PT. Sarandi Karya Nugraha
MEDICAL EQUIPMENT INDUSTRIES

University of Twente
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# Improving employee motivation through HR practices at PT. Sarandi Karya Nugraha

Bachelor thesis

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## Management summary

This report is the result of my bachelor assignment about employee motivation within PT. Sarandi Karya Nugraha in Sukabumi, Indonesia. PT. Sarandi Karya Nugraha is one of the four biggest manufacturers of hospital equipment in Indonesia.

The objective of this research is to get insight in the current motivation of Sarandi's employees in order to make recommendations concerning human resource practices. Implementation of these recommendations is expected to result in improved employee motivation. Therefore, the research question is 'To what extend is there a need for Sarandi to adjust its HRM policy in order to make its employees more motivated?'. Improved employee motivation has several advantages, such as better product quality and improved competitive advantage. To have motivated employees the HRM practices must fit the needs of the employees.

Several aspects of motivation of Sarandi's shop floor workers are examined by means of a questionnaire. Several aspects causing employee satisfaction are studied: achievement, recognition for achievement, the work itself, responsibility and growth/advancement. These are the motivators. The following hygiene factors, causing dissatisfaction, are also measured: company policy and administration, supervision, interpersonal relationships, working conditions, salary, status and security. Employee motivation is the result of how the employees feel about the motivators and hygiene factors.

Measuring the difference between the current and desired situation for the motivators and hygiene factors revealed some aspects of employee motivation that can be positively influenced by adjusting human resource practices. Practices identified in this research for possible recommendations regarding the improvement of employee motivation are recruitment, selection and placement, staff planning, training and development, performance appraisal and compensation. The execution of these practices is explored by interviews and observations.

Motivators and hygiene factors that fit the employee needs sufficiently are the work itself, achievement, responsibility, interpersonal relationships between colleagues, status, job security and working conditions. There is no need for change regarding these aspects. For one hygiene factor, company policy and administration, there was not enough data available to draw a conclusion on its contribution to motivation.

Recognition for achievement and growth and advancement are motivators which currently do not contribute to employee motivation. The hygiene factors supervision, interpersonal relationships between subordinate and supervisor and salary cause dissatisfaction for the shop floor workers. Sarandi should make alterations in their organization that positively influence these variables. These changes should increase employee motivation of the shop floor workers.

From these results on motivation some recommendations are formulated which should result in improved employee motivation:

- The recruitment, placement and selection process of new supervisors should also take leadership skills into account. This has a positive result on the aspects supervision, interpersonal relationships between employees and their supervisors and recognition for achievement.

- Training and development has to be made more formal regarding the needed skills for supervisors and other shop floor workers. The employee needs regarding supervision, interpersonal relationships, recognition for achievement and growth and advancement are improved by this.

- Performance appraisal should focus more on performance and pre-set goals. Good performance and reaching goals have to be rewarded by additional incentives. An appraisal interview should be added to the procedure. Growth and advancement are stimulated by adapting this human resource practice.

- Salary in the compensation system should be changed in the way that the basic salary depends on the hierarchical level of the function. Additional incentives can be earned by good performance and reaching goals. Employee needs regarding salary should increase by this change.

## Preface

This report is the result of an internship on employee motivation at PT. Sarandi Karya Nugraha in Sukabumi, Indonesia. It is meant to accomplish my bachelor's program in Business Administration at the University of Twente, the Netherlands.

My stay at Sarandi was an exciting opportunity through the practical insight it gave in a manufacturing company and the cultural experiences coincide with it. People were always helpful in executing my research. Therefore, I give special thanks to Mr. Isep Gojali, Mr. Arief Rachman, Mr. Budi Prasetio, Mrs. Yeni Marlina Mustikadi, Mr. Ruyat and Mrs. Ratih Aishitere from PT. Sarandi Karya Nugraha. Further, I thank Mr. Maathuis, Mr. Stienstra and Mr. Ruel for the support from the University of Twente. This research was financially supported by Adminho.

Hopefully this research contributes to the motivation of the employees, so Sarandi can make further improvements in other organizational aspects which will contribute to their future success.

Indonesia – Sukabumi,
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Renate Westrik

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# Chapter 1 Introduction

In this chapter the introduction of the research is described. It gives a general overview of this research and the environment in which it is conducted. The chapter starts with a short description of the country and information on the company, followed by a short description of previous research conducted at PT. Sarandi Karya Nugraha, further mentioned as Sarandi. Subsequently, the problem definition, which includes the main research question and the sub research questions, is mentioned. The chapter ends with the relevance of the research and an outline of the report.

*1.1 Country – Indonesia*

Indonesia, with Jakarta as capital, is situated in South-East Asia. Over 17,000 islands cover an area of 1,919,443 km², which is fifty times the area of the Netherlands. The business language is Bahasa Indonesia and the biggest religions are Islam (88%) and Christianity (8%) (Ministerie van Buitenlandse Zaken, n.d.). In July 2009 Indonesia has an estimated population of approximately 240.2 million. In 2006, 17.8 percent of the Indonesian population was living below the poverty line (CIA – The World Factbook, 17 February 2010).

Taking a look at the economy, the Indonesian market can be seen as an emerging country with an estimated real growth rate (GDP) of 6.3, 6.1 and 4.4 percent in respectively 2007, 2008 and 2009. By an estimation over 2006 42.1 percent of the Indonesian labor force works in the agriculture, 18.6 percent in the industry and 39.3 percent in services. However, the contribution of agriculture to the total GDP of Indonesia is 14.4 percent, of industry 47.1 percent, and of services 38.5 percent (estimated for 2009) (CIA – The World Factbook, 17 February 2010).

*1.2 Company – PT. Sarandi Karya Nugraha*

Sarandi was established as a company in the hospital equipment industry on 12 November 1997. Sarandi started as a family company with seven employees and it has grown rapidly since then. The company consists of a production facility in Sukabumi and a marketing office in Jakarta. With 184 permanent employees and 62 contract workers, they produce a wide range of hospital equipment. Sarandi's core businesses are hospital beds and bed side cabinets. The production facility has one production line, which all the products have to follow. The production line consists of the following production steps; cutting, machining, welding, finishing, chemical treatment, painting and assembling. Sarandi is focused on the Indonesian market, but is also involved in some export (PT. Sarandi Karya Nugraha, n.d.; Ru'yad & R. Aishitere, 26 April 2009).

Sarandi wants to become a leading manufacturing company in excellent, innovative and reliable medical products and supplies for their customers, clients and partners. Therefore, Sarandi wants to achieve full commitment from all its stakeholders. This must be fully supported by all levels of directors and employees and must be supported by for example a good communication network, an integrated production system and modern machines for robotic welding. Sarandi's motto, vision, missions and values are mentioned in appendix 1 (Y.C. Marlina, 29 April 2009). The organization is build upon different layers; general director, production director, department heads, section heads and shop floor workers. The complete organization chart can be found in appendix 2.

*1.3 Previous research*

In the past, other students of the University of Twente accomplished research at Sarandi covering several topics. The research of Gerben Meutstege and Rob Golbach was mainly focused on the processes within Sarandi. They identified some important problems; no clear planning/scheduling system, purchasing method/inventory control, departmental structure, subcontractor problems and many different products (2005). Michel Bieze and Johan Jongejan (2006) focused on other points for improvement; poor interdepartmental communication, short term financial problems due to a high amount of accounts receivable and poor performance indicators. Excessive number of job cards, insufficient inherent process quality and inadequate measurement were the topics of the research done by Marcel van Viegen and Gerben van den Brandt (2007). Previous research did not focus on human resource management (HRM) or employee motivation.

