

**THE RELATIONSHIP BETWEEN SKILLS, REWARDS  
AND DISCRIMINATION TOWARD JOB MOTIVATION  
OF THE EMPLOYEES OF ELNUSA COMPANY IN  
INDONESIA**

A thesis submitted to college of business postgraduate studies in fulfillment for the  
requirement of a degree in Master of Human Resource Management

By

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## APPROVAL

### THE RELATIONSHIP BETWEEN SKILLS, REWARDS, DISCRIMINATIONS TOWARD JOB MOTIVATION OF THE EMPLOYEES OF ELNUSA COMPANY IN INDONESIA

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Date: June 2nd, 2011

## DECLARATION

This declaration is to clarify that all of the submitted contents of this thesis are original in its stature, excluding those, which have been, acknowledge specifically in the references. All the work process involved is from my own idea and work. All of the content of this thesis has been submitted as a part of partial fulfillment of Master of Human Resource Management program. I hereby declare that this thesis project is the work of my own excluded for the references document and summaries that have been acknowledge. All sources of quoted information have been acknowledge through references.

June 2nd, 2011

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## ABSTRACT

This study empirically examines the relationship between skills, rewards, discrimination toward job motivation of Elnusa company in Indonesia. The aims of this study are to know the factors that can motivated the employees when they start to build their career. The survey method was employ with quantitative data were processed using a multivariate technique. Descriptive statistics such as frequency and percentage used to measure the percentage of returned the questionnaire and also used to describe the respondents profile such as their gender, educational background, years in company, job type and job rank/level. The research has been conducted using survey method which 152 number of respondents have answering the questionnaire. Data from the study were then been analyzed using SPSS (Statistical Package fo Social Science) to produce the accurate findings. The Pearson correlation used to measure the significance of linear bivariate between the independent and dependent variables thereby achieving the objective of this study. Multiple regression used to determine the relationship between independent and dependent variables, the direction of the relationship, the degree of the relationship and strength of the relationship. This thesis found that job motivation has a significance positively influence to the skills and rewards than discrimination. The non significance of job motivation was found in the influence to the discrimination. This study conclude that skills and rewards much more contribute to the job motivation of employees of Elnusa company.

Keywords: Skills, Rewards, Discrimination, Job Motivation

## TABLE OF CONTENT

	<b>Page</b>
<b>APPROVAL</b>	i
<b>DECLARATION</b>	ii
<b>PERMISSION TO USE</b>	iii
<b>ACKNOWLEDGEMENT</b>	iv
<b>ABSTRACT</b>	v
<b>TABLE OF CONTENT</b>	vi
<b>LIST OF TABLE</b>	xi
<b>LIST OF FIGURE</b>	xii

<b>Chapter One</b>	<b>Introduction</b>	
1.1	Background	1
1.2	Problem Statement	3
1.3	Scope of Study	4
1.4	Purpose of the Study	4
1.5	Research Question	5
1.6	Research Objectives	5
1.7	Significan of the Study	6
1.8	Limitation	7
1.9	Research Framework	8
<b>Chapter Two</b>	<b>Literature Review</b>	
2.1	Introduction	9
2.2	Definition Motivation	9
2.3	The Concept of Motivation	14

2.4	Significance of Motivation	15
2.5	Motivation Process	16
2.6	Theories of Motivation	16
2.6.1	Douglas McGregor “Theory X and Theory Y”	18
2.6.2	Frederick Herzberg’s Motivation – Hygiene Theory	20
2.6.3	Abraham Maslow’s “Need Hierarchy Theory”	21
2.6.4	Vroom’s Valence Expectancy Theory	25
2.6.5	McClelland’s Needs Theory	28
2.6.6	Clayton Alderfer’s ERG Theory	29
2.6.7	Cognitive Evaluation Theory	30
2.6.8	Frederick Winslow Taylor Theory	30
2.7	Factors of Motivation	32
2.7.1	Intrinsic	35
2.7.2	Extrinsic	36
2.7.3	Employee Perspective	37
2.7.4	Managers Perspective	38
2.8	Types of Motivation	39
2.8.1	Positive Motivation	39
2.8.2	Negative Motivation	39
2.9	Motivation Tools	40
2.10	Motivation Methods	40
2.11	Objective Motivation	41
2.12	Definition of Related Terminology	41
2.12.1	Skills	41
2.12.2	Rewards	43
2.12.3	Discrimination	45



<b>Chapter Three</b>	<b>Methodology</b>	
3.1	Introduction	47
3.2	Research Strategy	47
3.3	Research Design	49
3.4	Questionnaire	50
3.5	Research Hypothesis	50
3.6	Research Methodology	51
3.7	Respondent	51
3.8	Population	52
3.9	Sample	52
3.10	Data Collection	52
3.11	Quality of Research	53
3.12	Data Analysis	54
3.12.1	Pearson Correlation	55
3.12.2	Multiple Regression	56
 <b>Chapter Four</b>	 <b>Analysis and Findings</b>	
4.1	Introduction	57
4.2	Data Analysis	58
4.2.1	Analysis Respondents	58
4.2.1.1	Respondents Gender	59
4.2.1.2	Respondents Race	59
4.2.1.3	Respondents Age	60
4.2.1.4	Respondents Marital Status	61
4.2.1.5	Respondents Highest Education Level	61
4.2.1.6	Respondents Years of Joined the Company	62
4.2.1.7	Respondents Job Level	63

4.2.1.8	Respondents Job Type	64
4.3	Analysis of Result	65
4.3.1	Research Question 1	65
4.3.2	Research Question 2	66
4.3.3	Research Question 3	67
4.3.4	Research Question 4	68
4.4	Partial Correlation	69
4.5	Conclusion	70
<b>Chapter Five</b>	<b>Conclusion and Recommendation</b>	
5.1	Introduction	71
5.2	Discussion	71
5.2.1	To determine the relationship between skills and motivation	71
5.2.2	To determine the relationship between rewards and motivation	72
5.2.3	To determine the relationship between discrimination and motivation	73
5.2.4	To determine the relationship between skills, rewards, discrimination and motivation	75
5.3	Recommendation and Suggestion	75
5.4	Conclusion	76
	References	78
	APPENDIX A	84
	APPENDIX B	96
	APPENDIX C	98

APPENDIX D	99
APPENDIX E	102
QUESTIONNAIRE	103

## LIST OF TABLE

TABLE NO		PAGE
Table 4.1	Gender	59
Table 4.2	Race	59
Table 4.3	Age	60
Table 4.4	Marital Status	61
Table 4.5	Highest Education Level	61
Table 4.6	Years In The Company	62
Table 4.7	Job Level	63
Table 4.8	Job Type	64
Table 4.9	Correlation between Skills and Job Motivation	65
Table 4.10	Correlation between Rewards and Job Motivation	66
Table 4.11	Correlation between Discrimination and Job Motivation	67
Table 4.12	Model Summary	68
Table 4.13	ANOVA	68
Table 4.14	Coefficients	69
Table 4.15	Correlation between Skills, Rewards, Discrimination and Job Motivation	69

## LIST OF FIGURE

FIGURE NO		PAGE
Figure 1.1	Conceptual Research Model	8
Figure 2.1	Frederick Herzberg Hygiene Theory	21
Figure 2.2	Abraham Maslow Hierarchy Needs Theory	25
Figure 2.3	Vroom's Valence Expectancy Theory	27
Figure 3.1	Inductive Strategy	48
Figure 3.2	Deductive Strategy	48
Figure 3.3	Productivity and use of theory	49

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background**

Motivation holds a very important in all of the aspect that the researcher do by ourselves or together with others as a team or group. Without motivation workers will be reluctant to go to do a job, take a daily food and spending time with colleague or close friends. Motivation to work is very important for the workers because the workers has a lot of time to spend in their workplace. (Drafke and Kossen, 1998).

The researcher believe that employees have different understandings about their jobs. Normally, they have different amounts of working hours, dependings on what's their occupations. Work and private life is connected to each other. In the past, if one of the employees left their workplave so that person had less responsibility against to the company (Karl Weick, 2006). These days, many of them would bring their job home so that they can work on it while socializing with neighbors or friends (Weick, p. 207-210).

Commonly motivation is defined as an individual action and will power in order to do a directed behavior. If the individual motivation is high, so will be his/her energy, persistence, and goal, achievement and performance will be high against the individual itself. Pinder says that motivation is a set of strong energy that comes from either inside or outside an individual that drive him/her have a certain behavior, and determine form, direction, intensity and duration (p.11). The definition work is provide both strong internal and external factor energetic forces. If a manager recognizes that to be productive, an employee is motivated by passion, he/she should know that passion is an internal factor. If a manager recognizes that an employees is

motivated by money, he/she should know that money is an external factor. Managers can use this knowledge to give motivation to his/her employees. Pinder (1998) also admits that motivation can affect how a work is done from form, direction, intensity and duration (p. 11). For example if an employee is motivated by peer recognition, it is the direction (a completed goal) that could or might inspire him/her. The more a manager is able to recognize how motivation impacts an employee, the more likely he/she is to be successful. Ethical behavior is another integral part of motivational skills. (Pinder, 1998).

In other words, motivation is a main factor in the process of development (Kerr, 1999). A highly motivated environment within an organization will bring better productivity and thus competency. A manager is the right person to help employees reach higher level of success.

Motivation is very close to work or learning context where the people do operate (House & Wigdor, 1967). The kind of motivation varies and depends on the challenge of a task and the environment where a task is to be carried out (Lawler, 1973). Motivation potential worker defined as a good satisfied and comfortable that can be valued experience by manager and the relevant feedback of the task performance (Hackman & Oldham, 1976).

Based on theory Maslow in his research paper on 1943 about theory about human motivation, said that hierarchy of needs explain five levels basic needs of human. Maslow categorized the needs as physiological needs, safety and security needs, love needs, self esteem needs and self actualization needs.

Based on theory Maslow, human motivated by unsatisfied needs and lower factors that should be satisfied before higher needs can be satisfied. However, the employee motivation couldnt only depends on this factor because there is a lot of factors that can

be push the other people to be promotes to employee motivation. Each manager should be understand it clearly and knows hot to be motivated their employees in order to gain better business output performance.

Most of people in the business world agree that the individu take a motivated ones. Motivated employees are the individual that take the initiative, who wants to do a good job, increase their ranks, and who are generally likely to be succed. Employees who are motivated loyal and high dedicated and become ambassador will be good to their company or organization. More employees motivated is the organization productivity will be high. Motivating employees is admit that employeesis important to the company ability to be success. Its about build a culture in the company who want to be special at their jobs and who are proud of they work. Motivation employees is not about giving a something to people that they are not deserved it with benefit so that they wil work again or accept their bad working conditin. Although its important to keep motivated employees, the high challange for manager is to try to find the other motivated in the other employees. Motivation is a very personal things. What the things to let the employees motivated is some employees won't motivates the others. (Silverstein, 2007).

## **1.2 Problem Statement**

Each company or organization has been planning and implementing measures to improve employee motivation. However, there are some employee who are given a problem to the employer as not interested or do not want to intentionally improve their performance in the workplace. There is nothing which can make them feel encourage employees to be more interested in their duty and responsibility to do their job. They continue to be a problem for the company or organization. Normaly this kind of



employees are like to not always able to achieve the set performance standards or they are completely unable or unwilling to carry out their task and responsibility.

To manage the employees in the workplace is part of the management process. To understand the important of the peoples in the company or organization is to know that human element and the company or organization are synonymous. Some of the manager sometimes is not appreciated the fact that the employees should be motivated to ensure that what they did so that the company or organization can achieve the goal.

### **1.3 Scope of Study**

This research study covers motivation to work between manager and employees among the staff of Elnusa company in Jakarta. The sample or respondent are the employees and manager in Elnusa company. this research is limited to manage and employees in Elnusa company in Jakarta.

### **1.4 Purpose of the Study**

The purpose of this research is to know the factors that can motivated the employees when they start to build their career. The purpose is to explain what is the different motivation to work between manager and employees and also there is have a motivation factors or no. The researcher would like to know is there any general factors that influence employees motivation to work. The purpose of this research is to test that is a manager and employees already understand and what is the general factor that can motivated the employees or if the certain of the characteristic can be differentiate. The purpose of this research is to explain what is the difference motivation to work between manager and employees is available or not. The

researcher would like to know what is the factors of employee motivation or if the employees shared their understanding and general factors. In order that the researcher can explain clearly, the researcher would like to use the theory of motivation that suitable for the topic. The theory could help to give more understanding and analyse the data that already collected. Continuely, the researcher would like to interview the manager and employees in Elnusa company to get the individual perspective. The researcher like to connect with the company itself to get an objective picture that cant influence by the environment in the company. In the researcher opinion, it is important to inform that each motivation of the worker is a different and it can be consider for the organization behavior in the future. The purpose of this thesis is to investigate and analyse why the employees and manager have motivation to work.

## **1.5 Research Objectives**

- a. To determine the relationship between rewards toward motivation.
- b. To determine the relationship between skills toward motivation.
- c. To determine the relationship between discrimination toward motivation.
- d. To determine the relationship between skills, rewards, discrimination toward motivation.

## **1.6 Research Question**

The research questions for this research are:

- i. Are there any relationship between rewards toward motivation?
- ii. Are there any relationship between skills toward motivation?

- iii. Are there any relationship between discrimination toward motivation?
- iv. Are there any relationship between skills, rewards, discrimination toward motivation?

## **1.7 Significance of the Study**

The purpose of this study to evaluate the employees motivation in the company or organization. The good motivation program procedure is very important to reach the goals of the company or organization itself. If an efficient motivation program for the employees in made not only for specific company or organization but also other company or organization, the company or an organization can reach an efficient to develop a good their organization culture.

In these days, there is needs motivated manager and employees, so that they can be survive in the company or organization and also give helping to develop the company or organization (Johnson, 1993). The manager task in the workplace is to finish something through employees. To do this things the manager should get employees motivated, but normally its so easy to say than to do it.

This research helps researchers to realize that the motivated manager and employees is so important to do effectifely. This research is not study only about the employees motivated program but also explain about the idea of management that can use to be innovation into employees motivated. It can helps to give and use the rewards program or recognition program.

This study will helps the manager to take a decision about their employees motivation in the workplace. It can give a manager to know the employees motivation is not only incentive monetary but also incentive non monetary that can increase the employees

performance efficiently in the company or organization. It would be give an opportunity for manager to understand what motivated employees and how they were motivated.

## **1.8 Limitation**

A manager and the employees are chosen to collect the data and distribute the questionnaire. To be informed, this research is only for local perspective, so the opportunity to distribute the interview is direct to the respondents. One of the most important thing to do this research is the researcher have to analyze the data and do it carefully.

The person who have responsible to manage the department in the company is a manager. In other side, the employees have a responsibility to do a task completely and give a report to the manager. For this research, the researcher would like to focus in the private company. In general, the researcher more concentrate in the motivation factor to work and which factor is the most relationship or influence with job motivation. The relationship or influence of job motivation and job satisfaction to work are the effect of the employees health, the environment, and the family life that can show the significance and scope of the topic.

## 1.9 Research Framework

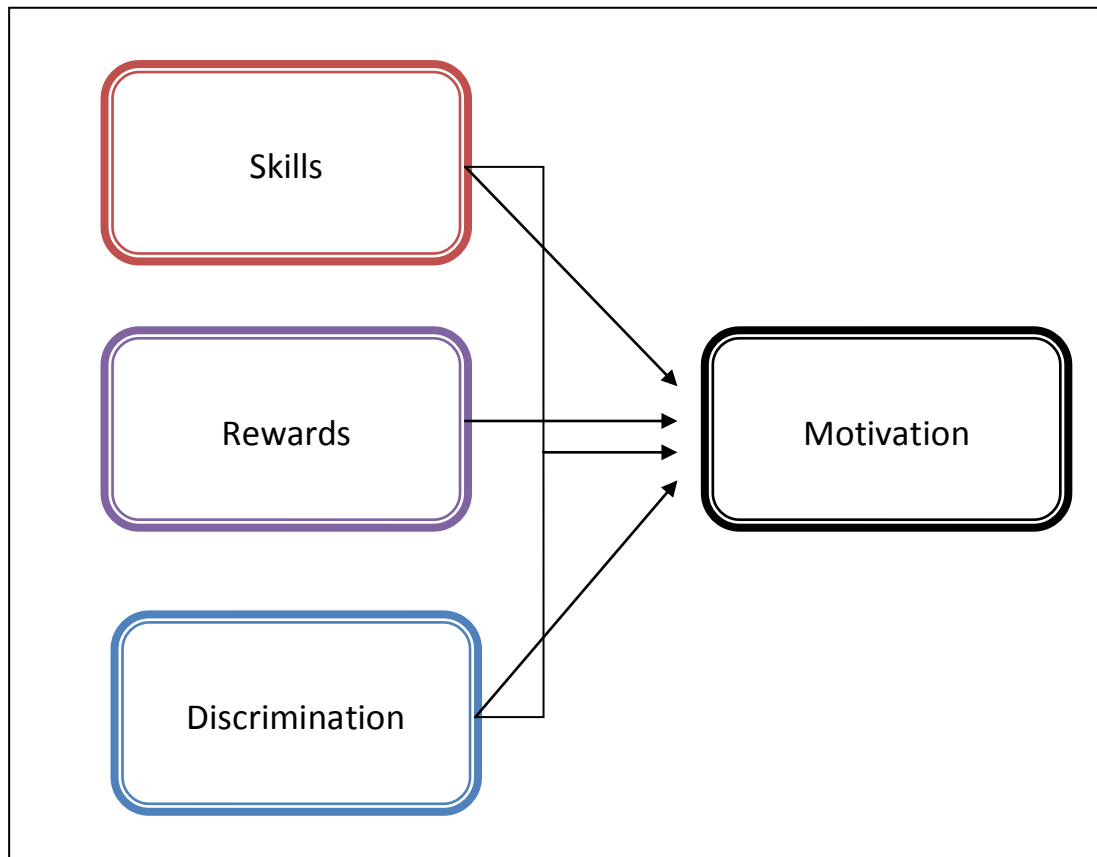


Figure 1.1 Conceptual Research Model

Based from the research model above, the important element that must be carried out to identify the employee motivation is skills, rewards, and discrimination. This factors is come from inside and outside. These all of motivation factors are believed to promote manager and employees motivation in order to produce an individual output performance for the company.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter consists of reviews and summaries of the literature regarding the scope of the research. In this chapter, the researcher will explain and describe the concept, models and theories that are relevant in the field of motivation and necessary to facilitate a comprehensive analysis and understanding of the research.

