPLOYEE EFFICIENCY OF PT ASTRA INTERNATIONAL TBK – DAIHATSU MANADO**

PENGARUH MORAL KARYAWAN DAN FASILITAS TERHADAP EFISIENSI PELAKSANAAN KERJA KARYAWAN DI PT ASTRA INTERNATIONAL TBK – DAIHATSU MANADO

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**Abstract:** *Automotive industries in Indonesia are in a fierce competition to win consumers' choice. It is shown by discount competition which triggered by over production. Thus, the companies always try their best to maximize the performance of its employees in order to achieve their targeted goals to survive and compete in the industry. The objective of this research is to identify the effect of Employee Morale and Facilities toward Employee Efficiency. In this research, the population refers to the employees of Astra International Daihatsu Martadinata Manado which equals to the sample size that are 68 respondents. This research used associative method by using questionnaires and Multiple Regression analysis for data analysis. Result show that Employee Morale and Facilities have significant effect on Employee Efficiency simultaneously and partially. To maximize the efficiency of employees, employees must feel satisfied, happy and accepted with the company supported with high level of work ethic. A company needs to improve the way a company treats their employees, in term of the salary, recognition, rewards, and facilities.*

**Keywords:** *employee morale, facilities, employee efficiency*

**Abstrak:** *Industri otomotif di Indonesia saat ini berada dalam persaingan sengit untuk meraih konsumen. Hal ini ditunjukkan oleh tawaran berbagai diskon yang dipicu oleh kelebihan produksi. Perusahaan selalu mencoba yang terbaik untuk memaksimalkan kinerja karyawannya dalam rangka mencapai tujuan yang ditetapkan. Tujuan penelitian ini untuk mengidentifikasi pengaruh Moral Karyawan dan Fasilitas terhadap Efisiensi Pelaksanaan Kerja Karyawan. Populasi yaitu karyawan Astra International Daihatsu Martadinata Manado yang jumlahnya sama dengan ukuran sampel yaitu 68 responden. Penelitian ini menggunakan metode asosiatif dengan menggunakan kuesioner dan teknis analisis Regresi Berganda. Hasil penelitian menunjukkan Moral Karyawan dan Fasilitas baik secara bersama maupun parsial berpengaruh signifikan terhadap Efisiensi Pelaksanaan Kerja Karyawan. Untuk memaksimalkan efisiensi karyawan, karyawan harus merasa puas dan merasa diterima perusahaan, ditunjang dengan etos kerja yang baik. Sebuah perusahaan perlu meningkatkan lagi cara perusahaan memperlakukan karyawannya, dalam hal gaji, penghargaan dan fasilitas kesejahteraan.*

**Kata kunci:** *moral karyawan, fasilitas, efisiensi pelaksanaan kerja karyawan*

## INTRODUCTION

### Research Background

Employees are the most valuable asset of a company since employees are the paramount importance in the success of any company. Successful companies are supported with high dedicated employees that have willingness to build up the company in a way to be better in term of performance and productivity. PT Astra International Tbk is one of the largest automotive companies in Indonesia and the authorized agent for Daihatsu. From the past few years Astra has shown their commitment to develop their business. It is proven that the subsidiaries of Astra keep increasing and now it has reached 156.097 subsidiaries all over Indonesia, as well as the number of employees continues to grow until it has reached 225.580 employees all over Indonesia.

Astra's Annual Report 2014 has shown that Astra made incredible performance in the past few years. It is shown that Astra's net revenue kept increasing. As the year moves to 2015 Astra faces great challenge due to the automotive contribution, agribusiness, infrastructure and logistics downtrend, the downtrend of automotive sector is affected by the national economics which went slow in first quarter of 2015 and also the discount competition in automotive industry which triggered by over production and affected the automotive business, as said the President Director of PT Astra International Tbk.

One of Astra's subsidiaries is PT Astra International Tbk – Daihatsu Manado Martadinata which is right now aggressively doing promotion such as free spare parts service and prizes to its customers, as reported by Watania (2015) in *Tribun News Manado*. This situation shows that PT Astra International Tbk – Daihatsu Manado is showing they are taking contribution in a fierce competition among automotive companies in Indonesia especially in Manado.