*1.4 Problem definition*

Before Sarandi can reach its vision of becoming a leading manufacturing company in excellent, innovative and reliable medical products and supplies for their customers, clients and partners, it has to face some problems, like missing an adequate production planning, problems with the quality of the sub-assemblies and end products they produce and employees who do not always have the right skills for their job (I. Gojali, 27 April 2009; B. Prasetio, 29 April 2009; Ru'yad & R. Aishitere, 27 April 2009). The interrelatedness of these problems is mapped by W. Mulder and R. Westrik and is added in appendix 3. Four main problems identified in this diagram are (I. Gojali, 27 April 2009; B. Prasetio, 29 April 2009):

- HRM is not adequate;
- Marketing & Sales sells too many different products to customers;
- Product development process is not adequate;
- Available performance data are not sufficiently analyzed.

Sarandi's management supposes that these problems can cause problems for its competitiveness in the future.

This report focuses on the HRM area, mainly because of practical reasons, for instance location and available data. The level of motivation of the employees is assessed as an important point of improvement for HRM. Improved motivation is judged as an important factor for the delivery of products of better quality. The quality of the products is getting more important as the competition in the domestic market is grown in the last four years. At this moment, Indonesia has four big domestic competitors in the hospital equipment industry; Sarandi, MAK, Paramoont, and Tesena. Besides these big producers there are some smaller competitors; Co. Nori Teknik, Sunny, Polijaya and Hillman.

I. Gojali (27 April 2009), B. Prasetio (29 April 2009) and Ru'yad & R. Aishitere (5 May 2009) mention several possible reasons for suboptimal motivation, for example lack of required skills and competencies of the employees and the way the teams are managed. These possible reasons are mapped in appendix 4. They expect that improved motivation of the employees contributes to a better competitive advantage.

With the abovementioned arguments about motivation of the employees and the competitiveness of Sarandi in mind, this research is meant to identify the problem areas regarding employee motivation.

Employee motivation depends on many drivers, which can be influenced by the HRM policy of a company. The question is on which of these drivers Sarandi can gain improvement in the motivation of its employees and in what way human resource (HR) practices can contribute to the improvement of the drivers that are measured as insufficient.

The central research question, which results from this problem statement, is formulated as follows:
*'To what extend is there a need for Sarandi to adjust its HRM policy in order to make its employees more motivated?'*

To formulate an answer on the research question Sarandi's HRM policy and current state of employee motivation must be described. Therefore, the following sub questions are formulated:
1. *How are the current HRM policies within Sarandi executed?*
2. *In what way can the current motivation of the employees of Sarandi be described?*

*1.5 Objective*
The objective of this research is to get insight in employee motivation within Sarandi in order to formulate recommendations to improve employee motivation in the future. Knowledge about employee motivation gives them insight in how to change HRM practices which for example may result in changing job tasks, training and leadership style. Changing these practices regarding the results on motivation should result in more motivated employees who perform better in Sarandi, which has a positive effect on the product quality and a better competitive edge.

*1.6 Relevance*
*Scientific relevance* is the degree in which way and on which manner the research is theoretical, methodological or in descriptive way is relevant (Geurts, 1999). This report applies existing models and theories on practices within Sarandi. Because no scientific models or theories are added to the contemporary knowledge, this report has no scientific relevance.

The degree of relevance for the company or the society as a whole is the *social relevance* (Geurts, 1999). This research is meant to improve the human resource management processes at Sarandi. It gives them insight in the motivational problems of their employees and helps them to improve this to deliver better products. The results can also give other companies input for rethinking their HRM policy, which can result in better organizational performance for them too.

*Personal relevance* is what makes it worth for people to spend attention on the subject (Geurts, 1999). The execution of this project was a instructive experience for me. I have learnt a lot about the accomplishment of a scientific research, about the Indonesian culture and about working in another culture. This last point was of particular interest for me.

*1.7 Outline of the report*
This chapter described the introduction of the research. Chapter two continues with the theoretical framework which explains the theoretical concepts of HRM, HR policies and motivation. The research design and methodology are the topic of chapter three. Chapter four and five describe respectively the execution of the HR practices and the results on employee motivation. The conclusion and recommendations are topic of chapter six and the discussion is given in chapter seven.

## Chapter 2    Theoretical framework

Motivated employees are very important for an organization to be successful. Fitting HR practices enhance motivational levels and organizational performance, because they influence employee satisfaction in meeting their expectations and encourage high work performance (Ahmedabad, 2005; Daft, 2006). In addition, Schuler and MacMillan (1984, p. 242) argue that effective HRM results in 'an enhanced ability to attract and retain qualified employees who are motivated to perform'. When employees are motivated to perform there are many positive effects, like greater profitability, low employee turnover and high product quality. An organization can create competitive advantage over its competitors by using HR practices to improve employee motivation, especially when their employees are less motivated (Schuler & MacMillan, 1984).

To get a clear vision of the relevant literature concerning the research question this theoretical framework is formulated. In this theoretical framework the concepts of HRM policies and motivation are elaborated. The starting point of this chapter is the description of a general picture of HRM. This is meant to get an overview of HRM. Section 2.2 continues with identifying the different HR practices and section 2.3 elaborates on several theories regarding employee motivation. In 2.4 HR practices are related to employee motivation. Finally, following from these descriptions, the research model is given in 2.5.

### 2.1 Human resource management

There are many definitions of HRM. One of the first definitions of HRM comes from Graham (1978, in Hiltrop, 1996). According to him '*the purpose of HRM is to ensure that the employees of an organization are used in such a way that the employer obtains the greatest possible benefit from their abilities and the employees obtain both material and psychological rewards from their work*' (Graham, 1978 in Hiltrop, 1996, p. 243). A more recent definition is given by Bratton and Gold (2007): '*HRM is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programs and practices*' (Bratton & Gold, 2007, p. 7 in Senyucel, 2009, p. 16). The first definition is focused on the advantages for the employer as well as for the employee, while the second is more focused on relationships within the company resulting in advantages for the organization alone. However, regarding both definitions, HRM comprises people-oriented management practices, employees who are seen as assets and creating and maintaining a skillful and committed workforce, which must be used to gain competitive advantage (Senyucel, 2009).

Regarding HRM, two frequently described schools of thought emerged; the soft and hard variants of HRM (Guest, 1987; Storey, 1992; Truss et al., 1997). Approaches in the soft model, also called the Harvard model, intend to increase employees' commitment, quality and flexibility (Truss et al., 1997) via communication, motivation and leadership (Storey, 1987, in Storey, 1992). In the hard approach, the so called Michigan model, employees are used to achieve the organizational goals, just as other resources. Hard HRM is also related to limiting costs and lean production. In practice companies use a combination of hard and soft elements in their HRM strategy (Truss et al., 1997). Because this research aims to make recommendations on HR practices for improving employee motivation within Sarandi, the focus lies on the Harvard model instead of the Michigan model (figure 1).