#### **2.2 Definition Motivation**

Motivation comes from Latin language *Movere* which is mean push or move. Motivation in the management is only targeted for human resources in general and especially the employees or subordinates.

Motivations questioned is how the power and potential of directing the employees or subordinates, in order to cooperate productively to achieve and realize its intended purpose. Motivation is increasingly important for manager to distribute work to the employees or subordinates to work properly integrated to the desired destination.

There is some definition of motivation that provide by some experts as follows:

According Hasibuan (2009: 219), "Motivation is the driving power of the working person who created the excitement for those willing to work together, to work effectively, and integrated with all the efforts to achieve satisfaction."

According Handoko (2003: 252), "Motivation is a state in the person of someone who encourages the desire of individuals to perform certain activities in order to achieve the goal."

According Hariandja (2000: 321), "Motivation is the factors that guide and encourage the behavior or desire someone to do an activity that is expressed in terms of effort or weak.

According Martoyo (2000: 163), "Motivation is a process to try to influence someone to do something that we want."

Another definition of motivation by GR Terry in Hasibuan (2008: 145), "motivation is the desire contained in a person who stimulates individuals to perform actions".

Basically the motivation refer to the employees to work hard to achieve their goals. This will increase employee productivity and therefore contributes to the achievement of company objectives.

Based on the above definition, then the motivation may be concluded:

1. As the movement that created an excitement of one's work and want to work in effectivity to achieve satisfaction.
2. As an incentive to be able to mobilize, deploy, and direct the work of human potential and resources into the desired direction for an action.
3. As energy to generate impulse to behave a person for doing certain activities in order to achieve the goal.
4. Affect the employee for doing something in accordance with what we want.

Motivation is the process to influence someone in order to do something that they want (Zainun, 1989 : 62), but based on Reksohadiprojo and Handoko (1989 : 256) said that motivation is a state in the person of someone who encourages the desire of

individuals to perform certain activities in order to achieve a goal. From the definition above, the motivation can be defined as a problem that is very important in every business group of people who working together to achieve the company or organization goals. Motivation problem can be considered as a simple because humans are basically easy to be motivated by giving what they wanted. Motivation is considered a complex problem because something is considered important for the certain people.

Motivation is made up of employee attitudes in the face of the work situation at the company. Motivation is a condition or energy that drives the self directed or undirected employees to achieve organizational goals of the company. Mental attitude of employees are pro and positive impact on the work situation that works to strengthen the motivation to achieve maximal performance. Employees must have the mental attitude. Mental attitude is ready mentally, physically, circumstances and objectives. That is, employees in the work is mentally ready, physically healthy, to understand the situation and conditions and strive to achieve the target of employment (the main purpose of the organization).

Since the situation in Indonesia which is the labour of supply is higher then the demand, some of the manager is not believe that employees motivated to give a better performance effectively. The manager normally see that if the employees is not motivated properly, the employees cant leave a job since the job is not available. Most of the manager is not effective with their leadership behaviour. Sometimes the manager treat the employees like a machine and believes that the employees can treat in anywhere and anytime. But not all the manager did like that, some of the manager manage the employees time effectively to increase the employees performance and get a good result but not force them and treat them like a machine or robot. So, because of



this problem sometimes the employees not doing well their job. There is no good planning correctly and also the employees not give a priority to their job. The employees doing their job in the negative way and the impact of this problem which is give ineffectiveness. In this research, this study arrange to investigate the relationship between rewards, skills and discrimination with job motivation among the employees to influence the employees performance in the company or organization.

In Indonesia, to fill the demand from the business community, the company should recruit, develop and keep the employees who have a good performance. This research will be focus on what the unique motivation from the employees. Is it because of the rewards, skills and discrimination in the workplace that motivated the employees? Some of the people believe that this is an adult culture. Normally, the people who work in oil company with full of ambition, greed and making money. This is general opinion because most of oil company give a big salary even for the entry level compare other companies. But, in oil Company the researcher can see that the employees who work in there are not normal employees, meaning that the employees who are chosen already to work in oil company haves a good talent, clever, diligent and can work under pressure.

In these day, there is a strong competition in the market of employees. The company or organization start to research and recruit the candidates before the finish their study. Knowledge that can benefit from this research might be function to create the bargaining that interesting for the candidates. If the company or organization have a knowledge about employees factor that value the most, they will be able to attract more peoples. As was said before, employees behavior towards motivating factors might be predictors to their attitude in the workplace in the future.

Motivation is important to the company for a function, without motivation will be no employees will do an effort to do a job and the performance company will be not efficient. The most theory that motivate is focus on the employees in general and not describe on the specific position. The researcher think it might be a different motivation in each employees.

The most motivation reason for the employees to work is like usually to pay their life and to get satisfaction in the workplace when the employees doing a job. Another reason that more concern about motivation to work is because of the wealth. Most of the people argue that without payment no one people in this world will go to work. In the researcher opinion, its supposed to be other reason and cause with the motivation than money, at least when the employees discuss with the manager. In other hand, the researcher interested about the different between manager and employees where the researcher think the manager as a person who are lead the employees and have big responsibility than other workers against to the company. For the employees it self is the employees who work in the low level in the company or organization and because of that the employees not having a same task or responsibility with the other employees.

In order to be success, the company or the organization needs commitment from the employees (Molander, 1996). Includes the commitment to act towards the purpose of the company or organization, also the commitment to stay in the company or organization (Dessler, 1986). To achieve the commitment of the company is not easy because might be effect by the private factors and company factors (Schultz and Schultz, 1998). Knowledge about what is the thing motivated for the employees to put their effort into the job and satisfied the manager in the workplace might be important to gain that motivation. In other words, the company should be know with what

motivates and satisfies the employees in the workplace in order to push the employees to do their job as best as they can and to remain in the company or organization.

The employees who feel satisfied with their work can show the high commitment to put effort to achieve the company goals and not easy to change the job. What the things is might satisfied the employees is different from what will satisfied another employees, at least in terms of the satisfied. Some of needs can change from time to time, more stronger or weaker. The knowledge about the equal and different in the motivation employees might be more easy for the company or organization to motivated the employees and to gain the company commitment.

Motivate the employees from the company or organization to work more effectively towards the company or organization goals might be the most fundamental task of the management. The company motivated the employees to work more effectively by offering the employees the bonus to give a best and satisfaction performance and might be punish the employees for unsatisfactory performance. Sometimes only bonus or monetary rewards is important for the employees ( Frederick Winslow Taylor, 1967). Based on Hawthorne experiments, the employees more motivated with the social needs than purely economics. The changing view of the company or organization rewards and employees motivation already give a lot the theory how the rewards in the workplace can influence the motivation and employees performance.

When the employees face with the motivation problem, its very important to have a consequence clearly to avoid the bad behaviour.

## **2.3 The Concept of Motivation**

The motivation words is based on the motive which is means is idea, needed or emotionally that can push the employees to do an action. Anything related with the

employees behaviour/act, there is some purpose behind that. The purpose is depends on the motive of the employees. Motive can know by learn the needs and desires of the employees.

There is no any universal theory that can explain the factors that can influence the motive that can control of employees behaviour in the any particular of times. Generally, the motive has a different operation in the particular of times between others employees and influences of employees behaviour. The process of this motivation of study, the individual motivation is cause of the different type behaviour.

## **2.4 Significance of Motivation**

The motivation is entangle to get the member of groups to attract effectively, to give fidelity to them, to do a right of the company purposes. The result of this below might be can give a right motivation to the employees:

- i. The employees will satisfy if the management of the company give an opportunity to fill their physiological needs. The employees will collaborate sincerely with management and will give a maimum contribution towards of the company purposes.
- ii. The employees will incline more efficient with improve their skills and knowledge in order that they can give a contribution towards the improvement of the company. This result will be impact to the improvement productivity.
- iii. The rates of labour of the employees and absenteeism between the employees is low.
- iv. Will be have a good relation of the human in the company as a rubbing between the employees and between the employees and management will be reduce.

- v. The total of the denunciation and gripe will be decrease. The accident happen will be low.
- vi. Will be an improvement of the quantity and quality of the product. Extravagance and scrap will be reduce. The good quality of the product will be improve the public image in business.

## **2.5 Motivation Process**

The process of motivation are:

- a. Identification of need
- b. Tension
- c. Course of action
- d. Result positive or negative
- e. Feed back

## **2.6 Theories of Motivation**

Many theories that discussed about motivation, one of them is theory of satisfaction. Satisfaction theory based on an approach on these factors and satisfaction of individual needs which is led to act and behave in the certain way. This theory focuses on the factors in those who strengthens, directs, supports, and stop to behave. This theory tries to answer the question what is the needs that people feel satisfy and what drives to push the spirit for people to go to work.

Psychologically, a very important aspect in the work of leadership is how far the leadership can influence the work motivation of its human resources to enable them to work productively with full responsibility. This is for several reasons, among others:

- Employees should be encouraged to cooperate in the organization.
- Employees should always be encouraged to work and tried an accordance with the demands of work.
- Employee motivation is a very important aspect in maintaining and developing human resources in organizations.

Motivation theory understandable in order that leaders able to identify what motivates employees to work, relationships with work behavior motivation and why high achieving employees. Theories of motivation can be categorized into three groups, namely:

- The theory of motivation to approach the content (*Content Theory*).

The theory of motivation with more content approach focuses on what factors that make employees perform a certain action. For example Abraham Maslow's motivation theory.

- The theory of motivation to approach the process (*Process Theory*).

Motivation theory approach to process not only focuses on what factors that make employees act, but also how employees are motivated. For example the theory of achievement motivation of David Mc.Clelland.

- The theory of motivation with reinforcement approach (*Reinforcement Theory*).

The theory of motivation with reinforcement approach, more emphasis on factors that can enhance any act done or that can reduce an action. For example motivation theory of Skinner (*operant conditioning*).

Figure out what is the things can motivates the employees and how the employees are motivated was concentrate from the many result of the research based on the Hawthorne research of study (Terpstra, 1979). In the development of the concepts of motivation, has developed theories of motivation may provide explanations about the motivation of the work of member organization or company ranging from early theories of motivation such as Maslow's Hierarchy of Needs Theory, Theory X and Y by Mc Gregor, Hygiene Motivation Theory of Herzberg, Vroom's Valence Expectancy Theory, Theory ERG of Clayton Aldefer, Theory Needs of Mc Clelland, Cognitive Evaluation Theory and Frederick Winslow Taylor theory starting point from which is all individual needs.

### **2.6.1 Douglas McGregor "Theory X and Theory Y"**

Motivation based on Douglas McGregor the result thoughts of McGregor from Siagian (2002 : 106) poured in the book title "Human Side of Enterprise". The conclusion are prominent in the work of McGregar is the opinion which states that manager categorizes their subordinate or employees in two categories based on the certain assumptions.

Under the assumptions of theory X :

- On average, employees are lazy and dont like to work
- Generally employees are not ambitious to achieve optimal performance and always avoiding responsibility by blame of someone else
- The employees prefer to be led, governed and supervised in implementing their work

- The employees are more selfish and not care about organization goals
- According to theory X is to motivate the employees about the job that must be done by a watchful eye, forced and directed that they want to work in earnest
- Not happy to take responsibility
- Should be compelled to produce something

In contrast under the assumptions of theory Y :

- An average, employees are diligent and take real cooperation
- Employees can take responsibility and ambition to move forward with achieving optimal performance
- Employees are always trying to achieve the company goals and develop themselves to achieve the goal
- According to theory Y in order to motivate the employees should be done by increasing employee participation, cooperation and relevance in decision making
- Love to work
- Creative
- Enjoys responsibility
- Able to control themselves



### **2.6.2 Frederick Herzberg's Motivation - Hygiene Theory**

Based on the Frederick Herzberg of motivation theory from Siagian (2002:107) describe as the motivation theory and cleanliness. The research that performed to develop the theory is related with the outlook of the employees to the job. The factors that promote the motivation aspect based on Frederick Herzberg are successful, confession, the character of the employees become responsibility, opportunity to improve and achieve the goals. Although the factor of hygiene is more stand out is because of the company policy. The work condition, wages and salaries, relation with colleague, private life, relation with subordinates or coworkers, status and safety.

Herberg said that the peoples who doing a work has been affect two factors. Firstly, maintenance factor is the factor related with care of human characteristics that wants to get serenity of corporal. The factors of maintenance are salary, physical work condition, work certainty, control of fun, official car, housing and other allowances.

Secondly, motivation factor of psychology needs about someone to do a job reasonable. Motivational factor is related with the private appreciation which is direct related with the work, such as soft seats, comfortable room, appropriate placement, etc.

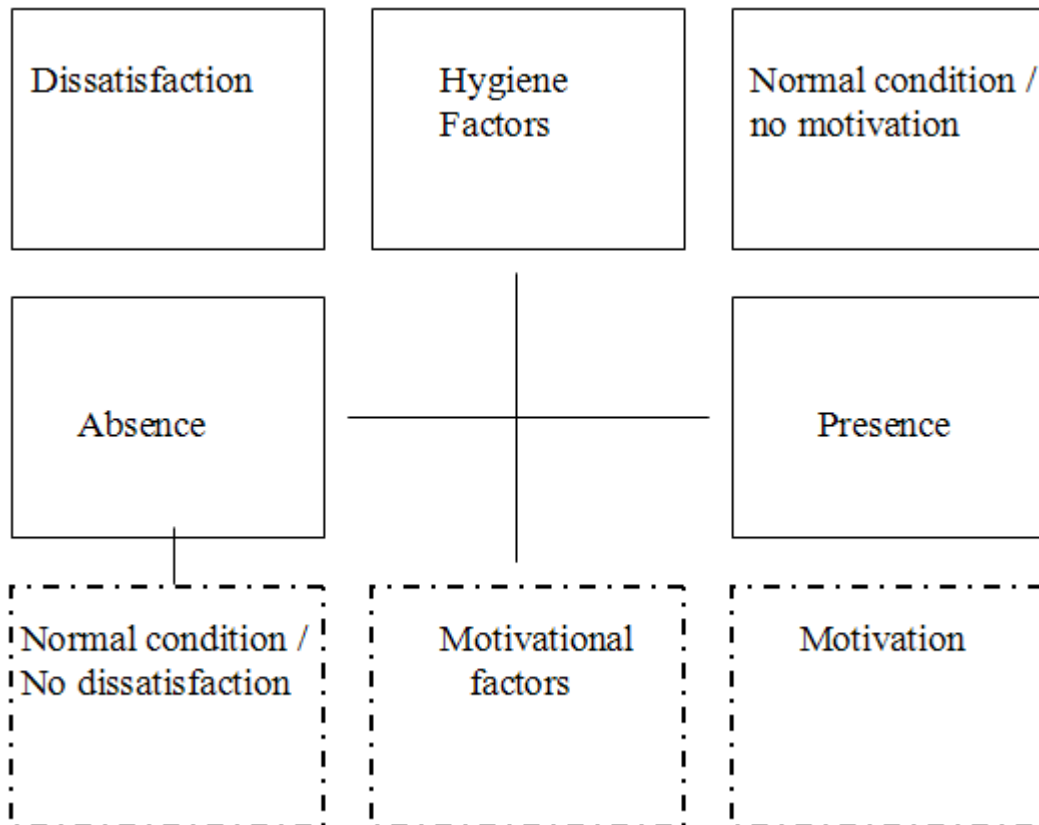


Figure 2.2 Frederick Herzberg Hygiene Theory

Examples of Hygiene factors are security, status, relationship with subordinates, personal life, salary, work conditions, relationship with supervisor and company policy and administration. Examples of Motivational factors are growth prospectus job advancement, responsibility, challenges, recognition and achievements

### 2.6.3 Abraham Maslow's "Need Hierarchy Theory"

Needs can be defined as a discrepancy or contradiction in nature between a reality with a drive from inside ourself. If the employee needs are not met then the employee will demonstrate behavior disappointed. Conversely, if their needs are met then the employee will demonstrate behavior that happy as a

manifestation of a sense of satisfaction. Needs is fundamental underlying employee behavior. An employer can not possibly understand employee behavior without understanding their needs.

Maslow's motivation theory called Maslow's Need Hierarchy. One's hierarchy of needs states behaves / works, because of the impetus to meet the various needs. Basic theory of hierarchy of needs, namely humans is social creatures that desire. He always wants more. This desire is continuous and only stops when the end comes. A need that has not become a tool motivator satisfied for the perpetrators, only unmet need that will be motivator. People needs are regulated in a ladder, such as:

- Physiological needs
- Safety and security needs
- Social needs
- Esteem or status needs
- Self actualization needs

As per his theory this needs are :

**i. Physiological needs**

Namely the need to maintain the life that is included in this requirement is need to eat, drink, housing, air, water, shelter sleep, medicine, physical protection, breathing, sexual and education are the basic physiological needs which fall in the primary list of need satisfaction. The desire to meet this demand stimulates someone to act or work harder. This need is the lowest level needs or also referred to as the most basic needs.

## **ii. Security or Safety needs**

Its need for freedom from the threat those feel safe from the threat of accidents and safety in the implementing job. This requirement directs to two forms, such as the need for security of life, especially life safety at the workplace at the time of doing the work in time. The need for security of property in the place of work during the hours, like a motorcycle that is stored does not lose it. Need for protection from threats, danger, conflict, and the environment.

## **iii. Social needs**

Which needs to be accepted by the group, friends, affiliated with, interact, need to love and be loved, accepted in social groups of employees and the environment. Basically a normal human being would not want to live alone by himself/herself secluded place. He/she always takes the life of a group because humans are social creatures, it was clear he had the social needs of four groups, such as the need for feeling accepted by others in the neighborhood he lived and worked (sense of belonging), need for feeling respected, because every man feels himself an important (sense of importance), need to going forward and not fail to sense (sense of achievement), and need to participate feelings (sense of participation).

## **iv. Esteem needs**

Meaning that which needs to be respected and appreciated by others. Need for self esteem, recognition and prestige awards from employees and their immediate communities. Based on Maslow theory, when the employees start to satisfy their work and their needs to belong, they incline to want to

be held in esteem both by themselves and by others. These needs are reflected in our desire for status and confession, appreciate and prestige in the work place like giving by the recognition of merit by the promotion, by participation to manage and fulfill of the employees for self expression. Some of the needs related to the esteem. This kind of needs should be bring about satisfying as a power, performance, knowledge, competition, prestige states and self confidence. This include both internal factor such as self esteem, autonomy and performance and external esteem factors like states, confession, and attention. On these job, it means the compliment to work but more important it means the feeling of employees that each times the employees have a respectful of they supervisor as a person and as a leader to the company goals.