Considering the challenges that Astra has faced in 2015 including the fact that automotive industry is in a tight competition, especially in Manado, this study aims to find out what is the company does to keep its employees in good working condition such as maintain their facilities and keep the employee morale high to maximize the performance of its employees to achieve goals and stay competing in the industry, and do these two factors; employee morale and facilities have significant impact to efficiency of the employees.

### Research Objectives

This research aims to identify the effect of:

1. Employee Morale and Facilities on Employee Efficiency simultaneously
2. Employee Morale on Employee Efficiency partially
3. Facilities on Employee Efficiency partially.

## THEORETICAL FRAMEWORK

### Theories

#### Human Resources Management

Armstrong (2006:30) defined that human resource management is as a strategic and coherent approach to the management of an organization's most valued assets – the people who individually and collectively contribute to the achievement of its objectives. Human Resource policies and practices of an organization are significantly important forces for determining behavior and insolvency of employees (Bowra et al., 2012). Human Resources can be concluded as the function that is run in an organization with the purpose to maximize the performance of the employees.

#### Employee Morale

Tiwari (2014) stated that, morale is an employee's attitude toward his or her job, employer, and colleagues. Employee morale as the psychological state with respect to satisfaction, confidence and resolve; the attitude of an individual or group of employees. Employee morale within an organization has a direct impact on the satisfaction level of its customers and the company's ultimate success (Fretwell, 2002). Employee morale can be concluded as an overall outlook of employee's attitude during their work hours that has impact on company's performance as a whole.

### Employee Facilities

Employee facilities means the facilities provided to the employees in addition to the statutory requirements and with the intention of enhancing the general well-being of the employees (Pravin, 2010:417). Sindhu (2012) explained that organizations provide facilities to their employees to keep their motivation levels high. Business houses provide many such statutory and non statutory things policies to maintain satisfactory level of their employee. In conclusion, employee facilities refer to the facilities provided by the company to support the employee satisfaction during their working period time.

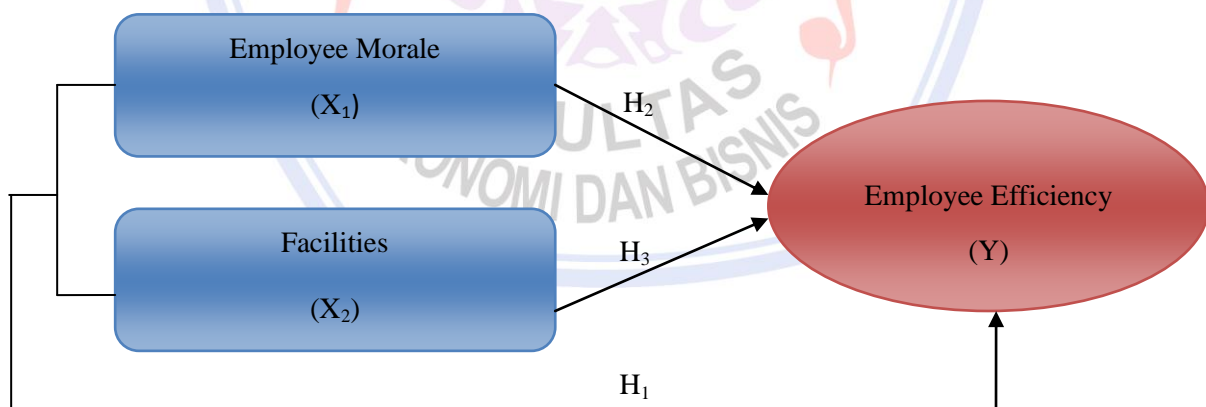
### Employee Efficiency

Wankhede & Gujarathi (2014) stated that the efficiency of employee is the state or quality of being efficient, in other words a person is to say competent or capable to do a specific work. Taormina & Gao (2009) explained that since efficiency is considered to be a means to achieve organizational goals, high efficiency is desired by management for their organizations to attain high effectiveness. Employee efficiency can be concluded as the capability of the employees to get the work done with least waste.