*The Harvard Model*

The Harvard model, developed by Beer et al. (1984), is a broad causal description of the determinants and consequences of HRM policies. Figure 1 shows the different components of this model and how these components are related to each other. Although this model provides a focus and framework for thinking about real-life HRM, Beer et al. (1984) do not provide measurement tools to evaluate the impact of the HRM policies on the organization (Bratton & Gold, 1999). To identify areas where employee motivation can be improved within a company, the research scope must be on the HRM policy and the HR outcomes of the model. Because this model only provides a general overview, section 2.2 and 2.3 elaborate further on HR policies and motivation.
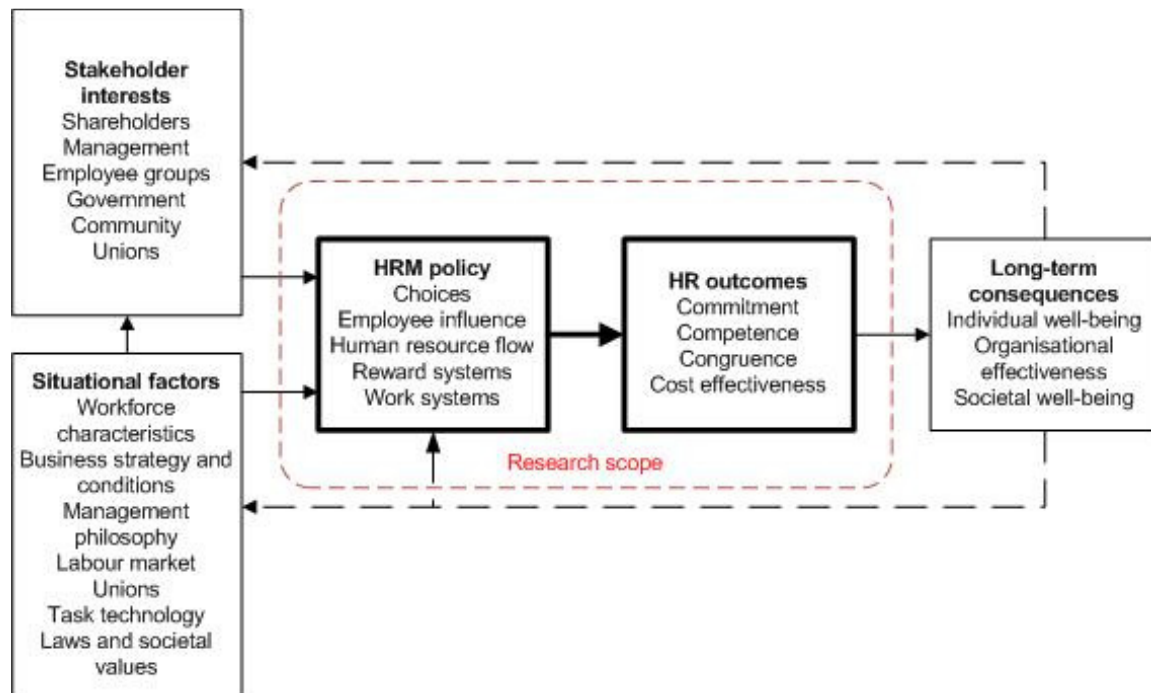
Figure 2: The Harvard model of HRM (Beer et al., 1984 in Bratton & Gold, 1999)

*2.2 HRM policies*

There are many HR practices that have to be considered by firms. Each of these practices can appear in many (subtle) variations. The same practices can be used to reach diverse goals. Therefore, Lepak et al. (2005) suggest to focus on the purpose of the HR practice instead of the practice itself. Carrig (1997) supports this by arguing that HR managers have to look beyond the day to day HR practices in order to find ways how these practices can support the development and implementation of the organizational strategy. Carrig (1997) mentions the three value disciplines of Treasy and Wiersema as strategies that can be followed: product leadership, operational excellence, and customer intimacy. All the functions within the organization should support this strategy, they should operate and measure their performance consistent with their strategy.

Schuler and Jackson (1987) emphasize that HR practices are likely to be critical for the success or failure of a firm, but it is not fully dependent on it. They list six 'menus', all concerning different aspects of HRM; planning, staffing, appraising, compensating, and training and development.

Appendix 5 shows the different choices that can be made according to Schuler and Jackson (1987), for example appraisal based on individual or group criteria.

Miles and Snow (1984, p. 37) also argue 'that human resources management system must be tailored to the demands of business strategy'. However, they go one step further. They give a conceptual framework that connects product-market strategies and HRM systems. They discern three basic organizational strategies: defender, prospector and analyzer. There are some connections between the three strategies of Miles and Snow (1984), and the value disciplines of Treacy and Wiersema; the defender strategy is partly the same as operational excellence, which both focus on efficiency in the process and the prospectors who are always looking for new market opportunities are comparable with product leaders who always try to innovate. The analyzer is working in both stable markets and new markets, while for an organization that focuses on customer intimacy customer attention and service are important. Organizations with incompatible strategy and organizational practices are described as reactors. According to Miles and Snow (1984) these organization perform less well. The HR practices they identified are recruitment, selection and placement, staff planning, training and development, performance appraisal and compensation. They argue that these practices are a partial, but representative list of HR practices. In addition, they emphasize that most organizations need these practices, but the priorities the practices get and the practices applied, may, and should vary to fit the organizational strategy. Appendix 6 shows how a HRM system can vary over business strategies (Miles and Snow, 1984). The framework and guidelines for HR practices of Miles and Snow (1984) are mainly the result of their own research on organizational strategies and from applying these results on a business case which struggled with some HR issues.

Delery and Doty (1996) identified seven HR practices that can be considered as strategic HR practices. They identified these practices from several theoretical works, including the work of Miles and Snow (1984) which is mentioned above. These practices are internal career opportunities, formal training systems, appraisal measures, profit sharing, employment security, voice mechanisms and job definition.

The identified HR practices by the different authors are mainly overlapping, for example appraisal and training and development. Although the HR practices of Delery and Doty (1996) seems to be the most comprehensive, the framework of Miles and Snow (1984) will be used for the identification of the practices used within Sarandi. This choice is made, because this framework is supported by their own research and a business case, and because the relationship between the HR practices and the organizational strategy.

Now the HR practices that an organization can execute in several ways to support the organization's strategy are discussed, the next section focuses on motivation of employees.

*2.3 Motivation*
'Motivation refers to the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action. Employee motivation affects productivity, and part of a manager's job is to channel motivation toward the accomplishment of organizational goals' (Daft, 2006, p. 696). However, different perspectives on employee motivation developed over time. The traditional perspective assumes that people are motivated by money, while the human relations

approach focuses more on noneconomic rewards. The human resource perspective, which is the starting point of the last approach, is a combination of the traditional and human relations approach and assumes that employees are complex and are influenced by many aspects. The contemporary approach believes that employees can make important contributions to improve organizational performance (Daft, 2006). Three categories of theories are important in the most recent approach: content theories, process theories and reinforcement theories (Daft, 2006; Steers, Mowday & Shapiro, 2004). These categories focus on different aspects of motivation. Content theories focus on the analysis of underlying needs, which provides insight in employees needs. How employees choose their actions to meet their needs and decide whether this choice was satisfying is the concern of process theories. Reinforcement theories concentrate on the link between the behavior of employees and their effects (Daft, 2006).