**v. Need for self-actualization**

Need to use the abilities, skills and potential. The need to argue with the ideas put forward to give an assessment and a critique of something. It is mean that need for self by using the skills, abilities, and potential to achieve optimal performance is very satisfactionary or common area which is difficult to achieve by other people. This is need the upper level is one of the satisfied that giving to support the future research about the strategic guidance for the company that provide and use the reward or confession program to make the employees give up the dependency on others worker or on the environment itself.

Maslow regards this as the highest need in his hierarchy. It is the drive to become what one is capable of becoming, it includes growth, achieving

one's potential and self-fulfillment. It is to maximize one's potential and to accomplish something. He / she becomes growth oriented, self oriented, directed, detached and creative. This need reflects a state defined in terms of the extent to which an individual attains his personnel goal. This is the need which totally lies within oneself and there is no demand from any external situation or person.

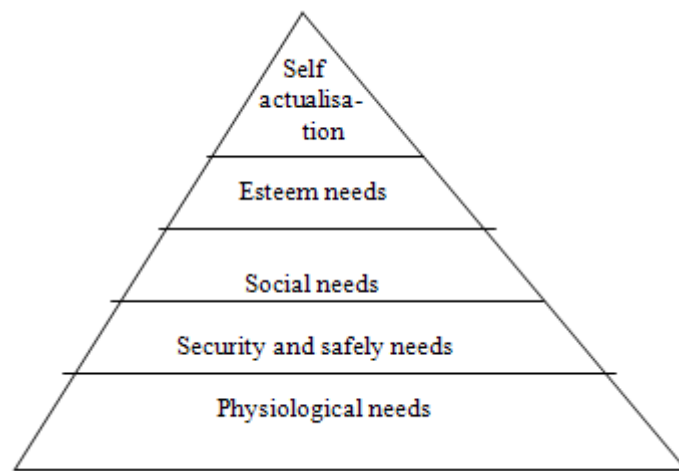


Figure 2.1 Abraham Maslow Hierarchy Needs Theory

#### **2.6.4 Vroom's Valence Expectancy Theory**

Now a days, one of the most accepted about theory motivation is expectancy theory from Victor Vroom, although have a critic but most of the research evidence to support this theory (Robins, 1996 : 215). Expectancy theory has roots in the cognitive concept that developed from the pshycology Kurt Lewin and Edward Talmani. This theory was introduced by Victor Vroom in 1964, the assumption of individual as a made a decision rationally that can evaluate the action alternatives where each alternative will related to the individual

rewards that are expected to assess the information that available to them and make decision according to the personal values and possible consequences to achieve what they like. In practical terms, expectancy theory states that an employee in the motivation to run a high effort level if they believes that effort will be brought to a good performance rating. The pattern of motivation defined as the attitudes that affect the ways people view the work and live (Keith and Newstrom, 2002: 6). According to Keith and Newstrom have four different pattern of motivation is very important, such as:

a. Achievement Motivation

Is pushing the people to overcome all challenges and obstacles to achieve the goals.

b. Affiliation Motivation

Is the urge to get in touch with the people on the social basis.

c. Competence Motivation

Is the drive to achieve excellence of work, improving skills, prevent the issue and strive for innovative.

d. Power Motivation

Is the drive to influence people and change the situation. The knowledge pattern of motivation help manager to understand the work attitude of each employee. They can manage the company periodically in accordance with the pattern of the most prominent motivation.

Therefore an employee is :

**Motivation = Valence x Expectancy.**

The theory focuses on three things :

- Efforts and performance relationship
- Performance and reward relationship
- Rewards and personal goal relationship

This leads us to a conclusion that :

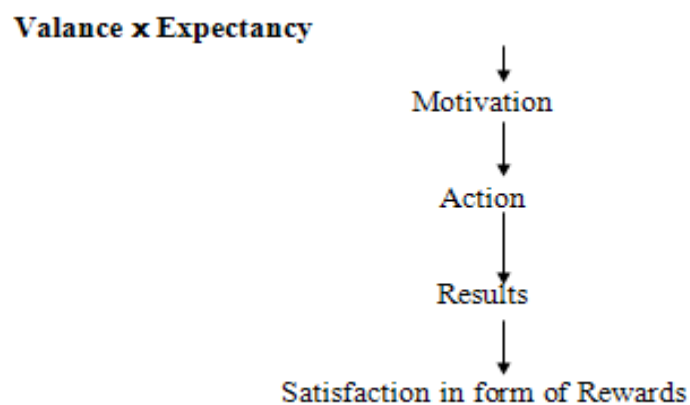


Figure 2.3 Vroom's Valence Expectancy Theory

In the Victor Vroom motivation theory, work motivation someone very special to be achieved is determined the person concerned. Employees expectations to be achieved include:

- a. An appropriate wage or salary
- b. Guaranteed job security
- c. Honor and recognition
- d. Fair treatment



- e. Leadership of a competent, honest and authoritative
- f. Attractive working atmosphere
- g. An interesting position (Wursanto, 1990: 149)

### **2.6.5 McClelland's Needs Theory**

According to McClelland and Atkinson show that there are three main kinds of human motives in the works, there are need to feel successful, need to socialize or make a friends and need for power. Although all people have a need or motive but the strength of this effect is not as strong demand at any time or at different times. However, McClelland and Atkinson have been using their theory is to improve the performance of a work by adjusting the conditions in such a way as to move the people towards the achievement of results that they want (Buchari Zainun, 1989 : 52)

David McClelland has developed a theory on three types of motivating needs :

#### **1. Need for Power**

It's power to motivates the employees to be a desire and give all their ability to achieve the best purpose or posotion. This is the needs to control their behavior of the others employees and to manipulate around the employees. The power motivation positive applications result in the local leadership style, where it's negative application incline autocratic style.

#### **2. Need for Affiliation**

It is becomes the driving force that will motivate and give spirit to the employees to work because everyone wants this things such as need for feeling accepted by others in the neighborhood where they live and worked

(sense of belonging), need for feeling respected because every human feels that they are important (sense of importance), and need to participate feelings (sense of participation). It is the related to social needs and creates friendship. This results in formation of informal groups or social circle.

### 3. Need for Achievement

Meaning that motivates the spirit of one's work and will encourage someone to develop creativity and also drive all possessed the ability and energy to achieve optimum their performance.

This needs is the strongest and eternal motivation factor. Especially in case of the people who satisfy the other needs. They are always busy with their needs to improve and lack for the condition which successful comes up with their efforts directly. They establish more difficult but can achieve to themselves because the success with easily of the achieve the purpose hardly provide a sense of performance.

#### **2.6.6 Clayton Alderfer's ERG Theory**

ERG theory was developed by Clayton Alderfer, a professor at Yale University in United States. Aldefer theory said that human have a main needs or core needs such as existence, relatedness and growth (Siagian, 2002 : 108).

The major conclusions of this theory are :

1. In an individual, more than one need may be operative at the same time.

2. If a higher need goes unsatisfied than the desire to satisfy a lower need intensifies.
3. It also contains the frustration-regression dimension.

### **2.6.7 Cognitive Evaluation Theory**

Cognitive evaluation theory was developed by Festinger (Riyadi, 2000 : 5) said that the employees have the motivation better or higher to correct their mistake when they feel worried, if their performance is below or low level with what they expectations. To reduce errors , tastes and concerns they voluntarily try to improve their performance.

For this theory a friction from the external rewards to the internal rewards results to become a motivation. Its believe that after alight the external stimulus and internal stimulus. It is relatewith pay the structure of company. Instead of deal with external factor such as salary, incentives, promotion, etc. For the internal factor such as importance, drives, responsible, etc. Distintcly, they have to treat as a contemporer to each others. The knowledge is to be such that even when the external factors is not there internal factors continuely. Nevertheless, the practice is important rewards are much more provided.

### **2.6.8 Frederick Winslow Taylor Theory**

Frederick Winslow Taylor's motivation theory said that clasic motivation theory or single requirement motivation theory. This theory said that human wants to do a hard work in order can buy their physical or biological needs, in the form of money or goods based on their result from their work.

The manager should know that the ability to work is not fully mobilized to carry out the employees job. Work can be motivated by material rewards only and if the employees services is get feedback then it's improved their feeling to work by itself.

The workers cant enjoy their work naturally, so that need close observation and control. In consequence the manager have to break down the production to become a job series. The workers should give a training and tools, in order that they can do a job efficiently with the one task that given from their manager. The employees are paid based on the total of goods that they produce in a set of period time. The impact for the worker is push to more work hard and maximize their productivity. The Taylor method generally adopt as an effort to see the advantage from the increase productivity and the lower cost per units. The most support is Henry Ford that using them to create the first production line, making a Ford car. This is the first era of mass production. The Taylor oncoming have a close relation with the management concept style where the manager taking all the decision and only provide the orders to all the subordinates and McGregor Theory X for the employees said that some of the workers seen as a lazy and wants to avoid from responsibility. However, the employee will be comes quickly to not like the Taylor method because they only giving the task that can make them feel bored, the task continuely to do it and treated little better than human machines. The company also can dismiss the employees as an increasing of the productivity. This thing can impact to the increasing in strikes and other forms of industrial action by dissatisfied employees.

## **2.7 Factors of Motivation**

Motivation arises because of two factors, namely the encouragement that comes from within the human (individual or internal factors) and the encouragement that comes from outside the individual (external factors). Individual factors that usually push someone to do something are:

- a. Interest is a person will feel compelled to do an activity if the activity is an activity in accordance with their interests.
- b. Someone who has a positive attitude positive nature of an activity willingly participate in these activities, and will try as much as possible complete the activity concerned with the best.
- c. Everyone needs to have certain needs and will try to do any activity from these activities can meet their needs (Simon Devung, 1989:108). According to F. Herzberg in Devung Simon (1989:106) there are two major factors in the organization (external factors) that make employees feel satisfied with the work performed, and the satisfaction it will encourage them to work better, both these factors include:

1. Motivator

Motivator is working accomplishments, rewards, responsibilities, opportunities to develop themselves and their work itself.

2. Occupational Health

Occupational health factor is an administrative policy and good corporate governance, adequate supervision of technicians, a satisfactory salary, good working conditions and safety.

In expectancy theory (Victor Vroom), someone very determined work motivation specific objectives to be achieved the person concerned. Employees' expectations to be achieved include:

- a. An appropriate wage or salary is a reward given to someone after doing a job. Wages are generally in the form of money or other material. Employees are given the appropriate wage or salary work done or to expectations, making staff work well and mean it. Thus the products according to the specified target company.
- b. Job security employees are guaranteed job security in work requiring concentration and peace of mind and can be realized in the form of job security. Assurance of safety and accident insurance in case make employees work wholeheartedly.
- c. Honor and recognition of the employee may be granted with awards for service and dedication of employees. Honor can be either a bonus or gift for employees who excel. While the recognition may be provided by promotion.
- d. Fair treatment does not mean that given the same amount for all employees. Fair treatment manifested by the provision of salary, awards, and promotion based on employee performance. For employees who excel promoted a higher position, while employees who lack motivation for further achievements were accomplished so that one day gain promotion. The description is one of the fair treatment of employees based on performance, so employees compete to perform well.
- e. Leaders are competent, honest, and authoritative. Leader is a person who is the company's driving force for wheel travel company. Leaders who have the ability to lead a reluctant and respectful employees. Leaders also demanded honest so that the leadership as a good example for employees who presided.

- f. Attractive working atmosphere harmonious relationship between management and employees or vertical relationships create good working atmosphere. Also expected to also create a harmonious relationship among fellow employees (horizontal relationship). Both relationships are creating harmony between the leadership of the working conditions with employees and between fellow employees, so the working atmosphere is not boring.
- g. Position the interesting position is one position that is expected of employees. Promotion which are well tiered based on the work performance and years of service to make employees occupy positions with regular levels. Penjenjangan creating conditions conducive to the company (Wursanto, 1990:149).

Based on some of these opinions can be drawn the conclusion that motivation is influenced by:

- Someone interests of employees who have a high interest characterized by:
  - Feelings like to work
  - Suitability to work in accordance with the wishes
  - Feeling in accordance with policy leaders
- A positive attitude An employee has a positive attitude toward his work is characterized by:
  - Feeling happy if the company met the desired targets
  - Have a high loyalty to the company
  - Have a high work discipline
- Stimuli in the form of bonuses, salaries, and award intensive stimuli in the form of salary or wages, bonuses, intensive drawing a lot of people because

membarikan influence on a person outside of work satisfaction. Gratifications incurred by the recipient's salary, among others:

- Salary allows a person to meet the physical needs of self and family
- Salary if sufficient magnitude may also be used to buy other needs are secondary
- Salaries are often seen as a symbol of wealth
- Salaries also put someone on a high status in the status and social prestige.

Previous research done by Ojokuku (2007) mention that there are two factors that can influence an individual's motivation processes at work. The two factors are intrinsic and extrinsic motivation.

### **2.7.1 Intrinsic**

This kind of motivation arises from within the individual itself without any coercion encouragement of others, but on the basis of their own accord. Motivations are already lies within each person, such as origin of the word motivation is the motive which means the driving force to do something. Intrinsic motivation arises out of a sense want to know. Be thankful that the employees have a strong intrinsic motivation so that the employees will have more creativity, ideas and so on to realize that their motivation.

Intrinsic motivation comes from within oneself such a challenge, a sense of achievement, confidence, faith, sense of responsibility, interest in self actualization and others. Intrinsic motivation is factors that makes people happy and have the satisfaction continuum from low to high satisfaction. That



is the fulfillment of this requirement will raise the satisfaction in life. However, intrinsic motivation doesn't mean that employees will not seek rewards. It just means that such external rewards are not enough to keep an employee motivated.

### **2.7.2 Extrinsic**

A type of extrinsic motivation is arising as a result of influences from outside the individual such as wages, job security, status, relationships, superior and subordinate relationships, money and so on, whether because of the invitation, order, or coercion from others so that with such a situation someone would do something such action learn. For someone with a weak intrinsic motivation, for example, less the knowledge curiosity, the motivation of this second type should be given. Extrinsic motivation is a factor which makes people dissatisfied and discontent has a continuum from low to high dissatisfaction. That is, the fulfillment of extrinsic motivation is not going to make people happy, it was only able to eliminate the dissatisfaction.

The other factors will explain between motivation factor based on employees perspective and manager perspective.

### **2.7.3 Employees Perspective**

Employees motivation can be investigated in many different ways. The one of to research on employee motivation is looking for factors that are most often chosen by employees when they are asked to decide what motivates them at work. The most common method to collect data in this kind of studies is a survey. It usually consists of a number of motivating factors that are supposed to be ranked or assessed. There is a long history of research on motivating factors. Sonawane (2008) in her paper about rewards mentioned the most important studies in this topic. As she suggests one of the first survey about motivating factors was conducted by Lindhal in 1949. The result of those studies indicated full appreciation of work done, feeling of being in on things and interesting work as the most important motivators for employees. Sonawane (2008) cited Jurgensen (1978) as his studies showed interesting differences between subgroups of respondents. The study was conducted on a sample of fifty seven thousands job applicants. It showed significant different male and female choices regarding motivation factors. Another cited study was conducted by Sharma (1989) in 51 organizations in India. Author found that Safety, Security and Monetary benefits were recognized as the most important by Indian workers. Kovach (1980, 1987, 1995) was noticed the difference between groups of respondents. His studies seem to cover many important areas from previous research on motivational factors. Moreover, he was followed by other researchers who replicated or modified his researches to find out more about the topic. Kovach's studies were replicated by other authors. Linder's research (1998) indicated interesting work and Good wages as the most important motivation for the employee to work. Results from a survey

conducted by Harpaz (1990) on a representative sample of employees in 7 countries showed the same two factors as the most important factors. Fischer and Yuan's research (1998) also compared employees from various countries. They indicated that Chinese employees ranked Good wages, Good working conditions and Personal loyalty of boss as the most important factors. Their findings showed that Chinese managers, oppositely to US managers, were able to provide appropriate answers to the question what motivate their employees.

#### **2.7.4 Manager Perspective**

The best known theories are those of Maslow (1958), Herzberg (1968), McClelland (1987) and McGregor (1960). Yet Maslow's (1958) hierarchy of needs has been criticized as reflecting a particular individualist view of the world (Hofstede, 1980) with "self-actualization" being at the top of the pyramid. These comments must also have implications for Herzberg's (1968) theory of hygiene factors where extrinsic factors, such as working conditions and money, when absent many cause demotivation. Motivators or intrinsic factors include content of the task, achievement, responsibility and growth. McClelland's (1987) motivation theory suggests that people are differently motivated towards achievement, power, affiliation and avoidance, where the achievement motive is key to McClelland's view of economic development. Such achievement involves the creation of more efficient ways of doing things and solving problems, the preference for tasks which reveal successful performance and the taking of personal responsibility for performance.

As defined by Osborne (2001), motivation refers to forces within an individual that account for the level, direction, and persistence of effort expended at work. In simple words, motivation is a self awareness to complete tasks by will without any destructive factors. According to McShane (2003), motivation refers to the forces within a person that affect his or her direction, intensity and persistence of voluntary behavior.

## **2.8 Types of Motivation**

According Hasibuan (2008: 150), there are two types of motivation are:

### **2.8.1 Positive Motivation**

Positive motivational leadership means motivating subordinates by giving gifts to those who are doing well. With positive motivation, morale subordinates will increase because people are generally happy to accept a fine.

### **2.8.2 Negative Motivation**

Negative Motivation leadership means motivating subordinates by providing punishment for those who lack good job (low achievement). With this motivation morale subordinates in the short term will increase, because of their fear of punishment but for the long term could result in less good.

The motivation effective for long term positive while negative for short term motivation. Therefore, a good manager should consistently and fairly applied to achieve maximum results in its application.

## 2.9 Motivation Tools

According Hasibuan (2009: 221), motivational tools can be divided into three parts:

### **Material incentives**

It is motivational tools provided in the form of money and goods that have a market value, so giving economic needs. For example are vehicles, houses and others.

### **Nonmaterial incentives**

It is motivational tools provided satisfaction and pride in their soul, such as medals, certificates, stars and other services.

### **The combination of material and nonmaterial**

It is given a motivation tool material (money and goods) and nonmaterial (medal charter), so meet the needs of economic and spiritual satisfaction or pride.

## 2.10 Motivation Methods

According Hasibuan (2008: 149), there are two methods of motivation are:

### **Direct motivation method**

Are materially and nonmaterial given directly to each individual employee to meet the needs and satisfaction. So the special nature such as giving praise, rewards, bonuses, certificates and so on.