### Previous Research

Tiwari (2014) from the research a study on employee morale and its impact on employee efficiency at Jaypee Cement Plant Rewa (M.P.) has shown that the most important factor contributing employee morale are relationship with fellow workers, team spirit in direct work environment, working condition of workplaces, leaves and holidays provided, management and employees are allowed to talk freely. Tiwari (2014) from a study on employee welfare facilities and its impact on employee efficiency at Vindha Telelinks Ltd Rewa (M.P.) India has shown that the employee welfare facilities provided by the company to employees are satisfying and commendable, but still of scope is there for further improvement. So that efficiency, effectiveness, and productivity can be enhanced to accomplish organizational goals. Wei & Taormina (2011) from Factors influencing work efficiency in China found out that creativity and resilience, esteem from others, attribution to self, conscientiousness, self-confidence, and organizational socialization (Training, Understanding, Coworker Support) have positive relationships to work efficiency while attribution to others and future prospects do not have positive relationship to work efficiency.

### Conceptual Framework



**Figure 1. The Conceptual Framework**

*Source: Data Processed, 2015*

### Research Hypothesis

- H<sub>1</sub>: Employee Morale and Facilities have simultaneous effect on Employee Efficiency at PT Astra International Tbk – Daihatsu Manado
- H<sub>2</sub>: Employee Morale has partial effect on Employee Efficiency at PT Astra International Tbk –Daihatsu Manado
- H<sub>3</sub>: Facilities has partial effect on Employee Efficiency at PT Astra International Tbk – Daihatsu Manado

## RESEARCH METHOD

### Type of Research

This research type is causal research where it will determine and investigate the effect of Employee Morale and Facilities toward Employee Efficiency at PT Astra International Tbk – Daihatsu Manado Martadinata.

### Place and Time of Research

This research is conducted at PT Astra International Tbk – Daihatsu Manado Jl. Martadinata Paal Dua, between May – July 2015

### Population and Sample

Sekaran & Bougie (2010:262) defined that population is the entire group of people, events, of things of interest that the researcher wishes to investigate. The population that is mainly observed in this current research is the employees of PT Astra International Tbk – Daihatsu Manado Martadinata. Kotler, et al., (2012:167) stated that sample is a segment of the population selected for marketing research to represent the population as a whole. As stated by Roscoe (1975) in Hill (1998) the sample size of this research is minimum ten times larger than the number of variables being considered. Since there are three variables in this research, so the minimum respondents will be 30 respondents. In this research, all the employees of PT Astra International Tbk – Daihatsu Manado Martadinata that are 68 respondents as the population will be the sample for this research.

### Data Collection Method

Primary data were taken from the result of questionnaires that are distributed to 68 respondents that are the employees of PT Astra International Tbk – Daihatsu Manado Martadinata. The secondary data were taken from books, journals, company archives, and relevant literature from library and internet.

### Operational Definition and Measurement of Research Variables

1. Employee Morale ( $X_1$ ) refers to emotions, satisfaction and overall attitudes that the employees may have expressed and shown during their job
2. Facilities ( $X_2$ ) refers to statutory and non-statutory facilities that PT Astra International Tbk has offered to the employees exchange for the work and task that have been done by the employees.
3. Employee Efficiency ( $Y$ ) is a complex measurable parameter which characterizes an output produced by efforts and by achievements of the employees.

### Data Analysis Method

#### Validity Test

Validity is the 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., 2007:246). Nasution and Usman (2008) in The (2011) explained that validity test can be conducted by looking at the MSA (Measures of Sampling Adequacy). If the MSA value above 0.5 then the data can be confirmed valid, so it can be used for further tests or analysis

#### Reliability Test

Reliability is determined by repeatedly measuring the construct of variable of interest. The higher the degree of associations between the scores derived through this repeated measurement, the more reliable the scale (Malhotra & Peterson 2006:273)

### Multiple Regression Analysis

Cooper & Schindler (2001:767) stated that multiple regression analysis is a technique to observe value of more than one  $X$  to estimate or predict corresponding  $Y$  value. Multiple regression is a descriptive tool used to: 1. Develop a self-weighting estimating equation by which to predict values for a dependent variable from the values of independent variables, 2. Control confounding variables to better evaluate the contribution of other variables or, 3. Test and explain causal theory:  $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$

Description:

$Y$  = Employee Efficiency

$A$  = Intercept

$\beta_1 \beta_2$  = The regression coefficient each variable

$X_1$  = Employee Morale

$X_2$  = Facilities

$e$  = error

## RESULT AND DISCUSSION

### Result

#### Validity and Reliability

The value of Measures of Sampling Adequacy (MSA) of the indicators are all above the acceptance limit 0.5, therefore the research instrument is valid. The Reliability test is done by looking at the Alfa Cronbach value, in this research the value of Alfa Cronbach is 0.813, which is above the acceptance limit of 0.6, therefore the research instrument is reliable.

