

PROGRAM OF PT TIRTA INVESTAMA (DANONE AQUA) AIRMADIDI ADDRESSING MEA BY EVALUATING THE WELFARE BY USING THE IMPORTANCE AND PERFORMANCE ANALYSIS

Stevie A. Lasut

Faculty of Economics, Manado State Univeristy, Tondano, North Sulawesi
email: stevielasut@gmail.com

ABSTRACT

Aqua is a brand of packaged water in Indonesia that is produced by PT Aqua Golden Mississippi Tbk since 1973. It is a very well-known brand of packaged water and has become the generic brand of packaged water in Indonesia. The objective of this research is to analyze the importance and performance of Employee Welfare Program in PT Tirta Investama (Danone AQUA) Airmadidi. Based on the data analysis this research found that Employee welfare programs that have high importance and low performance or labeled as “*concentrate here*” are National Security for the workforce (JAMSOSTEK)/BPJS membership and Economic Enterprise, “*keep up the good work*” are Outside Workplace Accident Insurance, Life Insurance, Place of Worship and Recreation and employee welfare program that have low importance and low performance or labeled as “*low priority*” is Sport & Art. Another findings is there is no employee welfare program that have high performance but low importance or labeled as “*possible overkill*”.

Keywords: Employee Welfare, Importance Performance Analysis

INTRODUCTION

Water is an essential part of life on earth, be it for plants, animals, and humans. The human body itself consists of 70% water, and although a human being can survive a month or more without food, a week without water can be fatal. Thus, it can be concluded that the human body requires water to function and stay healthy. However, it is rather difficult for people to find clean water these days. Since everyone wants to be healthy, they tend to look for a guaranteed healthier lifestyle such as consuming packaged water. The rapid population growth and the scarcity of clean water increase the potential of packaged water business in Indonesia.

To address the ASEAN Economic Community, Indonesia has taken various anticipatory steps. One of them is by preparing professional staffs and also improving the competence of employees who have worked through one institution called Indonesian Water Profession Certification Institution (LSP-AMI). Indonesia however must compete with ASEAN countries in the face of the AEC. Aqua without exception must improve the ability of him that is managed more professionally to compete. In this regard, it is imperative that strong support from the government in its development and tariff increases without involving political interests.



Aqua's awards and achievements are the empiric evidence of the magnificent company performance. To come to this point, a company should be able to manage all the factors of production, which includes natural resources, human resources, capital, raw materials, manufacturer equipment, and technology. These factors are very important because they support the company performance. Furthermore, a company should pay more attention to the human resources factor, because this factor holds the biggest role in company performance, in this case, the employees.

Company performance is highly determined by the employee performance which is affected by employee welfare program that is provided by the company. In order to maintain the company's good performance, the company should always evaluate the welfare programs that is specifically provided for the employees. Furthermore, PT Tirta Investama (Danone AQUA) Airmadidi must keep on watching and evaluating their programs to make sure its effectivity in making the employee perform well according to the company's expectations. For that reason, the author interested in doing a research with titled "*Evaluating the Welfare Program of PT Tirta Investama (Danone AQUA) Airmadidi by Using the Importance and Performance Analysis*"

Research Objective

The objective of this research is analyze the importance and performance of Employee Welfare Program in PT Tirta Investama (Danone AQUA) Airmadidi.

THEORETICAL FRAMEWORK

Human Resource Management

Human resource management (HRM) is defined as a strategic and coherent approach to the management of an organization's most valued assets: the people working there who individually and collectively contribute to the achievement of its objectives (Armstrong, 2006). Meanwhile, Storey (1989) believes that HRM can be regarded as a 'set of interrelated policies with an ideological and philosophical underpinning'. He suggests four aspects that constitute the *meaningful* version of HRM: particular constellation of beliefs and assumptions, strategic thrust informing decisions about people management, the central involvement of line managers, and reliance upon a set of 'levers' to shape the employment relationship.