### **Indirect motivation method**

The motivation provided only in the form of facilities that support and morale support or fluency task, so the employees feel at home and zeal in carrying out its work. For example a padded chairs, good machines, bright and comfortable work space, atmosphere and good working environment, proper placement of employees

and others. Motivation is a large indirect effect to stimulate the spirit of working employees so productive.

## **2.11 Objectives Motivation**

According Hasibuan (2008: 146), goal motivation, among others, as follows:

- Improve employee morale and job satisfaction.
- Increasing employee productivity.
- Maintaining the stability of the company's employees
- Improve employee discipline.
- Streamline the procurement officer.
- Creating an atmosphere and a good working relationship.
- Increasing loyalty, creativity, and employee participation.
- Increasing the level of welfare.
- Enhance employees' sense of responsibility towards his job duties.
- Improving the efficient use of tools and raw materials.

## **2.12 Definition of Related Terminology**

### **2.10.1 Skills**

Skills is needed in the job. Employers are seeking the following skills in the new employees such as communication skills, teamwork skill, problem solving skill, initiative/enterprise skill, planning and organization skill, self management skill, learning and technology skill. Employers highlighted three skills needed by all workers such as teamwork, flexibility, and communication. Since many workplaces are currently organized according to a matrix system, an employee no longer has a specific job. Instead, their skills especially in

graphics, computers, or oral presentations make the worker a valued member of a team. These three skills are essential for the matrix worker, since they must work well with others and be able to switch easily from team to team, depending on the project. Several companies stressed another employment factor is a good attendance. Some companies had very strict attendance policies. Meaning that the employees who work in the company in a 30 day period who is absent three days, tardy three days, or any combination, is fired. Absences require a doctor's excuse. Some employers stressed repeatedly that weak attendance policies in the company are not helping to train workers for the reality of work policies. Without skills how the employees can motivate themselves to do a job and perform it well. Skills is a basic knowledge that employees need it to find a job and also to do a job.

If the employees doesn't have a good skills, this is the one of the reason to lose the motivation environment, small or courageless employees can't practice their skills, ability, innovation and commitment to the company or company needs (*Drucker as cited in Meyer & Kirsten, 2005*). The opportunity of promotion based on the employees ability and skills make the employees more loyalty towards their job and become a source of the working ability for the employees (Deeprise, 1994, p.3). Based on Bull (2005), skills is the outlook when the employees experience success in the mentally of work that challenge the possibility employees to exercise training and ability, they experiences of the job satisfaction level is higher. Based on Robbins (2001), skills is the section of the evaluation process of employee performance where the employees giving an opportunity for growth and develop the employees based on the employees ability, skills and job.

### **2.10.2 Rewards**

The employees want to join in the company to expect the rewards. The company distributes money and other benefits for the employees' availability, competence and behaviours. In general, the manager is supposed to understand what has to be done and which actions should be taken to help motivate the employees. The manager should try to bind the rewards to the employees' performance. It means when the rewards are suitable to the total of the performance put forward by the employees. The manager has to keep the regular meetings with the employees and discuss about the future goals and personal development. They have to be able to achieve the goals for their team work and help them to make a plan for personal development. A plan of rewards and recognition will help to increase the good performance that can be seen and shared with each employee. This might be possible for the manager to be able to act and behave towards the employees equally. The manager should know the rewards that can motivate the employees individually. The manager can consider such as the flexibility of working hours for the working mother or increase the salary for the employees or given the responsibility with some of the authority. Last but not least, these things are working when the employees receive the rewards and produce more better quality and under the employees' incentive to reduce their input.

Reward should focus on positive reinforcement. Positive reinforcement is the most effective tool for encouraging desired behavior because it stimulates people to take actions because they want and they get something of value (internally or externally) for doing it. An effectively designed and managed reward program can drive an organization's change process by positively



reinforcing desired behaviors. Reward usually mean the financial reward on organization gives its employees in return for their labour. The term reward not only includes material rewards, but also non material rewards. The components of a reward consist of financial rewards (basic and performance pay) and employee benefits, which together comprise total remuneration. They also include non financial rewards (recognition, promotion, praise, achievement responsibility and personal growth) and in many case a system of performance management.

There are two categories of rewards such as tangible and trophies reward. Tangible rewards means reward with actual value. It is include a merit pay raise or bonus but also may take many other forms. Trophy reward is a reward that has little or no cash value but has symbolic meaning to the one who receives it. It says job well done and is an other way to reinforce a persons motivation to do a good job (Marshall J. Cook, 1997). The process theory called the Porter Lawler Model suggests that levels of motivation are based more on the value that individuals place on the reward. The components that effect motivation then, are called valence (what's important to you) and expectancy (can I do it). Porter and Lawler suggest that perceived inequality in this model plays a pivotal role in job satisfaction. Our motivation, or effort leads to performance. Our performance is followed by intrinsic and extrinsic rewards. The perceived equity of those rewards leads to satisfaction. The opinion of the rewards that equal or not equal can cause the employees to become not satisfy with their work, and less motivation to perform in the next future (Luthans, 178). This is because if they not satisfy, the employees feel less motivated and less the instrumental. As an effort, result and decrease their

performance. These things become more important for the company to do evaluate the system. An employee's perception from inequality can be a damage for the companies (Luthans, F. 1998).

### **2.10.3 Discrimination**

Discrimination meaning that when an employee suffers unfavorable or unfair treatment due to their race, religion, national origin, disabled status, or other legally protected characteristics. It can include employees who suffer reprisals for opposing workplace discrimination or for reporting violations to the authorities. Some of the law prohibits discrimination in a number of work related areas, including recruiting, hiring, job evaluations, promotion policies, training, compensation and disciplinary action.

This definition raises an important point like unfair treatment does not necessarily equal unlawful discrimination. Treating a person differently from others violates laws only when the treatment is based on the presence of a protected characteristic, rather than on job performance or even on something as arbitrary as an employee's personality. However, that discrimination claims can be highly subjective. To avoid discrimination, the employer do not have to extend preferential treatment to any employee. The employer only extend the same employment opportunities and enforce the same policies for each employees. Most of the company will do a discrimination because each employees is have a different ability, different race, different gender and different religion. Each employees will have a different performance, so in the researcher opinion all employees is the same. The employer should treat all the

employees in the same way without any discrimination (Rosemary Hunter, 1992).

The discrimination in the work place have a some of implication, include the influence towards the employees motivation. Discrimination is the act or behave unequally from the individual person and the equity theory of motivation shows that when the employees feels like unfair, the employees becomes more motivated to make it balance of the ratio. This balancing can achieve it with the changing of the outcomes or inputs, cognitive distortion results of the input or leaving the ground, and finally to to act upon or alter the ratio greater than the employees own (Luthans, 181).

There are two type of discrimination, such as:

a. Direct discrimination

Means that the workers must not be treated less favourably then others because they follow are perceived to follow or not follow a particular religion or belief. For example are decide not to employ someone, dismiss them, refuse to provide them with training, deny them promotion, and give them adverse terms and conditions.

b. Indirect discrimination

Means that the organization must not have selection criteria, policies, employment rules or any other practices which although they are applied to all employees have the effect of disadvantaging people of a particular religion or belief unless the practice can be justified.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

In this chapter, the practical methods used in order to answer the research question and fulfill the purpose of this research are presented. Motivating factors is possible problem with the data and how the data was analyzed follows the first two discussions. This chapter discussed on research strategy, hypotheses, research design, sample, respondent, data collection and data analysis.

#### **3.2 Research Strategy**

The research already made decision which strategy of research shall be used. There are two kind of research strategy such as induction and deduction (Ghauri & Gronhaug, 2005).

In the inductive strategy, the researcher try to make a general conclusion, which is the theory is get from the result of the research. Nevertheless, the conclusions is not one hundred percent surely because of the reason such as that result is get from the empirical data. The process of the research is start from the collect of data and doing an observation that can be follow the findings from the theory that developed as shown in figure 3.1.

On the other words, the strategy to reduce is depends on the logical reasoning and develop the hypothesis from the material that published already (Ghauri, p.15). The position is start from this research is from theory, concept and model, where they used

to explain the data that already collected as well as the study phenomenon as shown in figure 3.2. This kind of strategy is sometimes using when the researcher try to test the theory in the practice and adopt the quantitative study.

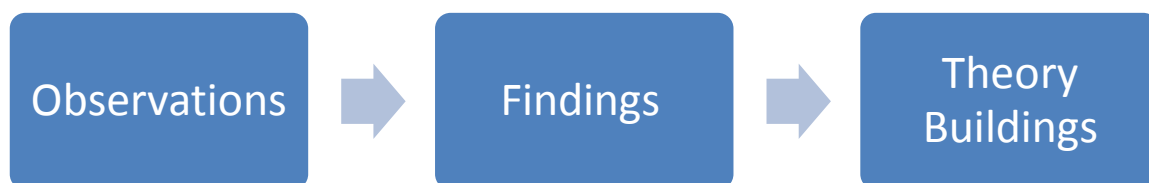


Figure 3.1 Inductive Strategy



Figure 3.2 Deductive strategy

The last but not least, the strategy that mentioned above are normally combine to be one that the researcher can call that abductive strategy. In the other hand, the substansial to see the abductive strategy as a mix from both of them and not as a new strategy. In this reserach, the researcher will combine the reason that underlying is that theory given before the collect of data, and when collected, the researcher will using a qualitative data (Gummesson, h. 64).

As in figure 3.3 shows that there is two ways to structure and working with the research, the researcher will using the first way and not the second way that influence by the inductive strategy. By the first way the researcher using the knowledge that

already haven't to get the structure problem of the research and to know the structure of the problem researcher, and to get the information of relevant fact and it must be considered. To make a research more understanding, it is important to have a basic theoretical to present the concept, valuable theory, and previous work (Ghauri, p. 36-37).

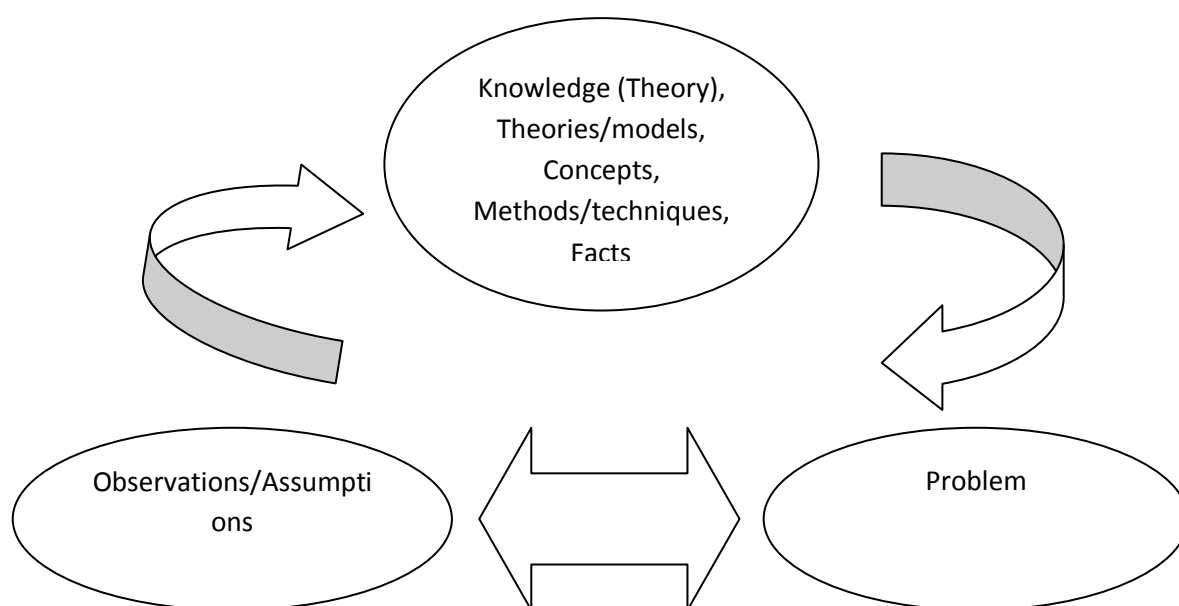


Figure 3.3 Productivity and use of theory

### 3.3 Research Design

This research is special choice in the naturally and entangle the hypothesis testing according to what that the researcher already develop in the framework. The data has been collected with using the survey methods where the questionnaire using to collect the information. Research design is the thing that very important for the researcher to

collect the data and analyze the developing methods in completing study. The methodology in this study has chosen by survey research design or questionnaires. The data were collected from the employees in Elnusa company in Indonesia.

### **3.4 Questionnaire**

Questionnaire consist of five part related to demographical questions, question about having experience related the job, motivational factor, benefit and rewards, motivation factors to work and overall evaluation. Respondent are informed about confidentiality and anonymous character of the survey. They are encouraged to take a part in a survey in by information that participation doesnt consume much of their time. In the first question respondents are asked demographic section contains question about respondents gender, age, race, marital status, highest educational level, years of joined the company, and region. Second question concist of the rewards. Third question is about skill. Fourth question is asking about discrimination of factors for employees. Last but not least question is overall evaluation, which means that to evaluate the employees performance toward their work. The questionnaire was distributed to the employees in Elnusa Company in Jakarta.

### **3.5 Research Hypothesis**

**H1**     there is relationship between skills toward motivation

**H2**     there is relationship between rewards toward motivation

**H3**     there is relationship between discrimination toward motivation

**H4** there is relationship between skills, rewards, discrimination toward motivation

### **3.6 Research Methodology**

There is two methods that provide in the research methodology such as quatitative and qualitative, where one of them is not more better than the others, all of this depends on how the researcher wants to do a research of study (Ghauri, p.109). The research method is quantitative method, where it can be use of a questionnaire provided predominantly quantitative data and to a minor extent qualitative data.

Quantitative method is categorized with become a scientific where the researcher usually using the survey of mathematics and statistics to explore and find out the phenomenon. Here the focus is to explain cause and affect relationships (why things hapen) and to be able to test if the hypothesis is applicable in reality (Andersen, p.31; Lund, 1998). The measurement, scales, test and questionnaires are very controlled and the conclusion often results in a generalisation of the population. The researcher is seen as an outsider and keeps a distance and an objectives view of the research (Ghauri, p.110).

### **3.7 Respondent**

The unit of analysis of this research is employees from each department in Elnusa Company in each department. The simple random sampling was employ to select manager in Elnusa Company. The manager were selected in order to explore their perception as a manager in the company. These manager and employees are the most suitable and confirmed to provide information about the dimensions of the study.



### **3.8 Population**

Means that to any group or object, the entire group of people, events, or things of interest that similar in one or other ways, and which from the subject of the study in a particular survey that the researcher wishes to investigate. It is group of people, events, or things of interest for which the researcher wants to make inferences based on sample statistics (Uma Sekaran, 2010). The population defined as manager and employees in Elnusa Company. The target population of the study is the employees in Elnusa Company in Indonesia. Based on the statistics December 2010 which has given from Industrial Relation in Elnusa Company, the total employees is 1206 employees.

### **3.9 Sample**

The sample size for questionnaires will be determine by randomly pick on the Elnusa company. The sampling method used in this study is simple random sampling. This sample size is sufficient because according to the study, a sample is a subset of a larger population. About 291 respondents have been chosen to become the representatives of Elnusa Company. 291 respondents are sufficient to represent the total of interest. The population is 1206 employees and the sample size taken based on Krejcie & Morgan's (1970) table, whereby 291 employees were involved. The number of sample was took from Morgan's table, it can refer to the Appendix E.

### **3.10 Data Collection**

There are two main procedurs to collect relevant data, primary and secondary data. Secondary data, which are collected by others where the purpose of the data might be

distinguish from the research work. On the other hand, primary data, which the writers of the thesis collect directly to investigate the specific problem (Ghauri, p.9).

Secondary data will be used to understand and interpret the research question, and it will help the researcher to broaden the base from which scientific conclusion can be drawn (Ghauri, p.5). This type information consists of data, book, company websites, discussion with the management of the company, journals, magazine, news paper, historical of study, article and information that already collect from the notes which is needed to be review to see what is the sources that useful and can be relied, also to find out the appropriate motivation and existing theories within the subject.

Primary data is include the personal interview, discussion with employees, distribute the questionnaire and also the study. The information will help the researcher to find out the basic behaviour of motivation. It is important to look carefully to plan and give decision who are the people and company have to be entangled in the research to get the accurate describe about reality (*Ghauri, p.102-105*). The researcher will using the questionnaire to get both point of view on motivation. The company the researcher have chosen for the thesis is Elnusa Company.

### **3.11 Quality of Research**

There are three quality of research such as internal validity, external validity and reliability. Internal validity is how the findings of the research match reality, and as the researcher measure the things that are aimed to measured. Moreover, the reality in quantitative research is an on going processes, it always changes due to the fact that what is being studied is how people understand the job.

External validity is primarily about reusing the findings in other situations, if it is possible to generalize the results of the study. To develop the result from a quantitative study in external way different strategies can be used. Starting with rich, thick description, where one should provide much material so the readers can decide if their situation matches the research. Typicality or modal category is to make a detailed description of the studied phenomenon so that it can be compared with other categories. Finally, multisite designs where the researcher uses as much information and data collection as possible so the reader can use the result in other situations.

Reliability, where the research findings with same studied phenomenon, should reach the same conclusion, independent of the researcher. When it comes to quantitative studies, the reliability is hard to define though human behaviour is investigated. It can be hard to segregate and it could be explained by researchers seek to describe and explain the world as those in the world experience it (Merriam, p.205).

### **3.12 Data Analysis**

The first step to calculate mean ranks of the factors by all managers and employees in Elnusa Company. The factor with lowest mean rank was given position number one and factors that followed it were given further positions. That allowed creating a ranking of most important factors. Another step was to find the percentage of respondents who gave particular factors particular positions. Next step is to check whether factors highly ranked are the same as those reported as the most important for other people in other question. Finally, segmentation of data was done to separately analyze answers from different employees or manager. To analyze the differences between responses manager and employees several statistical tests were used. This

system of data analysis was found to be more appropriate as different participants gave a different ranking for the same factor and this was the simplest method that the research could use to present the result.

This study is to examine four research questions they are:

1. Are there relationship between skills toward motivation of the employees of Elnusa Company in Indonesia?
2. Are there relationship between rewards toward motivation of the employees in Elnusa Company in Indonesia?
3. Are there relationship between discriminations toward motivation of the employees of Elnusa Company in Indonesia?
4. Are there relationship between skills, rewards, discrimination toward motivation of the employees of Elnusa Company in Indonesia?

To answer this four research questions, the researcher using regression. For all those things, the researcher will be analyze by using the statistical program SPSS 17.0 version for windows.