#### Classical Assumptions

##### Multicollinearity

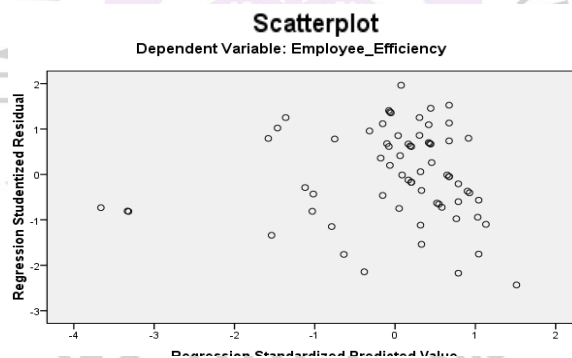
**Table 1. Multicollinearity Result**

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Employee Morale	.410	2.440
Facilities	.410	2.440

Source: Data Processed, 2015

The results in the table above, it can be seen that each of independent variables is more than 0.2, and the VIF value of each independent variable is less than 10. Therefore, this research is free from multicollinearity.

##### Heteroscedacity

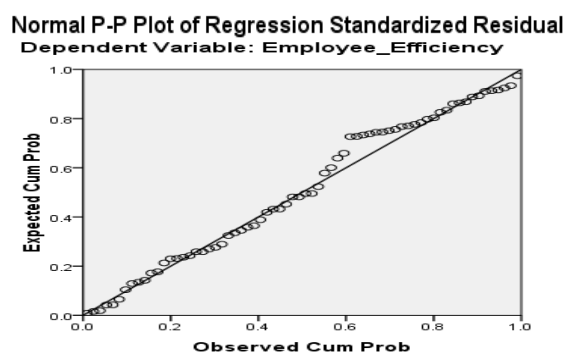


**Figure 2. Heteroscedacity Test Result**

Source: Data Processed, 2015

Heteroscedasticity occurs if the dots form certain patterns. In this research the dots spreading above and below of zero point in ordinate. This is proved that there is no heteroscedasticity in this regression.

##### Normality



**Figure 3. Normality Test Result**

Source: Data Processed, 2015

Testing the normality assumption is to test whether the regression model, the independent variables have a normal distribution or not on dependent variable. Regression model is good if the data distribution is normal or near normal, if the data is spread around the diagonal line and follow the direction of the diagonal line, then the regression fulfill the normality assumption. From this research, dots are spread around the diagonal line in the direction of diagonal line. This proves that the model regression of this research is met with normality test.

### Multiple Regression Analysis

**Table 2. Multiple Regression Result**

Model	Unstandardized Coefficients		Standardized Coefficient	t.	Sig.
	B	Std. Error	Beta		
1 (Constant)	.679	.322		2.110	.039
Employee Morale	.452	.116	.437	3.889	.000
Facilities	.409	.107	.430	3.827	.000

a. Dependent Variable: Employee Efficiency

Source: Data Processed, 2015

The equation as follows:  $Y = 0.679 + 0.452 X_1 + 0.409 X_2$

The explanations of the equation are:

1. Constant 0.679 shows the influence of Employee Morale ( $X_1$ ), Facilities ( $X_2$ ) to the Employee Efficiency. It means that, in a condition where all independent variables are constant (zero), Employee Efficiency (Y) is predicted to be 0.679.
2. 0.452 is the slope of  $X_1$  (Employee Morale), means that if there is one unit increase in  $X_1$  while other variables are constant, then Y is predicted to increase by 0.452.
3. 0.409 is the slope of  $X_2$  (Facilities), means that if there is one unit increase in  $X_2$  while other variables are constant, then Y is predicted to increase by 0.409.

**Table 3. Result of R and R<sup>2</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.815 <sup>a</sup>	.664	.654	.25741

a. Predictors: (Constant), Facilities, Employee Morale

Source: Data Processed, 2015

The value of R is 0.815 which indicates a strong positive relationship between independent and dependent variable. The value of R<sup>2</sup> is 0.664, means that Employee Morale and Facilities as independent variables able to influence Employee Efficiency as much as 66.4% while the rest is explained by other factors not included in this research.