The HR practices in the organizational context identified in the previous section are used to fulfill the needs of employees, so the emphasis is on the content theories of employee behavior. However, the process and reinforcement theories suggests some important aspects which must be kept in mind when HR practices for an organization are being designed and implemented. Therefore, these theories will be shortly discussed before continuing with the content theories.

*Process theories and reinforcement perspective*
According to the equity theory, which is one of the process theories, employees feel fairly and equitable treated when they feel their rewards are the same as to what others receive for the same inputs. Examples of inputs are education, experience, effort and ability. The rewards are the outcomes which include pay, recognition, benefits and promotions. When the rewards are not perceived as fairly and equitable, employee try to seek balance again, for example by adapting their inputs, outcomes or leaving the job. Thus, a simple salary increase or promotion does not improve motivation when the employee perceives it as inequitable relative to the other employees (Daft, 2006; Pritchard, 1969). The expectancy theory, another process theory, focuses on the relation between employees' effort, performance and outcomes. For being motivated, employees must perceive that their high efforts result in high performance which is rewarded with outcomes that are valuable for them (Daft, 2006). The final process theory, the goal setting theory, argues that employees are more motivated to work towards specific targets when these targets are accepted by the subordinates and when the employees receive feedback regarding to their progress in reaching those goals. This guides their efforts in the desired direction. Specific and challenging goals result in higher organizational performance than other manners of motivating employees do (Daft, 2006; Locke & Latham, 2002).

The reinforcement perspective focuses on the link between behavior and its consequences and how employee behavior can be changed by appropriately applying immediate rewards and punishments. The underlying thought is that positively reinforced behavior is likely to be repeat (Steers, Mowday & Shapiro, 2004).

Thus, HR practices should support fair and equitable rewards, target setting in cooperation with subordinates and high efforts resulting in high performance with valuable rewards. HR practices can change employee behavior by using rewards and punishments.

*Content theories*

Next topic are the content theories that focus on motivating employees needs. There are four commonly known content theories: the two-factor theory, the hierarchy of needs, the ERG theory and the acquired needs theory.

The *two-factor theory* is developed by Frederick Herzberg. According to Herzberg (1968; 1987) motivation is not just to let employees do the job, but let them do it, because they want to do it without the external stimulation. He argues that findings of several studies suggest that two different sets of needs are responsible for job satisfaction and job dissatisfaction. The assumption is that the hygiene factors eliminate employee dissatisfaction and that the motivators increase employee satisfaction and performance. The motivators can be found in the job content, in tasks that encourage growth. According to Herzberg (1968; 1987) these growth factors are: achievement, recognition for achievement, the work itself, responsibility, and growth or advancement. The hygiene factors are found in the work environment and are extrinsic from the job. These factors are company policy and administration, supervision, interpersonal relationships, working conditions, salary, status, and security. The ideal situation is created when the employees experience a high level of hygiene factors in combination with a high level of motivation. In this situation employees have few complaints and are highly motivated. Herzberg (1968; 1987) argues this can be done through job enrichment, because job enrichment needs vertical job loading meaning that motivators are added to the job content. Herzberg says that 'job enrichment remains the key to designing work that motivates people' (1987, p.16), therefore he provided seven starting points which are included in table 1.

| Principles of vertical job loading | | |
|---|---|---|
| *Principle* | | *Motivators involved* |
| A | Removing some controls while retaining accountability | Responsibility and personal achievement |
| B | Increasing the accountability of individuals for own work | Responsibility and recognition |
| C | Giving a person a complete natural unit of work (module, division, area, and so on) | Responsibility, achievement and recognition |
| D | Granting additional authority to employees in their activity; job freedom | Responsibility, achievement and recognition |
| E | Making periodic reports directly available to the workers themselves rather than to supervisors | Internal recognition |
| F | Introducing new and more difficult tasks not previously handled | Growth and learning |
| G | Assigning individuals specific or specialized tasks, enabling to become experts | Responsibility, growth and advancement |

Table 1: Principles of vertical job loading (Herzberg, 1987, p. 10)

There is not much consensus about the support of this study, because some studies did support this theory, while other studies did not find empirical support (Soliman, 1970). However, this theory is still a commonly used theory to measure employee motivation, because there are simply no better theories for the identification of employee needs.

Maslow (1943) developed the *hierarchy of needs* which put employee needs into a hierarchy. He suggests that employees are motivated by five kinds of needs which appear in the following hierarchical order: physiological needs, safety needs, belongingness needs, esteem needs and self-actualization needs. Higher order needs gradually appear when lower order needs are more and

more being fulfilled. However, there is not much support for this theory. According to Wahba and Bridwell (1976) there is little clear or consistent support from previous studies. The studies of Schneider and Alderfer (1973) and Alderfer (1969)  do not support it either.

Because of the lack of evidence for the needs hierarchy Alderfer modified it to the *ERG theory*. This theory distinguishes three categories of needs of employees; 'existence' needs, 'relatedness' needs and 'growth' needs. Existence needs are needs for physical well-being and material needs, relatedness needs focus on significant relationships with others and growth needs focus on personal development to increase competences. This theory also presume that individuals move up the hierarchy one step at time. However, there is no need for satisfaction of lower-level needs before moving to higher-order needs. When higher-level needs are not being fulfilled, employees will regress to a lower-level need that is less difficult to accomplish, so they are again motivated by lower level needs (Alderfer, 1969). Table 2 shows the comparison of the needs theory and the ERG theory.

| Hierarchy of needs | ERG theory |
|---|---|
| Physiological | Existence |
| Safety -material | |
| Safety – interpersonal | Relatedness |
| Belongingness (social) | |
| Esteem - interpersonal | |
| Esteem – self-confirmed | Growth |
| Self-actualization | |

Table 2: Comparison of Maslow and ERG theory by Schneider and Alderfer (1973, p. 490)

The ERG theory seems to be more consistent with empirical findings (Alderfer, 1969; Arnolds & Boshoff, 2002) However, there is also evidence that it doesn't work in some organizations.

The *acquired needs theory* adds to the previously mentioned theories that employees acquire some types of needs throughout their lives, for example need for achievement, need for affiliation and the need for power. These needs do not yet exist when someone is born, but are being developed during life. When someone for example is stimulated to form warm human relationships, he will develop a need for affiliation (Daft, 2006).

It becomes clear that there are many similarities in the needs used for measuring motivation. The relation between the needs hierarchy and the ERG theory is already explained before. The needs of the ERG theory are also comparable with the two-factor theory. For example growth and advancement of the two-factor theory can be linked to self-actualization and growth and salary, security and working conditions can be linked to the existence, physiological and material safety categories. The acquired needs theory argues that the needs identified in the other theories can be developed, depending on the situation in which the person grows up. For the purpose of this study it is necessary to identify employee needs for motivation. The hierarchy of the ERG theory does not fit the purpose of needs identification. Thus, the two factor theory of Herzberg will be used to identify those employee needs. This theory is able to identify these needs without placing them in a hierarchical order.

In the next section the relationship between the HR practices and employee motivation in this research will be explained.

*2.4 HR practices related to employee motivation*

As mentioned before, HR practices affect employee motivation; HR practices influence the hygiene factors and motivators within an organization in many ways. Many relationships can be found in the literature. However, only a few of the relationships between HR practices and employee motivation which fit the context of this research, will be discussed.