### **3.12.1 Pearson Correlation**

Meaning that a number between -1 and +1 that reflects the level of association between two or more variables (Cavana, 2001). Correlation analysis is done to trace the mutual influence of variables on one another (Sekaran, 2010). From the Coakes (2005) book, the correlation look at the relationship between two variables in a linear fashion. From the previous thesis, Echie (2011) said that the significant of the variable will known through this analysis whereby if p is

0.05 ( $0.05 > p$ ) / 0.01 ( $0.01 > p$ ) there is significant correlation between the independent variable toward dependent variable. According to Hair, Money, Samouel and Page (2007), a correlation coefficient meaning that the level of the variation is together between two variables. They said that either the first issue is need to determine is it the correlation coefficient is statistically significant or not.

### **3.12.2 Multiple Regressions**

Multiple regressions meaning that the simple correlation coefficient  $r$  indicates the strength of relationship between the variables, it gives the research no idea of how much of the variance in the dependent or criterion variable will be explained when several independent variables are to influence it simultaneously (Cavana, 2001). Another's definition is a statistical technique to predict the variance in the dependent variable by regressing the independent variables against it (Sekaran, 2010). This method will be used if the variables are more than two variables.

## **CHAPTER FOUR**

### **ANALYSIS AND FINDINGS**

#### **4.1 Introduction**

This chapter will explain the findings of the research as mentioned before in chapter one and also those after interviews with the respondents. This chapter will focus more on data analysis. It will look into all the findings through statistical analysis and discuss them. At the beginning the data will be analyzed by considering the demographic profile such as gender, age, race, marital status, highest education level, years in the company, job rank/level and job type.

The data collection used the questionnaires which distributed to 291 respondents, and only 152 questionnaire that they gave back. Several statistical techniques are employed to carry out analysis on the how skills, rewards, and discrimination correlate to job motivation.

Furthermore, this chapter will also answer the research questions. The data will be analyzed using descriptive statistics as well as Pearson correlation, and multiple regressions measurements. Pearson correlation measure is used to see and to check the relation between the independent variables to the dependent ones. Multiple regression measure is used to see the influence between independent variables toward dependent variables.

## **4.2 Data Analysis**

The objective of this research is to determine the relations between Elnusa company employees' skills, rewards, and discrimination, and their job motivation. To here are four research questions that this chapter will try to answer. The steps to observe the data, namely:

1. Calculate mean ranks of the factors by all manager and employees.
2. Find the percentage of respondents who gave particular factors of positions.
3. Check whether factors highly ranked are the same as those reported as the most important for other people.
4. Separately analyze the answer from different employees or manager.

### **4.2.1 Analysis Respondents**

To see the demographic profile of the respondents, frequency analysis is employed. Not all respondents answered the questionnaires, so those missing are not included in this research. This section will describe respondents' demographic profile such as gender, race, age, marital status, highest education level, years in the company, job level/rank and job type. Table 4.1 below shows a classification by gender of the total 152 respondents.

#### 4.2.1.1 Respondents' Genders

**Table 4.1**

##### **Genders**

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	63	41.4	41.4	41.4
Male	89	58.6	58.6	100.0
Total	152	100.0	100.0	

Based on the above table, of the 152 respondents, there are 63 female and 89 male. The male respondents are bigger in number than the females by 58.6% to 41.4%.

#### 4.2.1.2 Respondents' Races

**Table 4.2**

##### **Race**

	Frequency	Percent	Valid Percent	Cumulative Percent
Indonesian	114	75.0	75.0	75.0
Chinese	23	15.1	15.1	90.1
Others	15	9.9	9.9	100.0
Total	152	100.0	100.0	



Of the 152 respondents, there are 3 race categories namely, Indonesian, Chinese and others. The Indonesian race numbers 75% (n=114), Chinese race 15.1% (n=23), and others 9.9% (n=15).

#### 4.2.1.3 Respondents' Ages

**Table 4.3**

**Age**

	Frequency	Percent	Valid Percent	Cumulative Percent
20 years and below	1	.7	.7	.7
21-30 years old	75	49.3	49.3	50.0
31-40 years old	38	25.0	25.0	75.0
41 years old above	38	25.0	25.0	100.0
Total	152	100.0	100.0	

According to the table, the biggest number comes out in the age range of 21-30, i.e. 49.3% (n=75). While the 31-40 and >41 age ranges each adds up to a moderate 25% (n=38), the <20 age range only amounts 0.7% (n=1).

#### 4.2.1.4 Respondents' Marital Status

**Table 4.4**  
**Marital Status**

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	69	45.4	45.4	45.4
Married	81	53.3	53.3	98.7
Divorce	1	.7	.7	99.3
Widowed	1	.7	.7	100.0
Total	152	100.0	100.0	

The table shows that most of the employees are married, amounting to 53.3% (n=81). Those singles come to 45.4% (n=69) while the divorced and widowed each 0.7% (n=1).

#### 4.2.1.5 Respondents' Highest Education Levels

**Table 4.5**  
**Highest Education Levels**

	Frequency	Percent	Valid Percent	Cumulative Percent
Bachelor Degree	108	71.1	71.1	71.1
Master Degree	44	28.9	28.9	100.0
Total	152	100.0	100.0	

Of the 152 respondents, the percentage of those holding Bachelor Degree is 71.1% (n=108) while those with Master Degree amount to 28.9% (n=44).

#### 4.2.1.6 Respondents' Years in the Company

**Table 4.6**  
**Years in the Company**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 2 years	51	33.6	33.6	33.6
2-4 years	31	20.4	20.4	53.9
4-6 years	6	3.9	3.9	57.9
7 years or more	64	42.1	42.1	100.0
Total	152	100.0	100.0	

For this section, the respondents are asked about the period of time they have spent in Elnusa Company. Based on the table above, most respondents have joined Elnusa Company for 7 years or more i.e. 42.1% (n=64). The second highest number fills in the range of less than 2 years i.e. 33.6% (n=51). Those who have been there for 2-4 years amount to 20.4% (n=31). The littlest number is figured by the range period of 4-6 years employment with the frequency of 3.9% (n=6).

#### 4.2.1.7 Respondents' Job Level/Ranks

**Table 4.7**

**Job Level/Ranks**

	Frequency	Percent	Valid Percent	Cumulative Percent
Contractor	19	12.5	12.5	12.5
Manager	13	8.6	8.6	21.1
Director	2	1.3	1.3	22.4
Senior Level	62	40.8	40.8	63.2
Entry Level	56	36.8	36.8	100.0
Total	152	100.0	100.0	

The above table, lists the respondents based on their job ranks/levels. The biggest proportion is shown by the senior level with a percentage of 40.8% (n=62). The second biggest share is occupied by those who started only recently in the beginner level, i.e. as much as 36.8% (n=56). Coming with the third biggest percentage of 12.5% (n=19) are those contractors, followed with the managers, who add up to the frequency of 8.6% (n=13). The smallest number is that of the directors, i.e. 1.3% (n=2).

#### 4.2.1.8 Respondents' Job Types

**Table 4.8**

**Job Types**

	Frequency	Percent	Valid Percent	Cumulative Percent
Building Management	19	12.5	12.5	12.5
Pusdok SAP	12	7.9	7.9	20.4
Elnusa Drilling Service	48	31.6	31.6	52.0
EWS Oilfield Services	24	15.8	15.8	67.8
Elnusa Geosains	34	22.4	22.4	90.1
Server Geodata	6	3.9	3.9	94.1
Holding Direction	9	5.9	5.9	100.0
Total	152	100.0	100.0	

Table 4.8 shows that the majority of the respondents work in Elnusa Drilling Service division with a frequency of 31.6% (n=48). Following them are those in Elnusa Geosains with 22.4% (n=34), EWS Oilfield Services with 15.8% (n=24), Building Management with 12.5% (n=19), and Pusdok SAP with 7.9% (n=12). For the Holding Direction the frequency is 5.9% (n=9). A smallest amount of respondents, i.e. 3.9% (n=6), hold positions in the Server Geodata.

### 4.3 Analysis

#### 4.3.1 Research Question 1

*Are there any relation between skills toward motivation among the employees in Elnusa Company in Indonesia?*

Employing Pearson Correlation measurement, this research seeks to find relations between skills and job motivation among the employees in Elnusa Company in Indonesia. Table 4.9 shows the result the analysis.

**Table 4.9**  
**Correlations between Skills and Job Motivation**

		Skills	Job Motivation
Skills	Pearson Correlation	1	.602**
	Sig. (1-tailed)		.000
	N	152	152
Job Motivation	Pearson Correlation	.602**	1
	Sig. (1-tailed)	.000	
	N	152	152

\*\* . Correlation is significant at the 0.01 level (1-tailed).

It can be conclude that there is a significant correlation between skills and motivation, as shown by the table that the coefficient of skills decreases as that of job motivation increases ( $r=0.602$ ,  $p < 0.001$ ). Given the directional hypothesis, a single tailed probability test is considered appropriate. To determine the correlation coefficient, the coefficient and its associated significant value ( $p$ ) are examined. The output confirms the showing of the scatterplot that there is a significant positive relation between skills and job motivation.

#### 4.3.2 Research Question 2

*Are there any relations between rewards toward motivation among the employees in Elnusa Company in Indonesia?*

**Table 4.10**  
**Correlations between Rewards and Job Motivation**

		Rewards	Motivation_Overall_Evaluation
Rewards	Pearson Correlation	1	.484**
	Sig. (1-tailed)		.000
	N	152	152
Job Motivation	Pearson Correlation	.484**	1
	Sig. (1-tailed)	.000	
	N	152	152

\*\* . Correlation is significant at the 0.01 level (1-tailed).

Table 4.10 points out the correlation between rewards and job motivation. Indeed, there is a highly significant correlation ( $r=0.484$ ,  $p < 0.01$ ). To determine the correlation coefficient, the coefficient and its associated significant value ( $p$ ) are examined. The output confirms the showing of the scatterplot that a significant positive relation between rewards and job motivation. Thus, higher rewards are associated with higher job motivation.

### 4.3.3 Research Question 3

*Are there any relations between discrimination toward motivation among the employees in Elnusa Company in Indonesia?*

**Table 4.11**  
**Correlations between Discrimination and Job Motivation**

		Discriminations	Job Motivation
Discriminations	Pearson Correlation	1	.331**
	Sig. (1-tailed)		.000
	N	152	152
Job Motivation	Pearson Correlation	.331**	1
	Sig. (1-tailed)	.000	
	N	152	152

\*\* . Correlation is significant at the 0.01 level (1-tailed).

Table 4.11 shows that the discrimination and motivation variables are significantly correlated ( $r=0.331$ ,  $p < 0.01$ ). To determine the correlation coefficient, the coefficient and its associated significant value ( $p$ ) are examined. The output confirms the showing of the scatterplot, that there is a significant positive relationship between discrimination and job motivation. Thus, higher discrimination scores are associated with higher job motivation scores.



#### 4.3.4 Research Question 4

*Are there any relations between skills, rewards, discrimination toward motivation among the employees in Elnusa Company in Indonesia?*

Table 4.12 shows that all the variables tested skills, rewards, discrimination and job motivation indicates multiple regression. The study points the value of significance for variable skills ( $p=0.00$ ), rewards ( $p=0.00$ ), discrimination ( $p=0.00$ ), and job motivation ( $p=0.00$ ). Overall, the coefficient correlation ( $r$ ) = 0.699, and the coefficient of determination ( $R^2$ ) = 0.488. These coefficients reveal that in Elnusa company in Indonesia as much as 48.8% of job motivation is related to skills, rewards, and discrimination while 51.2% of it involves other factors or indicators.

**Table 4.12**  
**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.699 <sup>a</sup>	.488	.478	1.946

a. Predictors: (Constant), Discriminations, Rewards, Skills

b. Dependent Variable: Job Motivation

**Table 4.13**  
**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	535.028	3	178.343	47.092	.000 <sup>a</sup>
	Residual	560.492	148	3.787		
	Total	1095.520	151			

a. Predictors: (Constant), Discriminations, Rewards, Skills

b. Dependent Variable: Job Motivation

**Table 4.14**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	12.710	1.492		8.519	.000
Skills	.348	.065	.376	5.351	.000
Rewards	.348	.070	.344	4.994	.000
Discriminations	.181	.040	.288	4.591	.000

a. Dependent Variable: Job Motivation

## 4.4 Partial Correlation

**Table 4.15**  
**Correlations between Skills, Rewards, Discrimination and Job Motivation**

Control Variables			Skills	Rewards	Discriminations
Job Motivation	Skills	Correlation	1.000		
		Significance (1-tailed)	.		
		df	0		
	Rewards	Correlation	.249	1.000	
		Significance (1-tailed)	.001	.	
		df	149	0	
	Discriminations	Correlation	.039	-.344	1.000
		Significance (1-tailed)	.317	.000	.
		df	149	149	0

The output indicates that the relationship between skills, rewards, discrimination and job motivation is also significant. The reward score is higher ( $r = 0.249$ ,  $p < 0.05$ ). The partial correlation coefficient, whereby job motivation is controlled, is still significant ( $r = -0.344$ ,  $p < 0.05$ ). Thus, it is proven that skills, rewards, discrimination and job motivation are closely related.

#### **4.5 Conclusion**

This chapter contains analysis and discussion of the data. All the data are analyzed using SPSS 17.0 versions for Windows. To answer the research questions, Pearson correlation and multiple regression measurements are employed. The descriptive statistics of the respondents such as gender, race, age, marital status, highest education level, years in the company, job level/rank and job type are presented. Based on the pre-test data of the 152 respondents, it is shown that, as hypothesised skills, rewards, and discrimination are positively related to job motivation.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This last chapter will discuss, summarize, give conclusion and recommendations based on the result of the data analysis. These recommendations are necessary because it will be useful to solve some problems.

#### **5.2 Discussion**

Based on the interviews with the 152 respondents,so can be concluded employees' motivation are affected by two factors. It is important to recognize these factors in order to motivate the employees and to push them to make beter performances. Among the research objectives are as follows:

##### **5.2.1 To determine the relation between skills toward motivation**

After analyzing the data collection, it can be concluded that the skills are a more significant factor to employees's job motivation. This is because the value R of skills factor is the highest among other factors. With the value of R 0.602, it can be said that employees' skills are closely associated to their motivation.

Skills can be referred as an ability and capacity acquired through deliberate, systematic and sustained efforts to smoothly and adaptively carry out a complex activity or job function involving ideas, things and people. Skills here comprise the ability to do anything to gain knowledge through experience. This

research, maintain that there are four dimension of skills, namely working skill, communication skill, people skill and leadership skill.

Based on Abraham Maslow's theory (1943), on the need for self-actualization employees need to have a certain level of skills to build their own motivation and to achieve optimal performances. The theory says that if you want to motivate someone, you need to understand on what level of the hierarchy of needs the person's needs are and focus on satisfying those needs. Employees are often motivated by opportunities to enhance their skills and take part in trainings or certifications.

### **5.2.2 To determine the relation between rewards toward motivation**

The research results show that rewards and motivation are significantly related. The value of R is 0.484, thus it can be concluded that the rewards factor is vital to motivation. Employees' motivation can be low if resources are limited and time is not spent to consistently implement an established program. Reversely, the company should be able to see their employees' motivation and reward them as soon as possible. The symptoms of low motivation include complacency, declining morale, and discouragement. If not addressed in time, these feelings can result in decreased production or worsening quality of products or services. Money motivates people, but it is not the only way to foster employees' motivation. Money as a rewards only motivates employees for a short-term in response to certain achievements regarding their productivity or service.

The Hawthorne Studies (1973) states that employees are not motivated solely by money and their behavior is linked to their attitudes. As observed, there is a direct and positive relationship between rewards and employees' working

motivation. It means that a reward is in proportion to employees' working motivation. A change in rewards offered to an employee will necessarily change his/her working motivation and performance. The better the reward for an employee is, the higher his/her levels of motivation and performance will be. Based on Abraham Maslow's theory (1943), when an employee begins to satisfy his/her needs, he/she will try to get a reward for himself/herself and others. Meanwhile Victor H. Vroom theory (1964) suggests that although individuals may have different sets of goals, they can be motivated if they believe that the reward will satisfy an important need. An employee's belief about potential rewards will create a motivational force so that the employee will act in ways that can bring pleasure and better performance. Based on the Incentive Theory (2001), if an employee gets a reward immediately, the effect will be greater so as to diminish the possibility of him being demotivated in working. Steven Kerr (1995) notes that when creating a reward system, it can be easy to reward A, while hoping for B, and in the process, reap harmful effects that can endanger the employees goals.

In the her previous research, Deci (1971) proves that they who get a reward are more motivated than those who do not. Furthermore, Lepper and Greene (1975) found the result that the employees in the expected rewards condition decreased in motivation, whereas the employees should maintain their motivation.

### **5.2.3 To determine the relation between discrimination toward motivation**

After analyzing the collected data, it can be concluded that discrimination is not really significant to employees' working motivation. This is because the

value of R is 0.331, confirmings that the discrimination factor is not really strong significant to the employees motivation.

Discrimination can be referred to when a company continues to think negatively about race, gender, age, or other characteristics. If so, then discrimination will be an issue. The differences in gender, age, and ethnicity, however affect employees' motivation. There are multiple factors that determine whether or not an employee will be motivated to learn, perform, or accept a change.

The Equity Theory (1963) argues that discriminationis unequal treatment of individuals, when an employee feels unequal, he/she will become motivated to get equality. The Equity Theory (1963) and Porter Lawler Model (1979) are the only motivational theories that emphasize the importance of avoiding discriminatory practices in the workplace. It is imperative that employees receive equal treatments at work. Though discrimination today is subtle, it continues to be problematic. If it's continue to act partially, an employee's motivation may be adversely affected, that he/she will eventually cease to perform well. By participating in such practices, the researcher are steadily building the foundation for disaster. Abraham Maslow's theory (1943), on social needs suggests that one of an employee's needs is to be accepted in his/her social group and environment without any discrimination. As a human and social being, an employees always needs other employees. Based on McClelland's theory (1987), the need for affiliation means that people are social in nature. They try to affiliate themselves with individuals and groups. They obtain great satisfaction from being liked and accepted by others, and prefer to work with others who prefer group harmony and cohesion.

#### **5.2.4 To determine the relation between skills, rewards, discrimination toward motivation**

This research has come up with coefficient correlation ( $r$ ) = 0.699, and coefficient of determination ( $R^2$ ) = 0.488. These figures indicate that skills, rewards and discrimination together add up to 48.8% of job motivation predictors while the 51.2% of it covers other factors or indicators. It thus can be said that the affects of skills, rewards and discrimination on motivation are not really significant. Meanwhile, there are other factors that turn out having strong influence on job motivation.