Employee Welfare Program



Employee welfare program is a program that provide by the company to support its employees apart from the salary and wages. It is a program that provide to make the employee feel comfort working with company. Welfare is comfortable living and working conditions'. Employee welfare means the efforts of company to make life worth living for workman (Punekar, 1999).

Employee Performance

Armstrong (2006) defined employees as the organization's key resource and the success or failure of organization center on the ability of the employees to attract, retain and reward appropriately talented and competent employees. According to Bambang (2005) performance is comparison about the result achieved by employees with a working standards. Hameed and Waheed (2011) states that employee performance will ultimately affect the organizational effectiveness. It can be concluded that employee performance is the output result of how the employee behave in an organization.

RESEARCH METHODOLOGY

This research conducted at PT Tirta Investama (Danone AQUA) Airmadidi during May 2017. Primary data is the data obtained directly from the original source, specifically the primary data collected by researchers to answer the research questions. The primary data of this study is acquired from the results of questionnaires. The questionnaires are distributed to respondents so they can respond directly to the questionnaires. There are two sections in the questionnaires that should be filled in by respondents. The first section asked about respondents identities and the second section asked about things that related with the variables. Secondary data is collected for some purpose other than the problem at hand. The data is taken from company data, books, journals, articles, and relevant literatures from library and internet. These secondary data is used in the background, literature review research method, and discussions.

Population and Sample

Population is defined as all members of a defined group that possess some common characteristic defined by the sampling criteria established by the researcher. The population in this research is all employees who work for PT Tirta Investama (Danone AQUA) Airmadidi which is a total of 466 employees.

This research will adopt a simple random sampling method. Simple random sampling is a basic sampling technique where researchers select a group of subjects (a sample) to understand the larger group (a population). Each individual is chosen entirely by



chance and each member of the population has an equal chance of being included in the sample. Every possible sample of a given size has the same chance of selection (Easton and McColl, 1997).

From the total population of employee known as 466 employees, Slovins formula are able to use to determine the sample.

$$\begin{aligned} n &= N / (1 + N e^2) \\ &= 466 / (1 + 466 * 0.05^2) \\ &= 215.242 \Rightarrow \text{rounded to 215 employees} \end{aligned}$$

Where n = sample
 N = total population
 e = margin error tolerated (1%)

To determine the respondent simple random sample has been used and the steps are as follows:

1. Make a list of the names of all employee with the totals of 466 employee.
2. Numbering the paper that have been cut into pieces according to the total of the employees.
3. Put the paper pieces on a jar and randomly taking the sample.

So, the sample for this research are 215 employees who have experienced the welfare program and randomly selected at PT Tirta Investama (Danone AQUA) Airmadidi and also are willing to participate.

Operational Definition and Measurement of Research Variable

Definition of Research Variable

This stage will give the general explanation about the variable and the indicators used in this research.

Table 1. Definition of Research Variable

Variable	Definition	Indicators
Employee Welfare Program	The efforts of PT Tirta Investama (Danone AQUA) to make life worth living for workman.	1. National Security for the workforce (JAMSOSTEK) / BPJS membership 2. Outside Workplace Accident Insurance 3. Life Insurance 4. Place of Worship 5. Economic Enterprise 6. Sport & Art 7. Recreation

Source: Data Processed, 2017

Importance and Performance Analysis



Importance and performance data are plotted on a two dimensional grid with importance on the y-axis and performance on the x-axis. The data are then mapped into four quadrants (Bacon, 2003' Martilla & James, 1977) as depicted figure.