Recruitment, selection and placement is responsible for selecting the right persons with fitting qualifications for the vacant function (Daft, 2006). When people are on the right function, they are satisfied by the motivator the work itself and probably it increases also increase the motivator achievement. As recruitment, selection and placement are responsible for the job description, the hygiene factor company policy and administration is affected as well. In addition, internal recruitment increases possibilities for growth and advancement, because this creates possibilities for the employees grow to higher functions or to other functions at the same organizational level, which allows them to learn new skills and competencies (Torrington et al., 2008). Since recruitment, selection and placement influences the motivators the work itself, growth and advancement and the hygiene factor company policy and administration, it increases employee satisfaction, decreases dissatisfaction and thus their motivation.

Staff planning deals with forecasting the size of the workforce needed and the skills and competencies the workforce needs to fulfill the organization's strategy in the short and the long term. Recruitment placement and selection should be based on this information (Boddy, 2008). If the forecast on the long term is that an organization needs more technically skilled people they can decide to adapt the training and development program or hire new people who already posses these skills (Daft, 2006). In the short term people can be shifted towards other tasks temporarily, however this is not expected to affect motivation directly. Staff planning does not directly influence the needs of the employees, but through affecting the HR practices recruitment, selection and placement and training and development it has an indirect influence on employee motivation.

Training and development give employees the opportunity to learn additional skills and competencies, related to their function or to a prospective function. This is directly related to a positive influence on employee motivation. Daft (2006) points out several opportunities for training and development, like orientation training, class room training, cross-training and on-the-job training. Torrington et al. (2008) described a systematic model of learning and training that can be used to develop a training program. This model consists of identifying the needs for development, designing the activity for the development, carrying out the development and evaluating the development. Then the cycle starts over again and so on. The objective of this model is to develop an systematic sequence of development activities, instead of non-evaluated training, because systematic training contributes more to the objectives of the organization than random training and development. Thus, training and development improves employee satisfaction by having affecting growth and advancement.

Performance appraisal can be a positive force when performance is measured accurately and the appraisal interview is used effectively. For example this can be done every six months. However, performance appraisal should not be a onetime event, but it should be done on an ongoing basis (Daft, 2006). Right performance appraisal increases the knowledge of the managers about the skills

and competencies of their employees. This increases training and development opportunities and will result in increased employee satisfaction. Performance appraisal can be used to give feedback to the employees about their progress in their work and how can make further improvements in their performance (Torrington et al., 2008). It can also be used to reward good employees with extra rewards, financial or nonfinancial; salary often depends partially on performance appraisal, because salary increases are often related to performance appraisal. With good performance appraisal, employees are given feedback, resulting in recognition for achievement. A supervisor is mainly responsible for ongoing performance appraisal, because he is responsible for the feedback about the performance of an employee. Feedback comprehends giving recognition for achievement, praising and rewarding of a successful accomplishment. Supervisors have to oversee the operations and the performance of their subordinates, acknowledge the achievement of goals and build relationships to increase their performance, therefore they need leadership characteristics (Daft, 2006). According to Valerius (1998) relationships can be developed in a formal and informal way. So, performance appraisal influences growth and advancement, salary, achievement and recognition for achievement.

A compensation structure includes salaries and other benefits for the employees. Therefore it immediately affects the hygiene factor salary. Miles and Snow (1984) and Daft (2006) mention that the ideal compensation system supports the strategy of the organization. Aligning compensation with the desired behaviors helps to reach organizational goals and it improves motivation (Torrington et al., 2008). Pay-for-performance seems appropriate for this, because this relates at least a part of the compensation to employee effort and performance (Daft, 2006), which improves motivation (Torrington et al., 2008).

*2.5 Research model*
To study if there is a need for Sarandi to adjust its HRM policy in order to make its employees more motivated to deliver products of good quality, the different HR practices and the employee needs must be linked to each other in a model which will be done in this section.

The HR practices of Miles and Snow (1984) will be used to describe the HR practices used within Sarandi, because Miles and Snow (1984) link these practices to the strategy of the company (see appendix 6), thereby giving direction to the desired application of the practices. What these practices comprehend, is described below.

*HR practices*
- *Recruitment, selection and placement* is identifying, attracting and choosing the right people for the organization. It is getting the best en most qualified people for the vacant job in the organization.
- *Staff planning* contains matching the supply and demand of employees. This matching involves evaluating available human resources, identifying prospective requirements and make sure that current employee demand is fulfilled.
- *Training and development* is used to improve the performance of individual employees and groups in their work settings. This can be aimed at the current job or at a possible future job.
- *Performance appraisal's* aim is to evaluate the performance of the employees of an organization and look how their performance can be increased.

- *Compensation* consists of financial and nonfinancial rewards in return for the work performed by the employee within the company.

Regarding to the motivational theories, Herzberg's (1968; 1987) two-factor theory is chosen to measure employee motivation, because this theory identifies employee needs in comparison with the acquired needs theory and it does not place these needs in a hierarchy compared with the needs hierarchy and the ERG theory. The hygiene factors are also included in this study, because these needs are seen as motivators in the needs hierarchy and the ERG theory. The motivators and hygiene factors are described below.

*Motivators*
- The *work itself* contains the activities that must be completed to fulfill the job.
- *Achievement* is a thing that an employee has done successfully, especially using their own effort and skill.
- *Recognition for achievement* is the praising and rewarding of the successful accomplishment of something an employee had done.
- *Responsibility* means that an employee has a duty to deal with or to take care of something and he can be blamed or rewarded if this goes wrong or right.
- *Growth or advancement* is the progress employees make on in their work life by expanding, enlarging or refining.

*Hygiene factors*
- *Supervision* means that the performance or operations of a person or group are overseen by another person.
- *Interpersonal relationships* are social relationships, connections, or affiliations between two or more people.
- *Salary* is the amount of money that employees receive on a regular basis for doing their job.
- *Company policy and administration* are administration and the rules about how the employees should accomplish their tasks, the job description and organizational hierarchy.
- *Status* is the social or professional position of an employee relative to that of others.
- *Job security* is the level of freedom of employees from the fear of dismissal or job loss.
- The *working conditions* are the characteristics of the physical environment in which employees work, including the actual space, heat, light and level of safety.

In what way the abovementioned variables are related, is shown in figure 2.
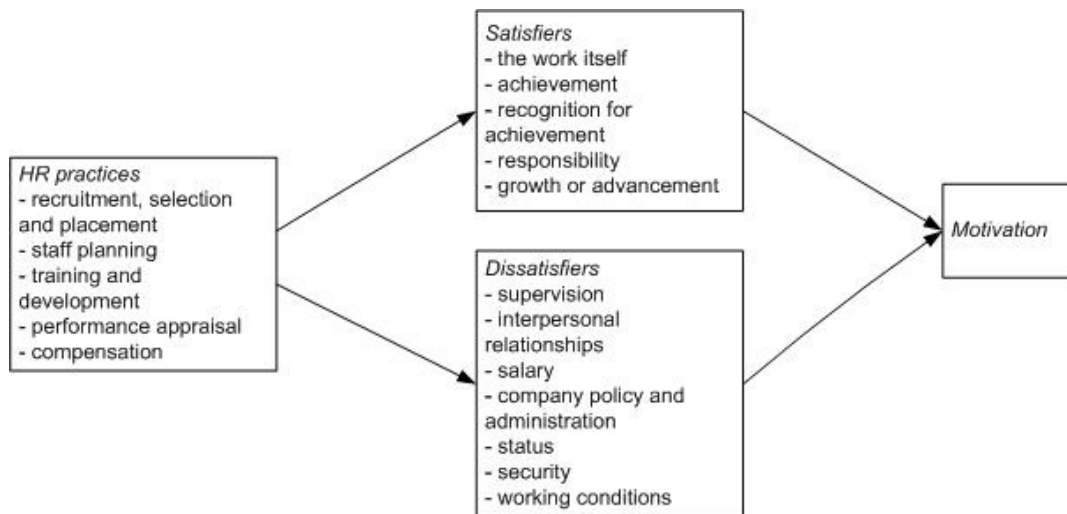
**Figure 2: Research model**