### **5.3 Recommendation and Suggestion**

After drawing conclusions based on the results and discussion, like calling for further research are expected to be examined further to other companies. Among the suggestions for Elnusa company, one point is that they may want to use indirect motivational method such as paying more attention to employees' skills improvement by giving them some training. When employees are trained, it means they will gain knowledge and experience that will increase their motivation to work. Employers should help their employees to grow their skills and knowledge, so that they will develop throughout their career. Elnusa company should motivate their employees more because not all employees are well motivated. Elnusa company need to improve employees' performances by using rewards to motivate them. Rewards are important to push employees to do their best. Employers should keep in mind, though that their employees may also come up with their own ways to motivate themselves to give excellent services. Many step should be taken to improve their motivation. Rewards



should be given to them whenever they deserve. Elnusa company should as well conduct an evaluation on all aspects related to the company and its workers to make its organizational functions accomodative, creative and aspirational.

Analyze the result against the relationship between skills, rewards, discrimination and job motivation among the employees in Elnusa company in Indonesia is needs a lot of effort to improve on skills and rewards. The research findings could have been more valid if the samples are larger. Future researchers should focus on the influence of skills, rewards and discrimination on employees motivation in other departments, sectors, areas, or contexts in either a government or private company in order to investigate how those factors affect employees' motivation. For examples, future researchers could look into job description, work environment, personality factors, work balance, etc. On the other hand, researchers could further investigate the difference regarding gender or job rank for example when a woman holds a top position in management such as being a CEO or s manager. This research only account 48.8% of the variance motivation factors. Future researches perhaps can do some analysis on the other factors and help explain the 51.2% of other motivational factors. The number of variables might be increased in future researches in order to analyze the other motivation factors.

#### **5.4 Conclusion**

No motivational systems will be effective unless the employer of the company know what motivates their employees. If properly designed reward systems are not implemented, employees will not be motivated. The research concludes that rewards and employees' motivation are directly related. It is more important to develop such a

reward system which has more emphasis on extrinsic rewards. Correspondingly, high income groups of employees could be more motivated by intrinsic rewards. Well defined job descriptions lead to better performance in the organization. Where as, gender discrimination has a negative impact on employees' motivation. Employee rewarding is a good motivational method. Based on the analysis and finding as explained in chapter 4, some points of conclusion can be made. Here are they:

1. Employers should always provide motivation to their employees. This type of motivation is the motivation provided positive motivation and negative motivation. Positive motivations may be provided as awards, salaries, promotions, incentives and welfare supports, while negative motivations could be verbal reprimands, written warnings and termination of employment.
2. The method provided a direct motivation of the award, health care and medicine, allowance for holidays and bonuses, while the indirect method of vehicle facilities, spiritual formation, cooperative employees and work facilities and work space.
3. The motivation method used by Elnusa company is a combination of material and non material incentives. The company seem to realize that in addition to their economical needs, employees' desire for appreciation should also be fulfilled if they are to increase their productivity .

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## APPENDIX A

### Frequencies

		Statistics							
		Gender	Race	Age	Marital	education	years	level	job
N	Valid	152	152	152	152	152	152	152	152
	Missing	0	0	0	0	0	0	0	0
Mean		1.59	1.35	2.74	1.57	2.29	2.55	3.81	3.63
Std. Deviation		.494	.654	.842	.548	.455	1.331	1.351	1.598
Minimum		1	1	1	1	2	1	1	1
Maximum		2	3	4	4	3	4	5	7
Sum		241	205	417	238	348	387	579	552
Percentiles	25	1.00	1.00	2.00	1.00	2.00	1.00	4.00	3.00
	50	2.00	1.00	2.50	2.00	2.00	2.00	4.00	3.00
	75	2.00	1.75	3.75	2.00	3.00	4.00	5.00	5.00

### Frequency Table

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	63	41.4	41.4	41.4
	Male	89	58.6	58.6	100.0
	Total	152	100.0	100.0	

### Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Indonesian	114	75.0	75.0	75.0
	Chinese	23	15.1	15.1	90.1
	others	15	9.9	9.9	100.0
	Total	152	100.0	100.0	

### Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20 years and below	1	.7	.7	.7
	21-30 years old	75	49.3	49.3	50.0
	31-40 years old	38	25.0	25.0	75.0
	41 years old above	38	25.0	25.0	100.0
	Total	152	100.0	100.0	

### Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	69	45.4	45.4	45.4
	Married	81	53.3	53.3	98.7
	Divorce	1	.7	.7	99.3
	Widowed	1	.7	.7	100.0
	Total	152	100.0	100.0	

### Higher Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Degree	108	71.1	71.1	71.1
	Master	44	28.9	28.9	100.0
	Total	152	100.0	100.0	

### Years Joined Company

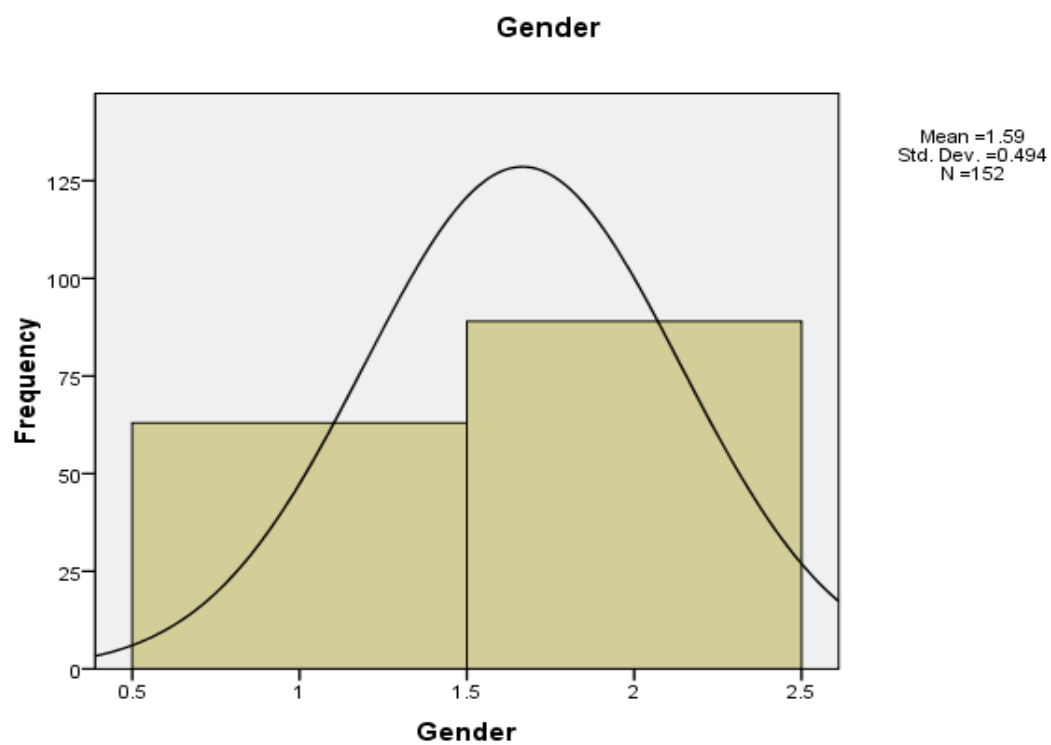
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 2 years	51	33.6	33.6	33.6
	2-4 years	31	20.4	20.4	53.9
	4-6 years	6	3.9	3.9	57.9
	7 years above	64	42.1	42.1	100.0
	Total	152	100.0	100.0	

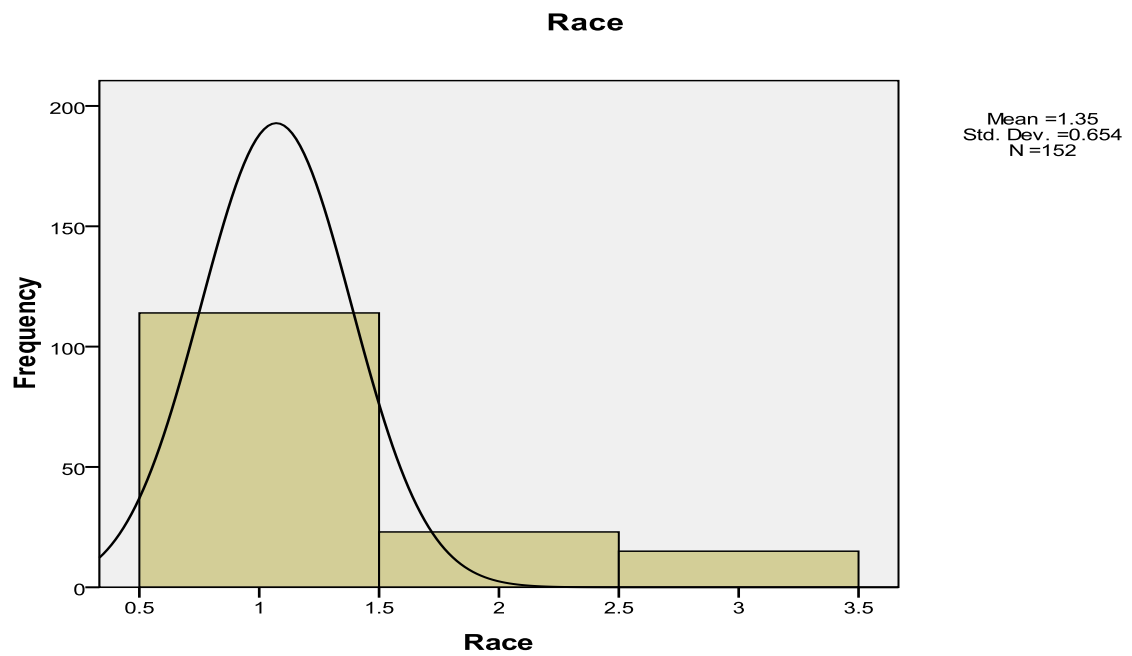
### Job Level

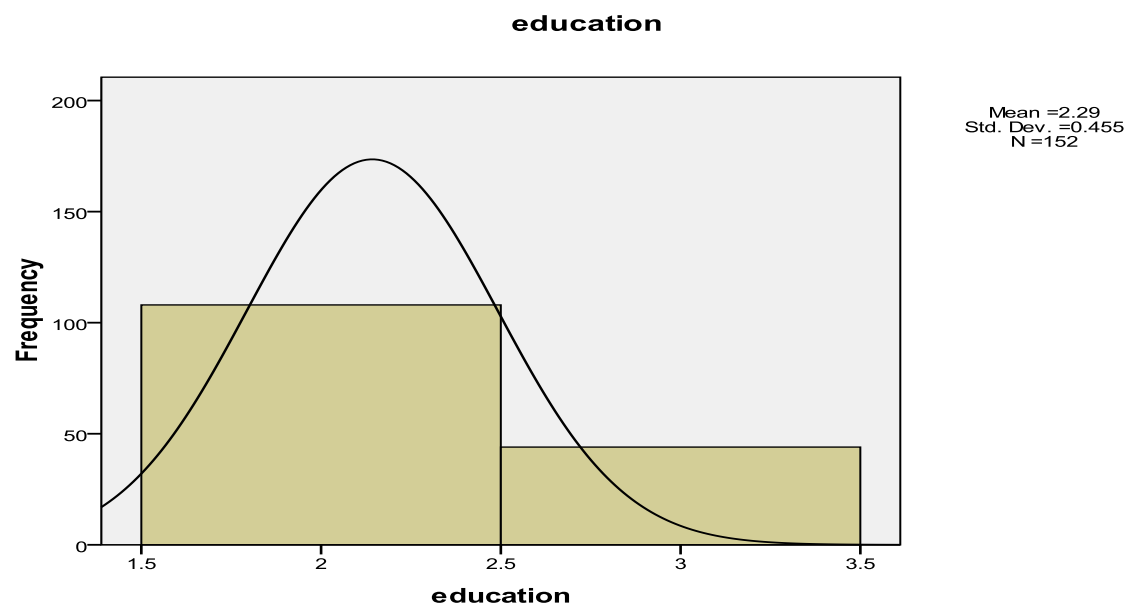
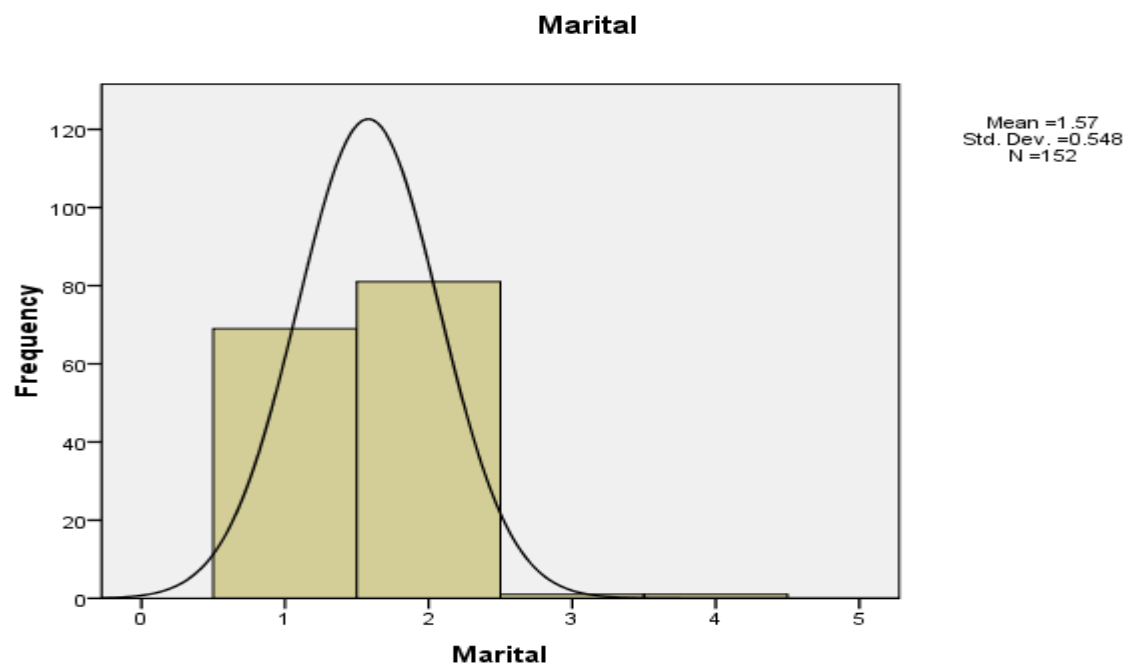
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Contractor	19	12.5	12.5	12.5
	Manager	13	8.6	8.6	21.1
	Director	2	1.3	1.3	22.4
	Senior level	62	40.8	40.8	63.2
	Entry level	56	36.8	36.8	100.0
	Total	152	100.0	100.0	

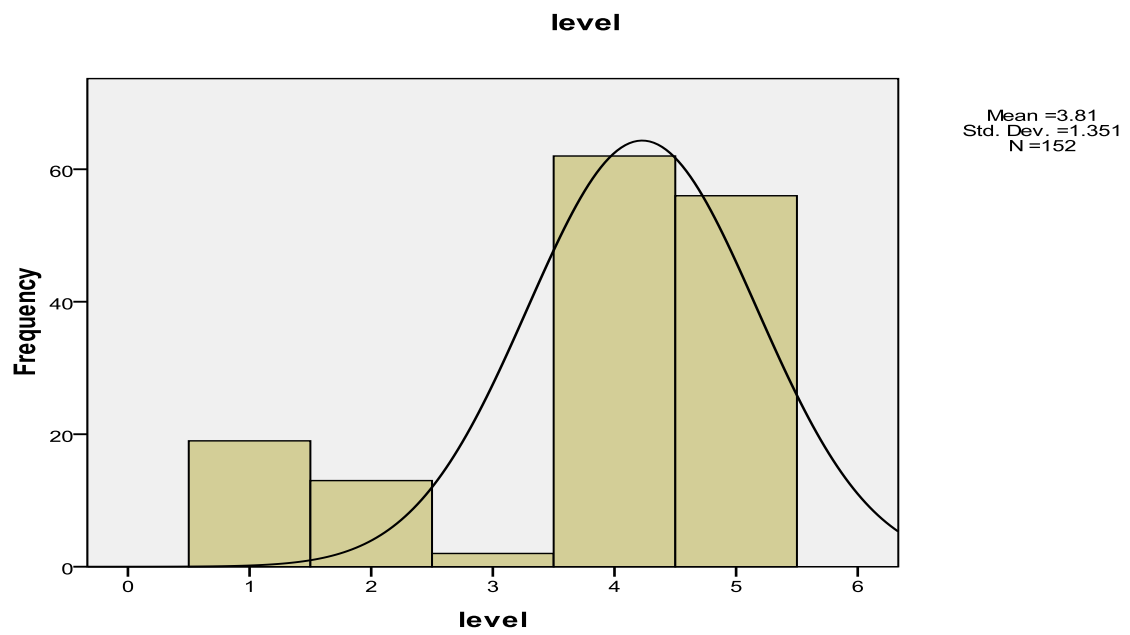
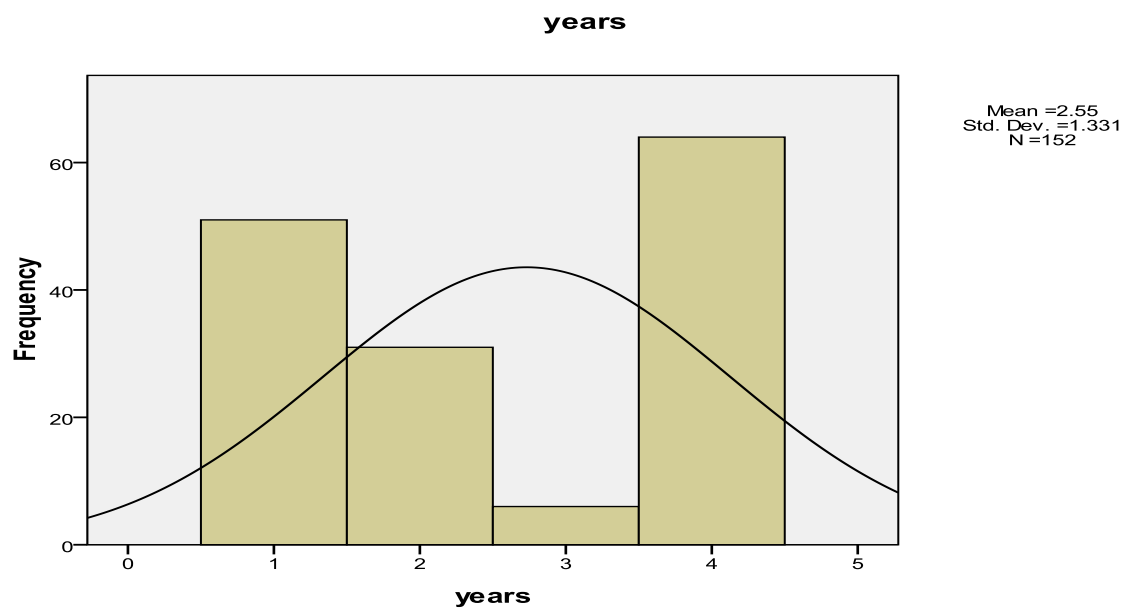
Job Type		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Building Management	19	12.5	12.5	12.5
	Pusdok SAP	12	7.9	7.9	20.4
	Elnusa Drilling Service	48	31.6	31.6	52.0
	EWS Oilfield Services	24	15.8	15.8	67.8
	Elnusa Geosains	34	22.4	22.4	90.1
	Server Geodata	6	3.9	3.9	94.1
	Holding Direction	9	5.9	5.9	100.0
Total		152	100.0	100.0	