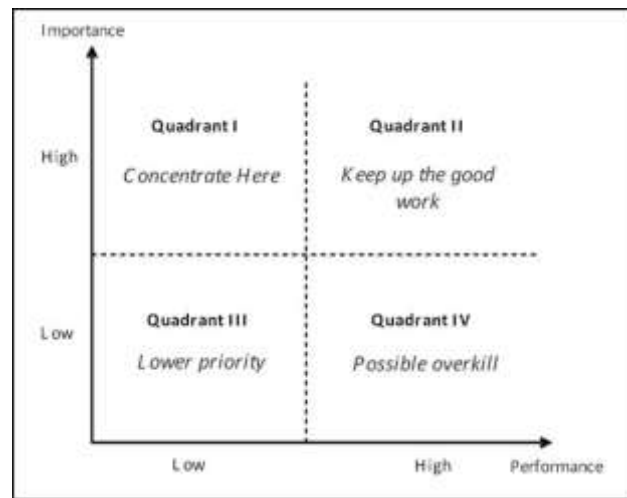


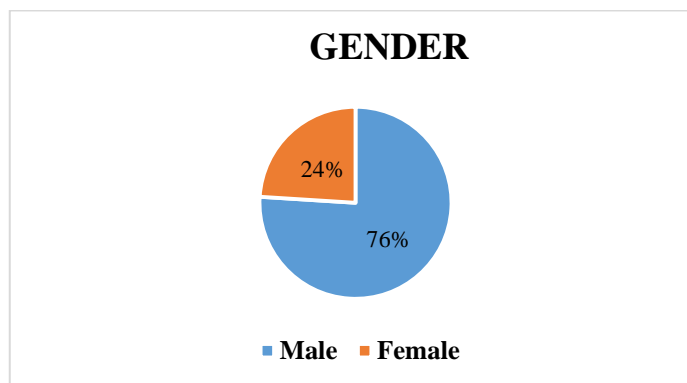
Figure 1. The Original IPA Framework.

Source: Martilla, J. and James J. (1977)

RESULT AND DISCUSSION

Data of Respondents

Figure 2. Classification of Respondent Based on Gender



Source: Data processed, 2017

Classification of Respondents Based on Gender (Figure 2) are divided into two characteristic which is male and female respondent. This figure shows that 76% of the respondents are male and 24% are female.



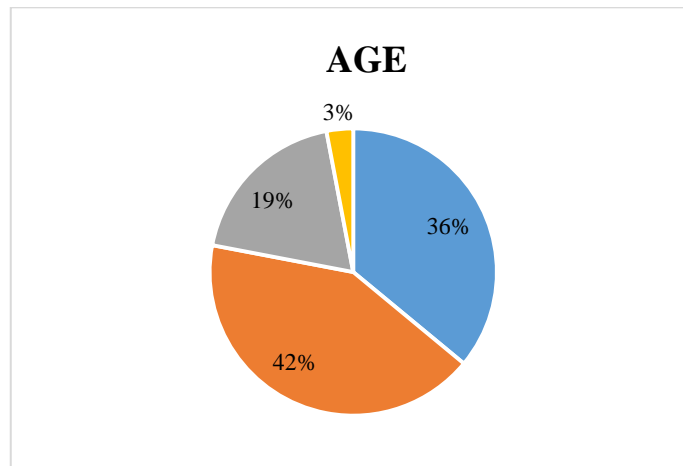


Figure 3. Classification of Respondent Based on Age

Source: Data processed, 2017

Classification of Respondent Based on Age (Figure 5.2) are divided into four parts. The highest percentage are employee between 31-40 years old as 42% of the respondents, followed by employee between 21-30 years old as 36% of the respondents, and then followed by employee between 41-50 years old as 19% of the respondents, and the rest are employee more than 51 years old as 3% of respondents.