The variables studied in this research are the satisfiers and dissatisfiers of motivation, and the application of HR practices. HR practices are assumed to influence the needs of the employees, whether the employees feel satisfied or dissatisfied by those needs, and thus influencing motivation. When the HR practices fit the employee needs, it is assumed that employees are more motivated. In this research the difference between the current motivation of employees of Sarandi and the desired state of their needs is measured, just as the application of HR practice within Sarandi is studied.

# Chapter 3 Research design and methodology

This applied research is an descriptive, cross-sectional study, because the main purpose of this study is to describe a situation. The observations are made to study what was happening at a single moment in time (Babbie, 2004). This chapter elaborates on the methodology used to conduct this research. The first section starts with the description of the research group, followed by the research design and instruments in section 3.2. The collection of the data is described in section 3.3 and section 3.4 explains the procedures used. This chapter ends with the limitations which are described in section 3.5.

## 3.1 Research population

The research population is the total set of cases from which a sample is taken (Saunders et al., 2009). The total population consists of all the employees who are working for Sarandi. To identify a sample from this population, homogeneous purposive sampling is used. Purposive sample allows someone's own judgment for the selection of cases that are best suitable to answer the research questions and to meet the objectives. Homogeneous sampling focuses on a sub-group in which the sample members are the same, which allows more in depth research (Saunders et al., 2009).

Regarding the research question about employee motivation and the ultimate goal of quality improvement, the sample consists of the teams of shop floor workers who are directly involved in the production process of the products: machining, welding, finishing, painting, assembling and warehousing. Characteristics that make those employees similar are the same department they are working in, the jobs they execute and their educational background.

To collect the necessary data a questionnaire, interviews and observations are used. Due to the relatively small team sizes, all the employees are asked to contribute to the questionnaire to get a representative sample. However, some employees did not complete the questionnaire, because they were not at the shop floor during the time the questionnaire was completed. This was mostly due to illness. The total number of respondents is 80. Table 3 shows the distribution of the respondents between the teams.

| Team | Frequency | Percent |
|------|-----------|---------|
| Assembling | 12 | 15.0% |
| Production - Finishing | 11 | 13.8% |
| Production - Machining - drilling | 10 | 12.5% |
| Production - Machining - turning/milling | 9 | 11.3% |
| Production - Painting | 13 | 16.3% |
| Warehouse | 15 | 18.8% |
| Production - Welding | 10 | 12.5% |
| *Total* | *80* | *100.0%* |

**Table 3: Questionnaire distribution over teams**

## 3.2 Research design and instruments

Several methods are used to analyze whether or not the current HRM policy needs to be changed regarding the current and desired state of motivation of Sarandi's employees. The execution of the HR practices are described by interviews and observations and the current and desired state of motivation has to be measured using a questionnaire and by observations and conversations. This is

a mixed method research which uses quantitative and qualitative data collection and data analysis at the same time, but does analyze the quantitative data in a quantitative way and the qualitative data in a qualitative way (Saunders et al., 2009).

The main method for the exploration of the HR practices are semi-structured interviews. These are qualitative interviews for which the themes of the interviews are known, but the order in which the questions are asked can vary and questions can be added when this seems to be appropriate (Saunders et al., 2009). The opportunity to ask additional questions is desired in this situation, because it gives the opportunity to build upon the responses of the interviewees and to ask them to explain or to build on. This adds significance and depth to the data obtained from these interviews (Saunders et al., 2009). The themes of the interviews are the several HR practices identified by Miles and Snow (1984). The interviewees are the employees of the HR department and the HR director. These employees know all about the HRM policy conducted within Sarandi, because they are in charge of it. They can give a good description of the practices used for population sample. These interviews are complemented by observations on the work floor.

The areas for possible improvement of employee motivation are measured by comparing the current and the desired employee needs, which together determine employee motivation. These needs are measured by an anonymous self-administered questionnaire which is included in appendix 7. A questionnaire provides the possibility to measure the whole population in just a short time span (Babbie, 2004). The research population for this questionnaire is described in section 3.1. This questionnaire consists of closed-ended questions, because the respondents are uniform in their answers and because answers on closed-end questions are more easily to process (Babbie, 2004). The questions are partially derived from an existing questionnaire (Lundberg et al., 2009) and adapted and supplemented to the situation of Sarandi. The questionnaire consists of some general questions (e.g. gender, function, years in current function) and statements about motivation divided over the motivators and hygiene factors (see figure 2). The questionnaire is measured in a 7-point Likert scale (disagree very much – agree very much) which allows the respondents to indicate how strongly they agree or disagree on the statement about the current and desired state of the motivators and hygiene factors. When several items measure one concept, the internal consistency can be measured by Cronbach's alpha. The concepts can be seen as reliable when the Cronbach's alpha is between 0.7 and 1 (Center for Marketing Intelligence and Research, 2010). The questionnaire of Lundberg et al. (2009) did not provide information on the Cronbach's alpha. Therefore, it does not provide any information about the reliability of the questions derived from this questionnaire. The outcomes of the questionnaire are also supplemented by observations on the work floor and conversations.

The hygiene factors company policy and administration, working conditions, status and job security are not being measured by the questionnaire. Company policy and administration, working conditions and job security are described mainly based on interviews, while status is mainly described by using observation.

*3.3 Data collection and data analysis*
The aspects on which data needs to be collected are identified in the theoretical framework; HR practices, motivators and hygiene factors became apparent. As mentioned in section 3.2 the main

method for identifying the execution of the HR practices are semi-structured interviews. This qualitative research method is used to describe these practices which are necessary to know before identifying possible practices which do not fit the needs of shop floor workers. The quantitative data collected from the questionnaire on motivators and hygiene factors are entered into SPSS, a statistical program for social science, in order to analyze the data. The interviews and the results from the questionnaire are supplemented by observations. The results from the questionnaire, interviews and observations will be described and analyzed, which finally results in a conclusion and recommendation.

*3.4 Research procedures*
The semi-structured interviews about the HR practices have been conducted with the employees of the HR department. Interviews about the working methods of the sections and how to motivate the shop floor workers have been accomplished with section heads off all the sections. During these interviews a interpreter is used to overcome the language problems. This made conversations possible, however, there is the possibility of misunderstanding and misinterpretation (Saunders et al., 2009).