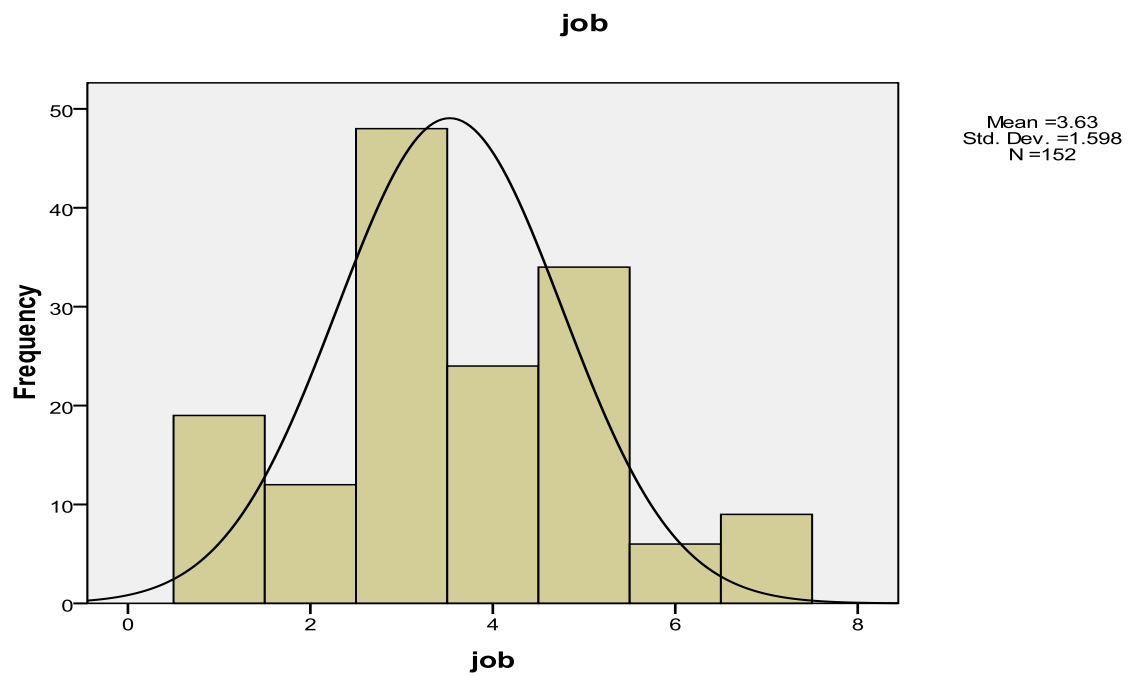
## Histogram



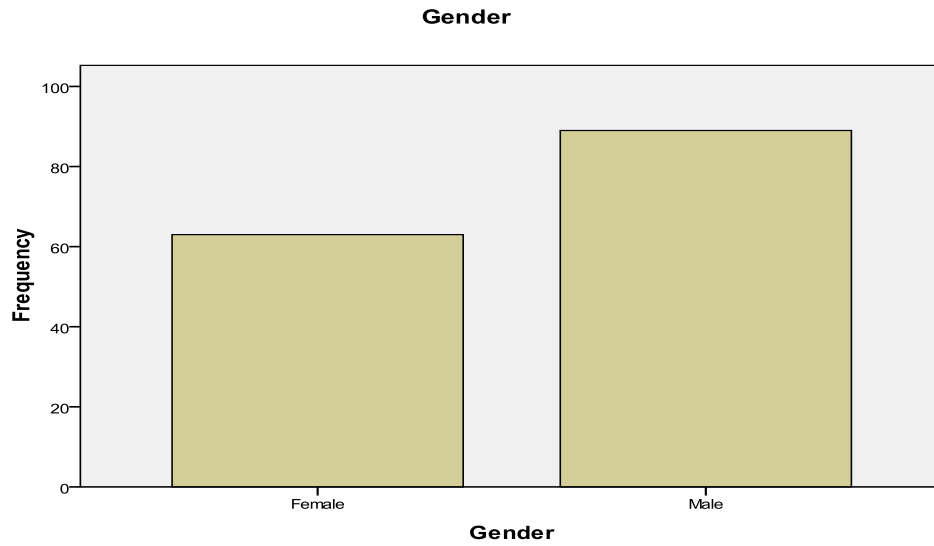




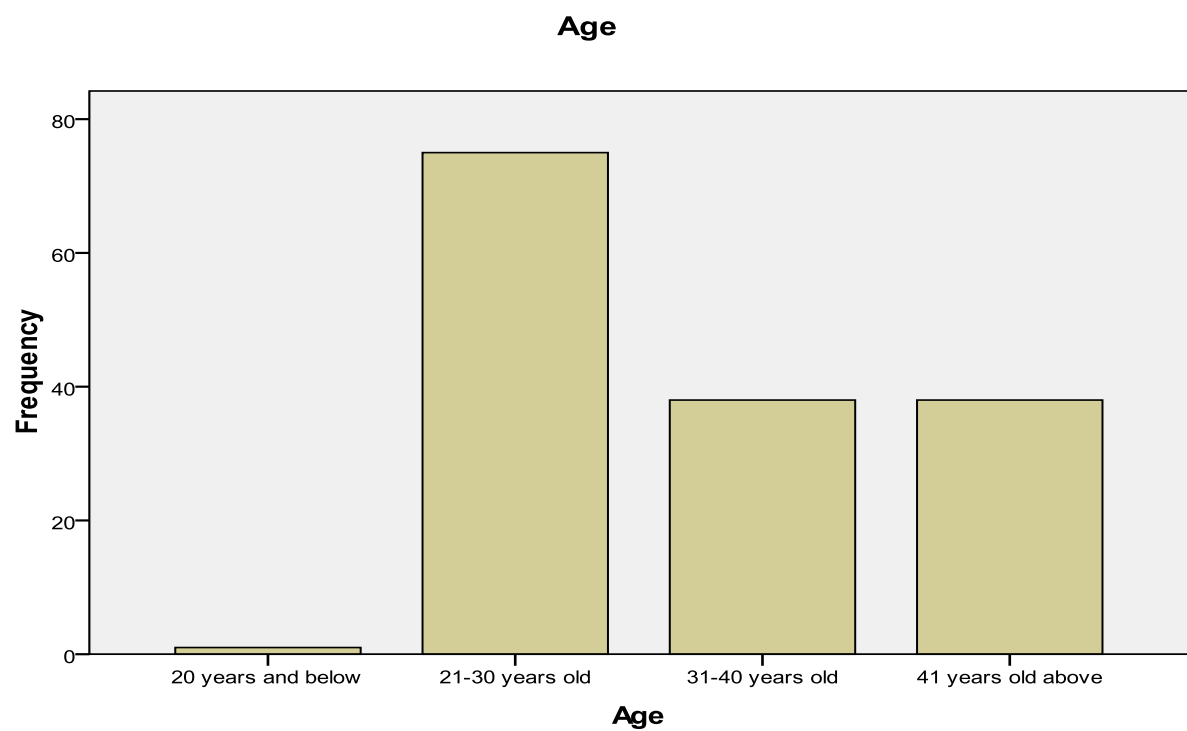
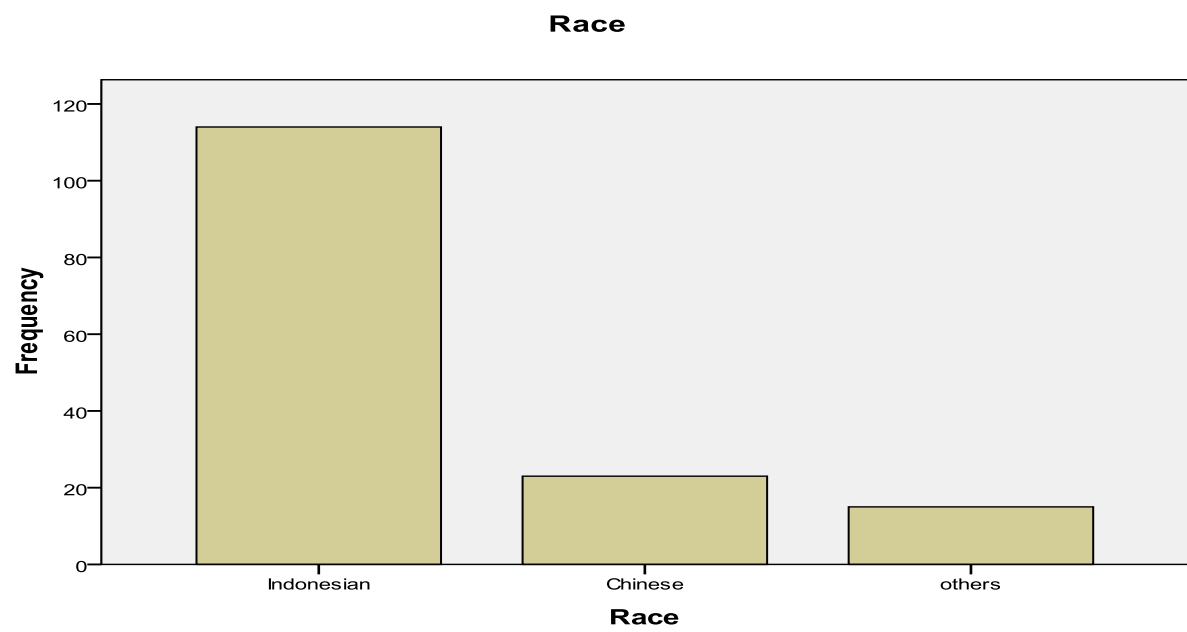


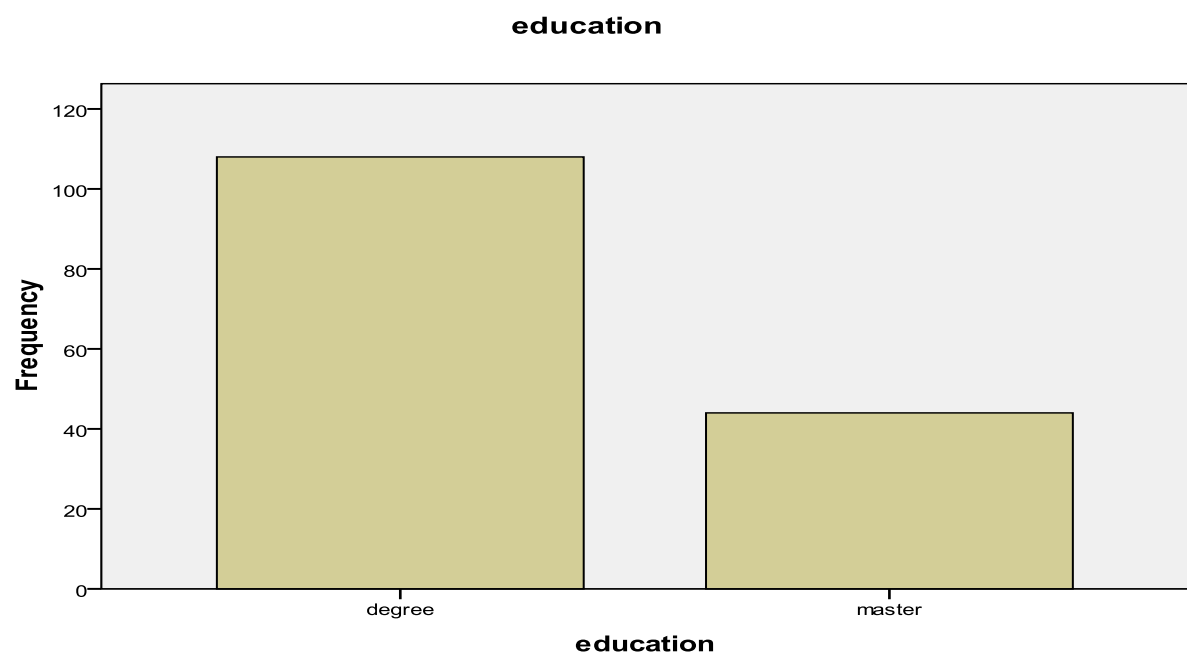
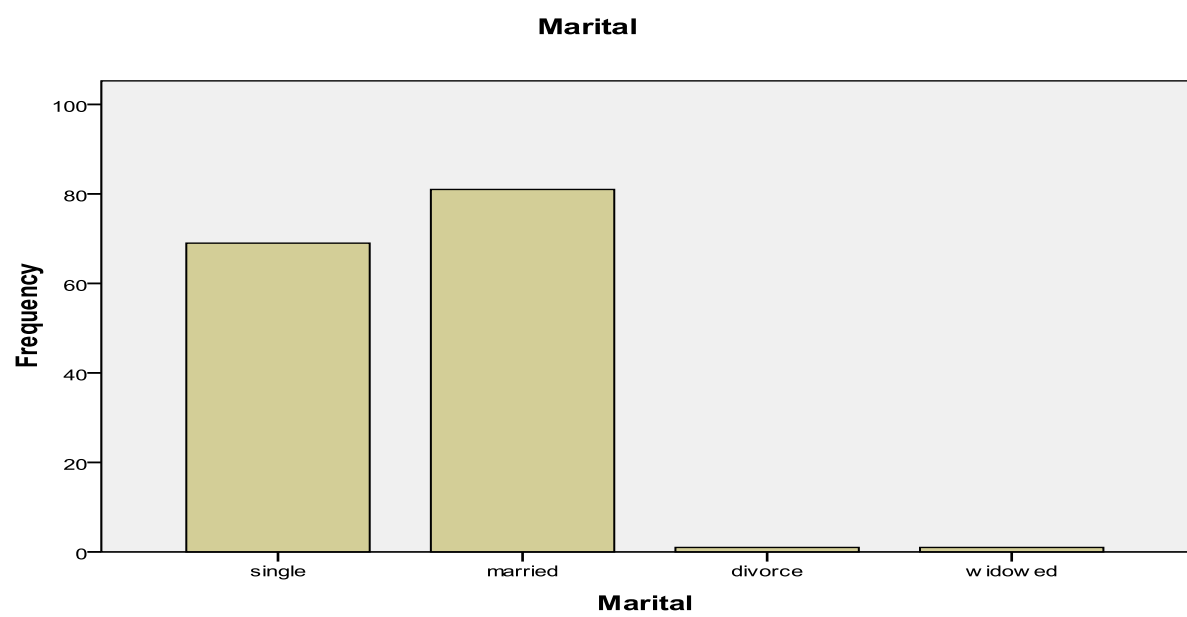


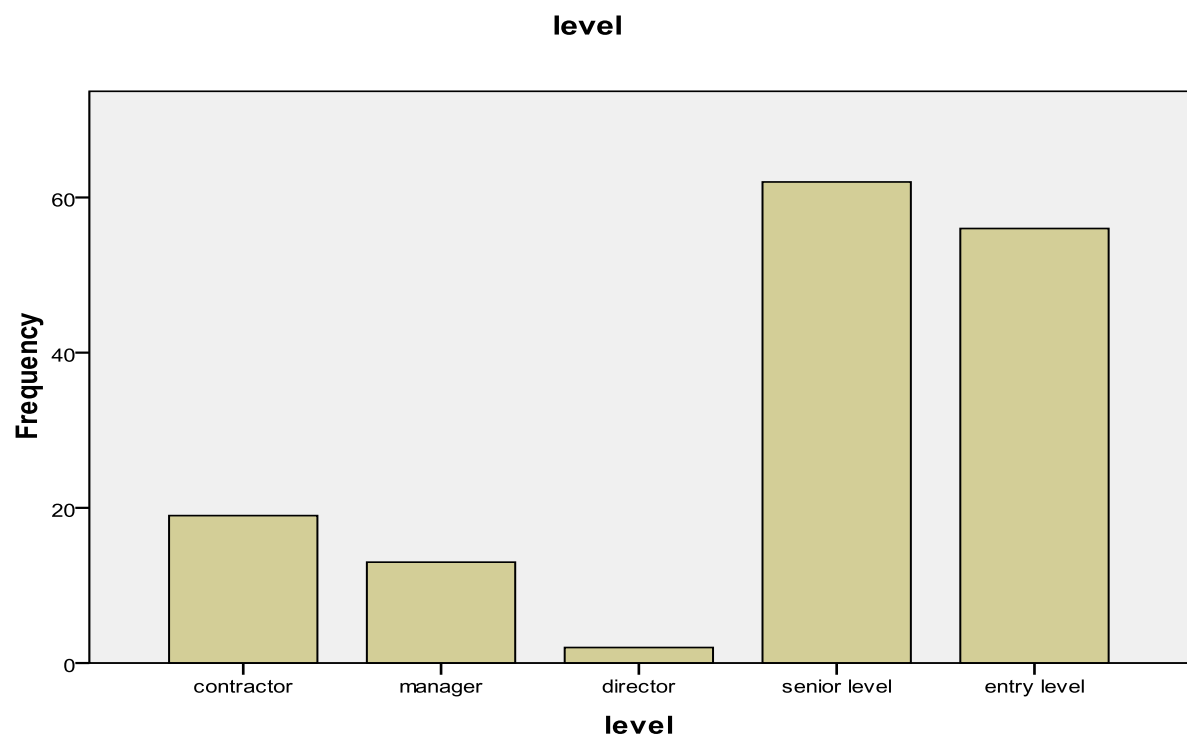
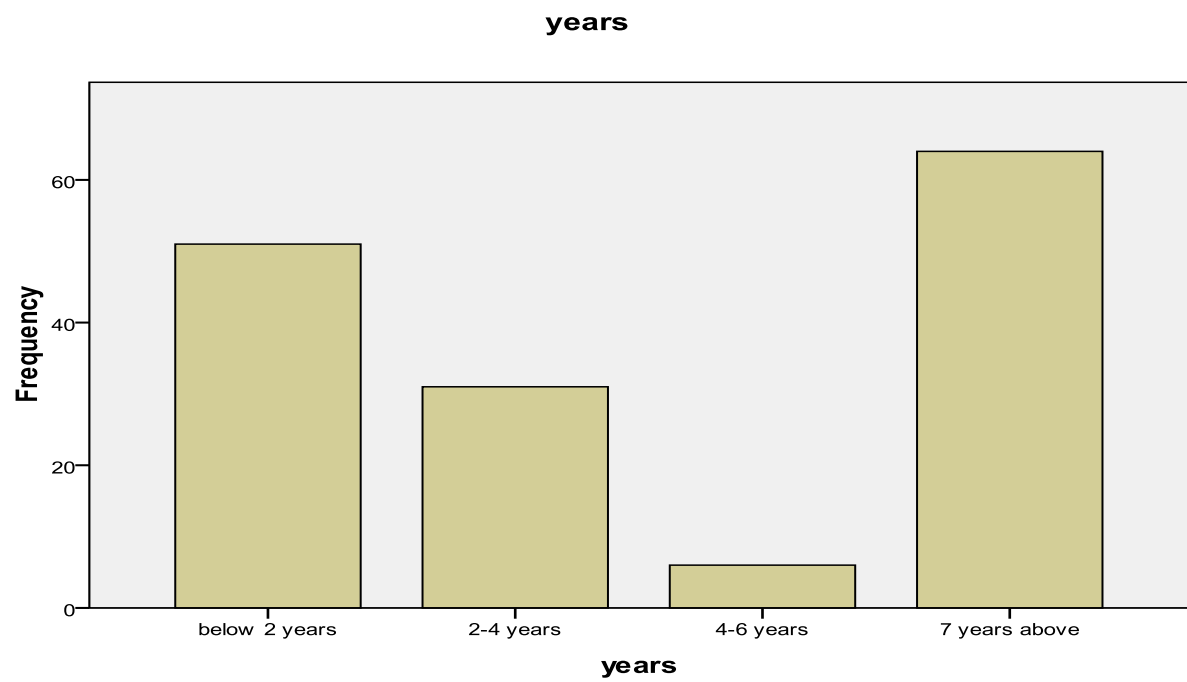
## Bar Chart