### Hypothesis Testing

**Table 4. F – Test Result**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	8.510	2	4.255	64.219	.000 <sup>b</sup>
Residual	4.307	65	.066		
Total	12.817	67			

a. Dependent Variable: Employee Efficiency

b. Predictors: (Constant), Facilities, Employee Morale

Source: Data Processed, 2015

By using the Degree of Freedom (df) of 2:65, the F table from F distribution table is  $F = 3.14$ , while F count is 64.219. The result is  $F \text{ count} > F \text{ table} = 64.219 > 3.14$ . Since the F count is greater than F table  $H_0$  is rejected and  $H_1$  is accepted, means that independent variables simultaneously influence the dependent variable.

**Table 5. T – Test Result**

Model	Unstandardized Coefficients		Standardized Coefficients	t.	Sig
	B	Std. Error	Beta		
1 (Constant)	.679	.322		2.110	.039
Employee Morale	.452	.116	.437	3.889	.000
Facilities	.409	.107	.430	3.827	.000

a. Dependent Variable: Employee Efficiency

Source: Data Processed, 2015

Table 5 above shows that t count of Employee Morale is 3.889, and since the level of significance is 5% (0.05), then the t table is 1.998. The result is t count = 3.889 > t table = 1.998. Since t count is greater than t table means that variable Employee Morale significantly influences Employee Efficiency. T count of facilities is 3.827, and since the level of significance is 5% (0.05), then the t table is 1.998. The result is t count = 3.827 > t table = 1.998. Since t count is greater than t table means that variable Facilities significantly influences Employee Efficiency.

## Discussion

### Employee Morale and Employee Efficiency

Employee Morale in this research measured by these indicators: belonging, recognition, involving, enthusiasm, advancement opportunities, commitment, loyalty, teamwork, compensation, and employee relationship. Based on the data gathered by questionnaires, the average answer of this Employee Morale are 4 (agree) and 5 (strongly agree). It means that the indicators of Employee Morale have significantly influence on employee efficiency in PT Astra International Tbk – Daihatsu Manado. Tiwari (2014) has done a research called A Study on Employee Morale and its Impact on Employee Efficiency at Jaypee Cement Plant Rewa (M.P.) which has shown relationship with fellow workers, team spirit in direct work environment, working condition of workplaces, leaves and holidays provided, management and employees are allowed to talk freely are the most important indicators to employee efficiency. While in this research the strongest impact to employee efficiency is recognition and the weakest is the commitment, while the rest still have positive impact to employee efficiency.

### Facilities and Employee Efficiency

Facilities in this research were measured by statutory and non statutory facilities provided by the company. Statutory facilities are canteen facilities, drinking water, proper and sufficient lighting, facilities for sitting, and rest rooms. Non statutory schemes are personal health care, holiday allowance, employee assistance programs, health allowance, and annuity. Based on the data gathered by questionnaires, the average answer of the respondents are 4 (agree). It means that the statutory and non-statutory facilities provided by the company influence significantly to the employee efficiency. This study found out that PT Astra International Tbk – Daihatsu has done good job in providing facilities to its employees, but there is still a room for improvement. Tiwari (2014) has done a research called A study on Employee Welfare Facilities and its Impact on Employees Efficiency at Vindha Telelinks Ltd. Rewa (M.P.) India, which resulted that educational facility, canteen facility, health care and safe drinking water are the most important factors. While in this research that the most important factor is personal health care which but the weakest factor is canteen facility.

## CONCLUSION AND RECOMMENDATION

### Conclusion

The conclusions from this research are as follow:

1. Employee Morale and Facilities have significant effect on Employee Efficiency
2. Employee Morale has significant effect on Employee Efficiency
3. Facilities has significant effect on Employee Efficiency

## Recommendation

Therefore, several recommendations given are:

1. Employees must improve the overall attitude towards the job, such as emotional, satisfaction, outlook, and feelings of well being an employee has within a workplace within. There must be win-win situation between the company and the employees.
2. To maintain the morale of the employees, a company has to give good facilities to the employees, either statutory or non statutory. In this research, a company is doing good job at providing facilities to its employees, but there's still room for improvement
3. To maximize the efficiency of employees, employees must feel satisfied, happy and accepted with the company, supported with high level of work ethic. A company needs to improve the way a company treats its employees, in term of the salary, recognition, rewards and facilities.

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