The questionnaire is partially based on the questionnaire of Lundberg et al. (2009) and adapted for Sarandi. The English questionnaire is translated by and discussed with the director´s secretary. Some difficulties of translation became clear and a solution for this is sought. A test version is filled in and after that some changes are made, because some questions were not clear after the translation, which resulted in reformulating or removing the statement from the questionnaire. The final version is approved by the management before handing out the questionnaires to the shop floor workers. The questionnaires are accomplished per section and dispersed over some days. In all the groups, the anonymity of the employees is emphasized. When the questionnaires are accomplished, the completeness of the answers is checked. If some answers are missing, the employee is asked to add the missing answer. The English version of the questionnaire is included in appendix 7.

There were observations and conversations during the three months stay at Sarandi. There was no formal procedure for the general observations and conversations. One observation was done purposeful to get insight in the start of the working procedure of the production department.

*3.5 Limitations of the research design and methodology*
Conducting the research the way described above, has some important limitations. Not using a formal pretest for the questionnaire leaves space for errors in the questionnaire. Instead of a pretest, the questionnaire was translated by the director's secretary, checked by the division head of production and approved by Sarandi's management. During these steps some errors have been discovered. Translation of the questionnaire can also cause some problems, for example literal translation, mistranslation or omission. To overcome this, back-translation is used and the questionnaire is checked by the division head. Another limitation is the language problem during the interviews, sometimes causing misinterpretation of the questions or the answers. Misinterpretation can appear in the interviews and the questionnaire due to cultural differences. Finally, the generalizability of this case study is low, because is only one group of employees is studied at Sarandi.

# Chapter 4     Execution of HR practices at Sarandi

This chapter discusses the results on the first sub research question, '*How are the current HRM policies within Sarandi executed?*', based on the HR practices and strategy of Miles and Snow (1984). The data elaborated on here are derived from interviews with employees of the HRD department.

*4.1 Strategy*
In the literature it became clear that the HR practices of Sarandi should be consistent with their strategy. A short analysis will be made regarding the strategies defined by Miles and Snow  (1984) to see what kind of HRM system should pursue according to them. However, these strategies and their related HRM systems are ideal types, which means that not all the characteristics are corresponding in a particular case.

Sarandi's vision encompasses becoming a leading producer of excellent, innovative and reliable medical products for their customers, clients and partners. Conversations with management and other employees revealed that Sarandi wants to reach this with continuous improvement of their company.  Sarandi offers a limited and stable product line to relatively predictable markets, however their products are adapted to the wishes of the separate customers. Research and development should focus on the improvement of the products, but a lot of their time is also spend on adapting the product drawings for the customization of the products. For optimizing the production line people from outside the company are hired, for example redesigning the production floor and the 5S project. Regarding marketing, an assumption has to be made. Based on the available data it is assumed that marketing mostly focuses on sales. Sarandi has a functional organization structure; the organization is divided in for example finance, marketing and production. At the production facility in Sukabumi, the control process is mostly centralized; the management controls and monitors most of the processes. Marketing is assumed to be the dominant coalition within Sarandi, because they sell the customized products. The research and development department and production have to change the product drawing and production regarding to the products sold. In addition, improvement of products and the product line plays an important role in Sarandi's day-to-day business. Planning is the first thing Sarandi does, thereafter they act followed by an evaluation. For example they planned to buy a robotic welding machine, they bought it and then they evaluated if it works the way they want it.

Comparing these characteristics of Sarandi with the organizational strategies of Miles and Snow (1984), most of the characteristics correspond with the defender strategy. However, customization is a characteristic of a prospector and marketing being part of the dominant coalition within Sarandi fits with the analyzer strategy. Therefore, the HRM system fitting with the defender strategy is used as a guideline for the HRM system within Sarandi (see appendix 6).

*4.2 Recruitment, selection and placement*
The first HR practice described here, is *recruitment, selection and placement.* As argued in section 2.4 this is how Sarandi identifies, attracts and chooses the right employees for its vacant positions. This is mainly the task of the human resource development department (HRD department) within Sarandi. When there is a vacant position, the head of the division fills in a form with the job description and the required skills. This form needs to be approved by the director of that division, and subsequently

by the HRD department. An advertisement with the job description and the criteria is spread through different means, e.g. paper, radio and at the university. If a candidate applies, he will be invited for an interview and a writing test to see whether he fits in the organization and to test his education. When the interview and the writing test are successfully accomplished the candidate will be invited for a psychological test to examine whether he fits the function he applied for. To finish the procedure the candidate is invited for a final interview in which the last details will be discussed, like salary. When they come to an agreement during this interview a probationary period of three months starts for the candidate. After this probationary period the employee will be evaluated. If the conclusion of this evaluation is positive, thus the employee performed well during his probationary period, he will be contracted. Did he not perform well, a contract will not be offered. After this probationary period it is very difficult to fire employees regarding strict government rules. There is little internal recruitment, selection and placement.

According to Miles and Snow (1984), the basic HRM strategy of a defender must be to build human resources with the emphasis on 'making' human resources, little recruiting above entry level and selection based on weeding out undesirable employees. There is little recruitment above entry level, because there are just a few vacant positions above entry level. However, there are few possibilities to dismiss employees after their probationary period and Sarandi mainly uses external recruitment, placement and selection. Therefore, it can be concluded that this HR practice does not really contribute to build the human resources of Sarandi.

*4.3 Staff planning*
The next HR practice, *staff planning*, is the supply and demand of employees within Sarandi. This involves evaluating available human resources, identifying prospective requirements and making sure that current employee demand is fulfilled. The employees normally work eight hours per day, five days a week to produce the products which are ordered by the customers. However, it is not unusual that those orders are not fulfilled in time, making use of the normal working hours. To fulfill customer demand anyhow, some employees work overtime, in the evening or during the weekend. When employees work outside office hours, Sarandi has to pay allowances to the employees additional to the normal salary.

During the day the section heads and the division head evaluate their available human resources. They can regulate what tasks the employees accomplish, and so they can steer the shop floor workers towards other sections when these sections have too much work to do or when their own section has not enough work for its the employees at that moment. When a section has too much work and the employees have the required skills for those tasks, the employees can help that section to work on their backlog.

When the current employee demand is not fulfilled anymore, thus a section has a need for new employees, the division head (and sometimes the section head) starts the recruitment process as described above. This process is started at the moment the demand cannot be fulfilled anymore internally.

However, the demand of employees fluctuates approximately every half year. Half of the year there is a low demand for Sarandi's products and therefore the demand for employees is low. The other

half of the year there is a higher demand for employees, because the market demands more of Sarandi's products. So, Sarandi's prospective employee requirements are relatively fixed. In the low season Sarandi mainly works with permanent employees. In the high season Sarandi also employs contract workers who help to fulfill the extra orders during this period.

A defender should have a formal and extensive staff planning process (Miles and Snow, 1984). The description of the staff planning process used at Sarandi indicates a discrepancy with these characteristics; during the day they might be shifted between the sections depending on the available amount of work. This is not formal or extensively planned in advance. Future human resource planning is based on the high and low season. As described above, this is more formal and extensively planned. This kind of planning, especially regarding the current occupation of human resources, is not optimal for Sarandi; currently, this results in employees feel dissatisfied, because they see their colleagues doing nothing and it often results in working outside office hours, even in the low season, which entails extra costs for Sarandi. Without a formal production and staff planning, there will be a lot of inefficiency within the process, like workers who are temporary without tasks or backlogs of sub-assemblies. With the current staff a more formal production and staff planning can reduce total employee costs, improve employee satisfaction and increased customer satisfaction through on-time delivery. Sarandi can also consider flex workers, which have the advantage of paying them for the hours they worked for Sarandi.