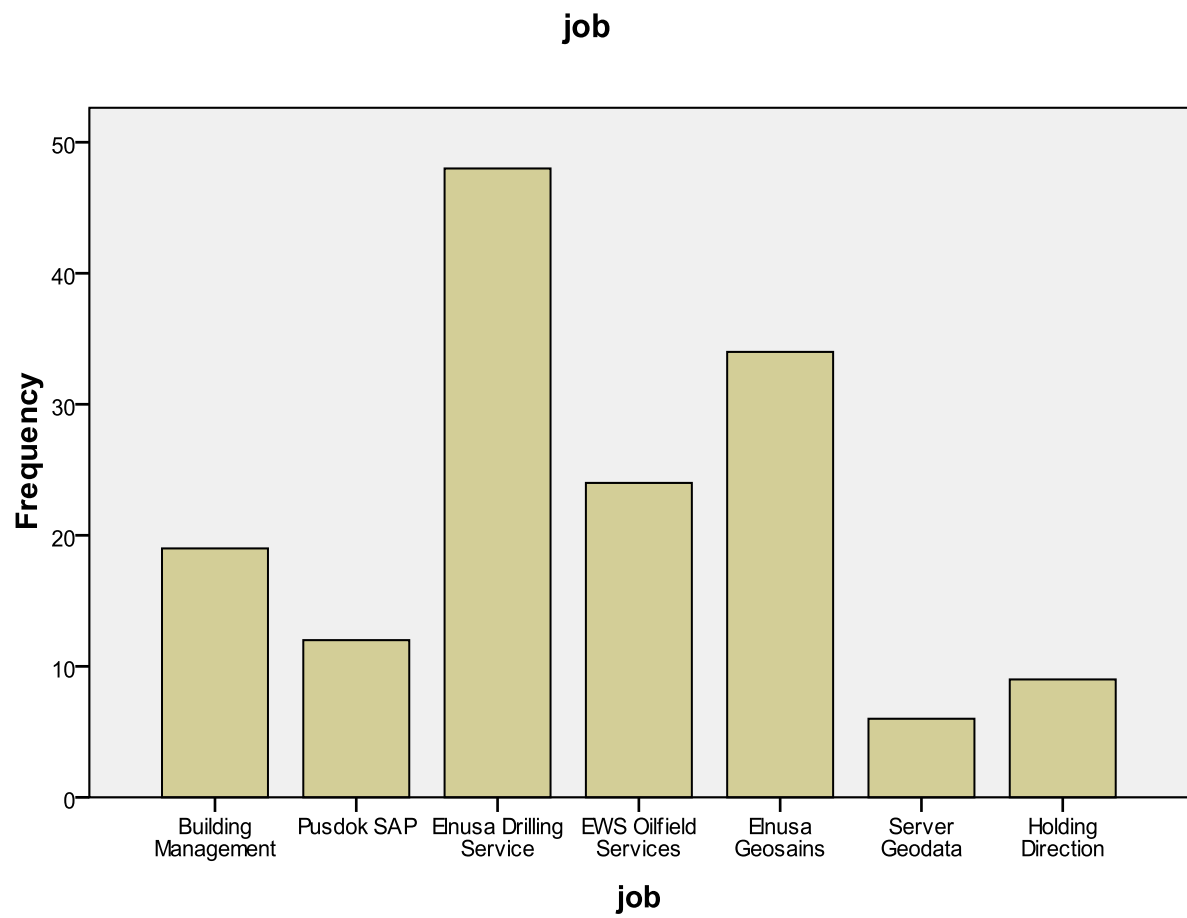












## APPENDIX B

### Correlations

**Descriptive Statistics**

	Mean	Std. Deviation	N
Skills	19.80	2.907	152
Job Motivation	29.90	2.694	152

**Correlations**

		Skills	Motivation_Over all_Evaluation
Skills	Pearson Correlation	1	.602**
	Sig. (1-tailed)		.000
	N	152	152
Job Motivation	Pearson Correlation	.602**	1
	Sig. (1-tailed)	.000	
	N	152	152

\*\* . Correlation is significant at the 0.01 level (1-tailed).

### Correlations

**Descriptive Statistics**

	Mean	Std. Deviation	N
Rewards	18.21	2.664	152
Job Motivation	29.90	2.694	152

### Correlations

		Rewards	Motivation_Over all_Evaluation
Rewards	Pearson Correlation	1	.484**
	Sig. (1-tailed)		.000
	N	152	152
Job Motivation	Pearson Correlation	.484**	1
	Sig. (1-tailed)	.000	
	N	152	152

\*\* . Correlation is significant at the 0.01 level (1-tailed).

### Correlations

#### Descriptive Statistics

	Mean	Std. Deviation	N
Discriminations	21.78	4.272	152
Job Motivation	29.90	2.694	152

### Correlations

		Discriminations	Motivation_Over all_Evaluation
Discriminations	Pearson Correlation	1	.331**
	Sig. (1-tailed)		.000
	N	152	152
Job Motivation	Pearson Correlation	.331**	1
	Sig. (1-tailed)	.000	
	N	152	152

\*\* . Correlation is significant at the 0.01 level (1-tailed).

## APPENDIX C

### Partial Corr

**Descriptive Statistics**

	Mean	Std. Deviation	N
Skills	19.80	2.907	152
Rewards	18.21	2.664	152
Discriminations	21.78	4.272	152
Job Motivation	29.90	2.694	152

**Correlations**

Control Variables			Skills	Rewards	Discriminations
Job Motivation	Skills	Correlation	1.000	.249	.039
		Significance (1-tailed)	.	.001	.317
		df	0	149	149
	Rewards	Correlation	.249	1.000	-.344
		Significance (1-tailed)	.001	.	.000
		df	149	0	149
	Discriminations	Correlation	.039	-.344	1.000
		Significance (1-tailed)	.317	.000	.
		df	149	149	0

## APPENDIX D

### Regression

**Variables Entered/Removed**

Model	Variables Entered	Variables Removed	Method
1	Discriminations, Rewards, Skills <sup>a</sup>		Enter

a. All requested variables entered.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.699 <sup>a</sup>	.488	.478	1.946

a. Predictors: (Constant), Discriminations, Rewards, Skills

b. Dependent Variable: Motivation\_Overall\_Evaluation

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	535.028	3	178.343	47.092	.000 <sup>a</sup>
	Residual	560.492	148	3.787		
	Total	1095.520	151			

a. Predictors: (Constant), Discriminations, Rewards, Skills

b. Dependent Variable: Motivation\_Overall\_Evaluation

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
-------	-----------------------------	---------------------------	---	------



		B	Std. Error	Beta		
1	(Constant)	12.710	1.492		8.519	.000
	Skills	.348	.065	.376	5.351	.000
	Rewards	.348	.070	.344	4.994	.000
	Discriminations	.181	.040	.288	4.591	.000

a. Dependent Variable: Motivation\_Overall\_Evaluation

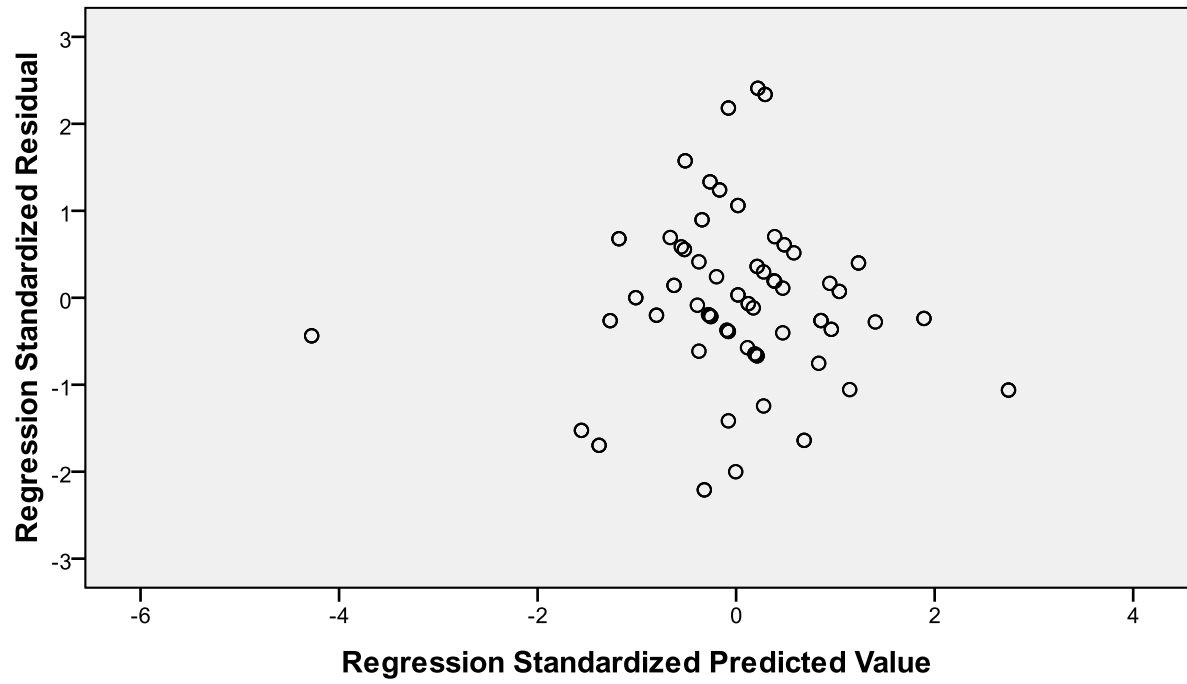
#### Residuals Statistics<sup>a</sup>

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	21.85	35.07	29.90	1.882	152
Std. Predicted Value	-4.276	2.744	.000	1.000	152
Standard Error of Predicted Value	.164	.746	.297	.107	152
Adjusted Predicted Value	22.00	35.25	29.91	1.881	152
Residual	-4.298	4.687	.000	1.927	152
Std. Residual	-2.209	2.408	.000	.990	152
Stud. Residual	-2.267	2.439	-.002	1.003	152
Deleted Residual	-4.530	4.806	-.008	1.978	152
Stud. Deleted Residual	-2.300	2.481	-.001	1.011	152
Mahal. Distance	.081	21.193	2.980	3.499	152
Cook's Distance	.000	.069	.007	.012	152
Centered Leverage Value	.001	.140	.020	.023	152

a. Dependent Variable: Motivation\_Overall\_Evaluation

## Scatterplot

Dependent Variable: Motivation\_Overall\_Evaluation



## APPENDIX E

**TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size  
 "S" is sample size.

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities", Educational and Psychological Measurement, 1970.

## ***QUESTIONNAIRE***

### **The Relationship Between Rewards, Skills and Discrimination With Job Motivation Among the Employees in Elnusa Company in Indonesia**

Dear Sir/Madam

This is a research which can be made possible only through your kind cooperation. The following information will in no way affect your position as you will not be identified individually, since results will be in statistical summaries.

Please circle or check list your answers to every question which follow. There are 5 items in the questionnaire. All answers provide will be kept Strictly Confidential.

Thank you very much for your participation and cooperation.

Sincerely

Asti Dwi Purwanti

Master of Human Resource Management

College of Business

University Utara Malaysia

06010 Sintok, Kedah

Email: [asti\\_ashar@yahoo.com](mailto:asti_ashar@yahoo.com)

\*\*\*\*\*

## PART A: DEMOGRAPHIC PROFILE

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- |                            |  |   |   |
|----------------------------|--|---|---|
| 1. Gender                  | <input type="checkbox"/> Female                | <input type="checkbox"/> Male               |   |
| 2. Race                    | <input type="checkbox"/> Indonesian            | <input type="checkbox"/> Chinese            | <input type="checkbox"/> Others                                   |
| 3. Age                     | <input type="checkbox"/> 20 years and below    | <input type="checkbox"/> 21 – 30 years old  |   |
|                            | <input type="checkbox"/> 31 – 40 years old     | <input type="checkbox"/> 41 years old above |   |
| 4. Marital Status          | <input type="checkbox"/> Single                | <input type="checkbox"/> Married            | <input type="checkbox"/> Divorce <input type="checkbox"/> Widowed |
| 5. Highest Education Level | <input type="checkbox"/> Diploma               | <input type="checkbox"/> Degree             | <input type="checkbox"/> Master <input type="checkbox"/> Phd      |
| 6. Years of Joined Company | <input type="checkbox"/> Below 2 years         | <input type="checkbox"/> 2 – 4 years        | <input type="checkbox"/> 4 – 6 years                              |
|                            | <input type="checkbox"/> 7 years above         |   |   |
| 7. Job level               | <input type="checkbox"/> Contractor            | <input type="checkbox"/> Manager            | <input type="checkbox"/> Director                                 |
|                            | <input type="checkbox"/> Senior level          | <input type="checkbox"/> Entry level        |   |
| 8. Job Type                | <input type="checkbox"/> Support Staff         | <input type="checkbox"/> Marketing          | <input type="checkbox"/> HR                                       |
|                            | <input type="checkbox"/> Development           | <input type="checkbox"/> Accounting         | <input type="checkbox"/> Sales                                    |
|                            | <input type="checkbox"/> Other (specify) _____ |   |   |

## PART B: SKILL

---

Please rate the importance of the following skills.

Use the scale where    Strongly Disagree                      Strongly Agree

                                 1        2        3        4        5

- |   |       |
|---|-------|
| 1. My employer establish document goals and objectives                      | _____ |
| 2. I accurately listen carefully  | _____ |
| 3. I establish display confidence in others abilities and talents           | _____ |
| 4. I establish constructively receive criticism and suggestions from others | _____ |
| 5. Employer motivate others in order to reach organization goals            | _____ |

## PART C: REWARD

---

Please circle the number corresponding to your level of agreement with each statement below.

1. In my company employees are being fairly rewarded for their performance.

1                      2                      3                      4                      5

Strongly Disagree

Strongly Agree

2. In my company the reward scheme for every financial year is budgeted.

1                      2                      3                      4                      5

Strongly Disagree

Strongly Agree

3. In my company the reward system practiced properly communicated to all the employees.

1                      2                      3                      4                      5

Strongly Disagree

Strongly Agree

4. In my company it is important to receive praise for the work performance.

1                      2                      3                      4                      5

Strongly Disagree

Strongly Agree

5. In my company it is important to receive recognition for a good work performance.

1                      2                      3                      4                      5

Strongly Disagree

Strongly Agree

## PART D: DISCRIMINATION

---

Please circle the number corresponding to your level of agreement with each statement below.  
The numbers range from 1 for Strongly Disagree to 5 for Strongly Agree ( 3 is Neutral).

1.	I'm more concerned about discrimination based on my age, gender or race than my looks.	1	2	3	4	5
2.	A person's qualifications are the most important determinant when filling a position.	1	2	3	4	5

3.	People from other countries have the same right as Indonesian citizens to have a job without discrimination.	1	2	3	4	5
4.	Steps should be taken to assure that unattractive people are not discriminated against in the workforce.	1	2	3	4	5
5.	I have been discriminated against because of my appearance (attire and/or physical features).	1	2	3	4	5
6.	Female employees have the right not to be sexually harassed, but male employees don't have the right because a man can't be sexually harassed.	1	2	3	4	5
7.	Gay and lesbian employees have the same workplace rights as straight employees.	1	2	3	4	5

#### PART E: MOTIVATION & OVERALL EVALUATION

Kindly fill the following.

Please provide the following rates    1        2        3        4        5

Strongly Disagree

Strongly Agree

1. Job security exist in my company. \_\_\_\_\_
2. Support from the co-worker is helpful to get motivated. \_\_\_\_\_
3. I'm motivated to do my very best for this company. \_\_\_\_\_
4. This company makes me feel valued. \_\_\_\_\_
5. The amount of work I am expected to do on my job is reasonable \_\_\_\_\_
6. I am satisfied with the priorities and direction of my department \_\_\_\_\_
7. I have adequate information available which enables me to do my job well \_\_\_\_\_
8. Most of the time, I feel fine and satisfied with my current work \_\_\_\_\_

THANK YOU FOR YOUR COOPERATION