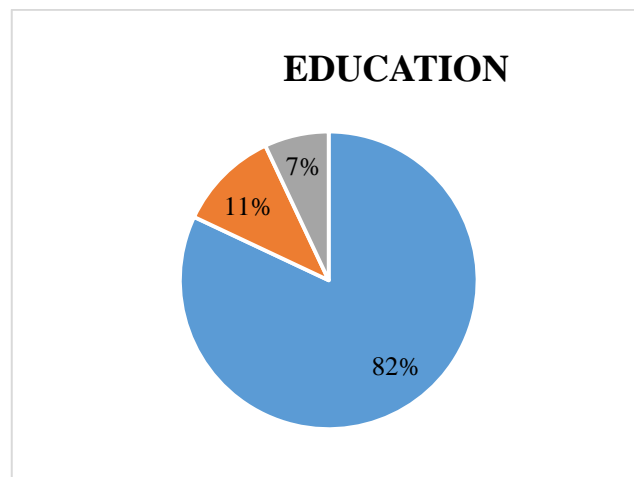


Figure 4. Classification of Respondents Based on Education

Source: Data processed, 2017

Based on figure 4, most of the respondents are high school graduates as 82% of the respondents, 11% of respondents are diploma and the remaining 7% are from bachelor degree.



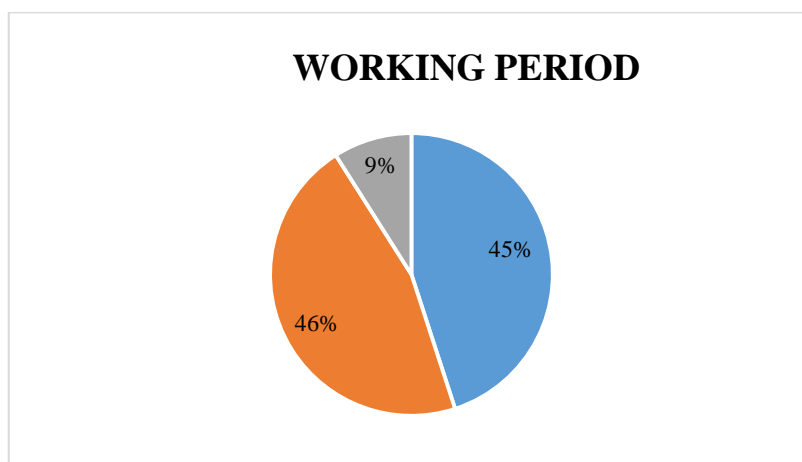


Figure 5. Classification of Respondent Based on Working Period

Source: Data processed, 2017

Based on figure 5, the majority of respondents are those who have been working for less than 10 years and is followed by those who have been working for about 11 to 20 years. From the chart it is obvious that 46% of the respondents have been working for about 11 to 20 years and 45% for the respondents have been working for around 10 years. The remaining 9% of the respondents have been working more than 21 years.

Validity Test and Reliability Test

Based on the data analysis, the instruments of this research are valid and reliable

Importance and Performance Analysis of Employee Welfare

Problem of this research will be answered in this chapter's result analysis. These are seven indicators of employee welfare on measuring the level of importance and performance, which are: (1) National Security for the workforce (JAMSOSTEK)/BPJS membership; (2) Outside workplace accident insurance; (3) Life insurance; (4) Place of worship; (5) Economic enterprise; (6) Sport & Art; (7) Recreation.

Table 2. Importance and Performance Analysis

Employee Welfare Indicators	Importance (Y)	Performance (X)	Quadrant
National Security for the workforce (JAMSOSTEK)/BPJS membership	4.56	4.05	I
Outside Workplace Accident Insurance	4.65	4.12	II
Life Insurance	4.62	4.15	II
Place of Worship	4.705	4.23	II
Economic Enterprise	4.03	3.78	I



Sport & Art	4.33	3.435	III
Recreation	4.64	4.01	II
<i>Average Value</i>	4.54	3.96	

Source: Data Processed, 2017

Table 2 shows the result of data analysis that are collected from respondents. Importance (Y) shows average importance analysis according to likert scale of employee welfare, Place of Worship is the highest mean of Importance ($y = 4.705$), while Economic enterprise are the lowest mean of Importance ($y = 4.03$). Performance (X) shows average Performance analysis in likert scale of employee welfare, place of worship is the highest mean of Performance ($x = 4.23$), while sport & art is the lowest mean of Performance ($x = 3.435$). The average value of importance is 4.54 and the average value of performance is 3.96.

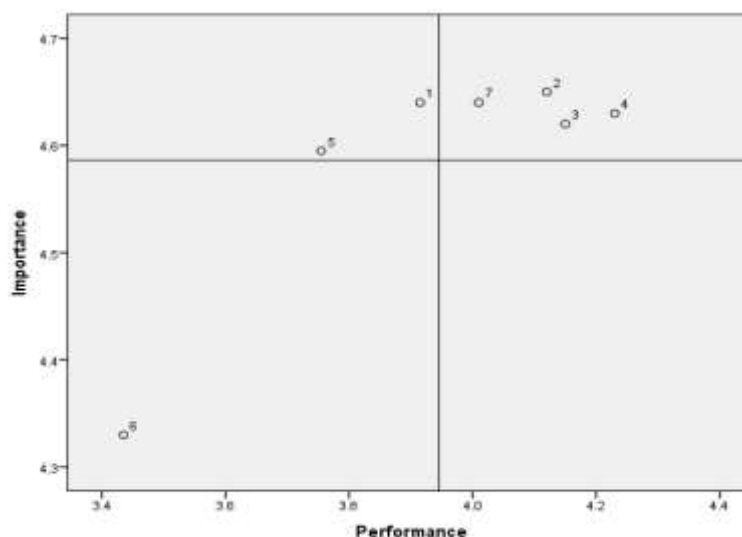


Figure 6. Data Plotting of Employee Welfare in Four Quadrants

Source: Data Processed, 2017 – IBM SPSS 22

Description:

- 1 = National Security (JAMSOSTEK)/BPJS
- 2 = Outside Workplace Accident Insurance
- 3 = Life Insurance
- 4 = Place of Worship
- 5 = Economic Enterprise
- 6 = Sport & Art
- 7 = Recreation

Figure 6 shows that National Security (JAMSOSTEK)/BPJS and Economic Enterprise are located in quadrant I. Quadrant I is labelled as “concentrate here” which means high importance but low performance. So, National Security (JAMSOSTEK)/BPJS and economic enterprise are very important to the employees but the performance is low. Since any object



that is positioned in quadrant I is considered important by the employee, then the company should be concerned about its performance.

Quadrant II is labelled as “*keep up the good work*” which means high importance and high performance. Outside workplace accident insurance, life insurance, place of worship and recreation are located in this quadrant. It means that the importance of these indicator is high to the employees and the performance of each indicator that is provided by the company is also high.

Sport & Art program is located in Quadrant III. This quadrant labelled as “*low priority*” which means low importance and low performance. It means that both the level of importance of the indicator to the employees and the performance according to the respondents are relatively low.

Last one is Quadrant IV, which is labelled as “*possible overkill*” which means low importance and high performance. This quadrant is where the importance of something is not really high to the employees but the performance is high. None of the research indicator is located in this quadrant.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the importance and performance analysis result of seven programs of employee welfare, there are several things that can be concluded. The conclusions drawn from this research are as follows:

1. Employee welfare programs that have high importance and low performance or labeled as “*concentrate here*” are National Security for the workforce (JAMSOSTEK)/BPJS membership and Economic Enterprise.
2. Employee welfare programs that have high importance and high performance or labelled as “*keep up the good work*” are Outside Workplace Accident Insurance, Life Insurance, Place of Worship and Recreation.
3. Employee welfare program that have low importance and low performance or labelled as “*low priority*” is Sport & Art.
4. There is no employee welfare program that have high performance but low importance or labelled as “*possible overkill*”.

Recommendation

These recommendations are proposed by the researcher based on the results and discussion from the research. The primary aim of this recommendation is to improve the



performance of Employee Welfare Programs in PT Tirta Investama (Danone AQUA) Airmadidi. The recommendation have been made as listed below:

1. National Security for the workforce (JAMSOSTEK)/BPJS membership and Economic Enterprise have high importance but running low on performance. Thus, PT Tirta Investama (Danone AQUA) Airmadidi should provide regularly socialization for National Security for the workforce (JAMSOSTEK)/BPJS membership at least twice a year to explain about how to claim it when it is needed. And if possible, PT Tirta Investama Management is advised to bring the people from National Security for the workforce (JAMSOSTEK)/BPJS membership to present a comprehensive explanation to the employees about the necessary informations related to the program. For the Economic Enterprise, PT Tirta Investama Airmadidi can increase is performance through monitoring the goods' availability, maintaining the price of each goods so it would be affordable to employees and, if possible, upgrading the items and building of the economic enterprise.
2. Outside Workplace Accident Insurance, Life Insurance, Place of Worship and Recreation have high importance and also high performance. Therefore, PT Tirta Investama Management should keep maintaining these program to hold its performance because it is considered as the most important program to the employee and the performance is already at the satisfactory level. It should be maintained and strengthened to further improve on the quality of the welfare programs at PT Tirta Investama (Danone AQUA) Airmadidi.
3. Sport & Art have a low importance and low performance. The importance might be low for some employees because that is not their hobby and the performance might be low for some employees because the kind of sport & art again are not suitable to their hobby. So, it will be good for PT Tirta Investama (Danone AQUA) Airmadidi to provide more variations of sport & art, such as badminton, rather than just football.
4. Therefore, PT Tirta Investama (Danone AQUA) Airmadidi needs to conduct a further internal research, in terms of following up the result of this research, in order to increase or maintain the performance of each employee welfare program that have a high impact to the employees performance which results in employee contribution in achieving the company goals. The company requires a periodical assessment about the performance of employee welfare program, so the programs that is established by the company will always meet the employees' needs.

REFERENCES

Aliaga, M. and Gunderson, B. 2000. Interactive Statistics. Saddle River. p. 3-15.



- Ankita, K. 2010. Evaluation of Employee welfare Facilities as an Intervention strategy of Industrial Unrest on Organization Performance: Case of Mumias Sugar Company. *European Journal of Business and Management*. ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online). Vol.6, No.29, 2014.
- Armstrong, M. and Baron, A. 2006. *Handbook of Human Resource Management Practice*. Kogan Page Publisher, 10th edition, 2006.
- Atambo. 2012. Role of Employee Welfare Services on Performance of the National Police Service in Kenya: A Case of Kisii Central District. *International Journal of Art and Commerce*, Vol. 1 No. 7, December 2012.
- Bacon, D. 2003. A Comparison of Approaches to Importance-Performance Analysis. *International Journal of Market Research*, 45(1), 55-71, 2003.
- Das, U.K. and Panda, J.K. 2015. A study on employees welfare measures with special reference to Mahanadi Colafied limited, sambalpur, Odisha, India. *International Journal of Science, Technology & Management*, Volume No.04, Issue No. 03.
- Easton and McColl. 1997. Sampling. Article. Retrieved on <http://www.stat.yale.edu/Courses/1997-98/101/sample.htm>. February 27th, 2017.
- Graf, L.A., Hemmasi, M. and Nielsen, W. 1992. Importance satisfaction analysis: A diagnostic tool for organizational change. *Leadership and Organization Development Journal*, 13(6), 8-12.
- Hadinegoro P. 2015. Aqua tambah investasi Rp. 1 triliun di 2016. Article. Retrieved on <http://industri.kontan.co.id/news/aqua-tambah-investasi-rp-1-triliun-di-2016>, February 27th, 2017.
- Hair, J., Money, A., Samouel, P., and Page, M. 2007. *Research Methods for Business*, Jhon Wiley & Sons. Ltd.
- Hameed, A. and Aamer, W. 2011. The effect of leadership style, organizational culture, employee development and training on employee performance (Study of PT. PLN (Persero) Suluttenggo Region). ISSN 2303-11, *Jurnal EMBA* Vol.3 No.3 Sept. 2015, Hal.502-511.
- Hasibuan. 2011. *Manajemen Sumber Daya Manusia*. Bumi Aksara. Jakarta.
- Hidayat, R. 2016. Industri Air Minum Kemasan Indonesia Bisa Jadi yang Terbesar di ASEAN. Article. Retrieved on <http://industri.bisnis.com/read/20160226/43/522798/industri-air-minum-kemasan-indonesia-bisa-jadi-yang-terbesar-di-asean>. February 27th, 2017.
- Imran, M. and Tanveer, A. 2015. Impact of Training and Development of Employees on Employee Performance through Job Satisfaction: A Study of Telecom Sector of Pakistan. *Business Management and Strategy* ISSN 2157-6068 2016, Vol. 7, No. 1. *International Journal of Market Research*, 45(1), 55-71, 2003.
- Kamkari, K., Ghafourian H., and Ghadami M.H. 2014. Impact Welfare Services and Benefits on the Performance of Staff of the Inspector General Organization. *Journal of Applied Environmental and Biological Sciences*, ISSN: 2090-4274, January 2014.
- Likert. 1932. *Research Methods for Business Students*. Book. Pearson education limited, 5th edition, England. 2009.
- Manju, B. and Mishra, S. 2007. Role of employee welfare services on performance of the national police service in Kenya: A case of Kisii Central district. *International Journal of Arts and Commerce* Vol. 1, No. 7 December 2012.
- Martilla, J. and James, J.1977. Importance-performance analysis, *Journal of Marketing*, vol. 41, no. 1, pp, 77-79.
- Paauwe, J. 2009. HRM and performance: achievements, methodological issues and prospects. *Management Studies*. 2009; 46(1):129-142.



- Punekar. 1999. A study on employees welfare measures with special reference to Mahanadi Colafied limited, sambalpur, Odisha, India. *International Journal of Science, Technology & Management*, Volume No.04, Issue No. 03, March 2015.
- Purba, R. 1996. Analisis Pengaruh Kreativitas Iklan, daya Tarik Iklan dan Kredibilitas Endorser terhadap Brand Attitude pada produk Handphone Android di Kota Pekanbaru. *Jurnal Ekonomi*. Vol. 2, No. 1, March 2014.
- Reenu and Panwar. 2013. A study on employee welfare facilities and its impact on employees efficiency. *Abhinav International Monthly Refreed Journal of Research in Management and Technology*. Volume 3, Issue 11, Online ISSN-2320-0073, November 2014.
- Sabarirajan A. and Meharajan T., and Arun, B. 2010. A study on employee welfare facilities and its impact on employees efficiency. *Abhinav International Monthly Refreed Journal of Research in Management and Technology*. Volume 3, Issue 11, Online ISSN-2320-0073, November 2014.
- Sekaran, U. 2003. *Research Methods for Business Students*. Book. Pearson education limited, 5th edition, England. 2009.
- Siregar, B. 2013. *Manajemen Pemasaran Jasa*, Salemba Empat, Jakarta. Pp. 15.
- Storey, J. 1989. *New Perspective on Human Resource Management*. Routledge, London.
- Sugiono. 2013. *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D*. Alfabeta. Bandung.
- Tilekar, P. 2016. To study the satisfaction of employees' regarding employee welfare facilities provided to them by banking sector in Pune Region. *American International Journal of Research in Humanities, Arts and Social Sciences*, ISSN (Print): 2328-3734, ISSN (Online): 2328-3696, ISSN (CD-ROM): 2328-3688, September-November 2016.
- Todd, A.J. 1993. Research Paper on Employee Retention in NGOS. *International Journal of Current Research and Academic Review*. Vol. 2, No. 11 pp.213-216. ISSN: 2347-3215, November 2014.
- Vijayarani, K. 2015. Employees Welfare Measures towards Productivity of Neyveli Lignite Corporation Limited. *Asia Pasific Journal of Research*, ISSN: 2320-5504, E-ISSN: 2347-4793, Vol. I, Issue XXIX, July 2015.