*4.4 Training and development*
The third HR practice is *training and development* which is used to improve the performance of individual employees and groups in their work settings. Every new employee starts with an internal training given by the division head to learn about the mission, vision and strategy of Sarandi. In addition, they receive on-the-job-training by their coworkers and the section head during the first three months.

Regarding to trainings offered outside Sarandi, the HRD department keeps an eye on the internet. There is a special site of the government which is focused on 'industry and personnel',  where organizations can offer their trainings. When the HRD department notices a training that can be interesting or feasible for a department, they discuss this with the section or division head. When they agree on usefulness, employees are subscribed  and sent to the training.

Although, new employees receive an internal training and on-the-job-training, and the HRD department sometimes offers trainings to employees, there is no formal training program for the shop floor workers.

According Miles and Snow (1984), characteristics of training and development of a defender are skill building and extensive training programs. However, Sarandi only has a training program for new employees. Regarding their other employees in the production division there is no extensive training program. This means that this HR practice is also not much focused on building human resource skills for the shop floor workers. Building skills of the employees is important for a company, especially when it is focused on efficiency and product quality. In addition, it is difficult to fire employees. By improving the skills and competencies, often the employees can work faster and make less mistakes.

Regarding to the expectancy theory, employees feel better and are more motivated, when their efforts result in better performance. In the end this can even result in more satisfied customers.

*4.4 Performance appraisal*

The aim of the fourth practice, *performance appraisal,* is to evaluate the performance of the employees and look how their performance can be increased. Every six months, employees are evaluated by means of an evaluation form which evaluates on several areas. To generate a general idea about the evaluation, the form is added in appendix 8. Areas that are reflected are the employee's skills, work behavior, discipline and character, and attendance. The evaluation form needs to be filled in by the direct supervisor of the shop floor worker, thus the section head or the division head. When a section head is the direct supervisor and completes the form, he needs to discuss it with the division head before handing it over to the HRD department. The completed form is processed by the HRD department and the result is communicated to the employee. Depending on the score of the evaluation and the overall results of Sarandi, salary may increase. An example of possible salary increase after evaluation is included in table 4.

The evaluation form is completed by the direct supervisor of the shop floor worker. On every topic of evaluation points are given by the direct supervisor. Although, the subjective measures are evaluated on a scale which reduces subjectivity, attendance is the only true objective measure, because a computer system measures if and when an employee checks in. Although the employee is the subject of this evaluation, the evaluation form of an employee is filled in and discussed with the section head, division head and the HRD department, it is not discussed with the employee himself. After he got the results, he can complain about the attendance or ask for a discussion about the results on the other subjects with his section head, division head and the HRD department. However, the evaluation score is changed seldom.

| Evaluation score | Salary increase |
|---|---|
| 0 – 29,99 | Only UMR* increase |
| 30,00 – 49,99 | Only UMR* increase |
| 50,00 – 69,99 | Only UMR* increase |
| 70,00 – 79,99 | 5% (decided by BOD*) plus UMR |
| 80,00 – 89,99 | 10% (decided by BOD*) plus UMR |
| 90,00 – 100 | 15% (decided by BOD*) plus UMR |

**Table 4: Example of salary increase system after employee motivation**
*UMR = Upah Minimum Regional which is the Indonesian standard for minimum wage (differs per region and per industry)
*BOD = Board of Directors

The characteristics of a defender's performance appraisal are process-oriented procedure, identification of training needs, individual/group performance evaluations, time-series comparisons (Miles and Snow, 1984). The individual evaluation does evaluate on several aspects of the employee he shows during the working process, but this evaluation is not based on goals, for example production targets. It is also not used for identifying training needs or based on time-series comparisons. Thus, the current way of evaluation can be improved for Sarandi by relating it on individual of organizational goals and to training and development. Regarding the goal setting theory, this improves employee motivation.

*4.5 Compensation*

The final HR practice, c*ompensation,* consists of financial and nonfinancial rewards for an employee in return for his work at Sarandi. The financial rewards for the shop floor workers consists of their salary. The starting salary is determined by the government per industry and per geographical area. The government also determines a minimal salary increase. However, employees can influence this by their own behavior, because some other rewards or punishments are linked to their basic salary. For example, the score of the evaluation of employees may result in an increase of salary which is determined in advance by the directors. With a very good evaluation, salary may increase by 10 or 15 percent. If an employee is not motivated and disciplined enough according to the section head or the division head, they can get a letter of attention. When the employee receives such a letter for the second time, he is punished by a postponement the next salary increase. So, basic salary depends on the motivation and the discipline of the employee, the score of the evaluation and the number of years the employee works for Sarandi. Thus, basic salary may increase a lot over the years. Employees have twelve vacation days, including the national holidays. From a conversation with a shop floor worker, it became clear that a section head, who is higher in hierarchy than an operator, in at least one case earns less than his subordinate. Employees can also receive other financial rewards; when employees work overtime Sarandi needs to pay allowances according to government rules and the employee with the best attendance gets a financial reward as a bonus.

Nonfinancial rewards seem less important within Sarandi than financial results. However, there are some nonfinancial compensations. Job security is an important nonfinancial reward for employees. Regarding government rules it is very difficult to dismiss employees after their probationary period, so employees are pretty secure of their position. Other rewards (merchandise and recognition) are given for the best ideas raised by employees for Kaizen (continuous improvement) and for the section that best uses 5S (lean manufacturing). Training can also be seen as a reward, because employees develop themselves. In addition to on the job training and training offered by external companies as mentioned above, Sarandi is also learning English to its section heads. As a final nonfinancial reward, once a year, Sarandi organizes a day for its employees and their families with different activities to thank their employees.

According to Miles and Snow's (1984) framework, compensation of a defender should be oriented toward the position in organizational hierarchy, internally consistent, and the total compensation is heavily oriented toward cash and driven by superior/subordinate differentials. From the interview, the way of rewarding can be considered as internally consistent and is heavily oriented toward financial rewards, but it became clear that compensation is not always based on the position in the hierarchy and there are no clear difference in compensation between section heads and subordinates.

This chapter provided the practical execution of the five HR practices and a comparison with the characteristics of identified by Miles and Snow (1984). However, this is only a foundation based on ideal types, there is no need to change the HR practices immediately regarding discrepancies with this framework. Though, when these practices seem to cause troubles, for example regarding employee motivation, the HR practices should be reconsidered.

# Chapter 5    Results on motivation at Sarandi

The results on the second sub research question, '*In what way can the current motivation of the employees of Sarandi be described?'*, will be discussed in this chapter. The chapter starts with a reliability analysis on the questionnaire before going on with the characteristics of the respondents and the results on the different motivators and hygiene factors derived from the questionnaire.

*5.1 Reliability analysis*

As mentioned in section 3.2, the score on Cronbach's alpha must be between 0.7 en 1 to be reliable. Table 5 shows the different variables that are measured by the questionnaire, the number of items used to measure the different variables and the Cronbach's alpha on the current situation and on the desired situation.

| Motivators | Number of items | Cronbach's alpha Agreement - Importance |
|---|---|---|
| Work itself | 1 | - |
| Achievement | 3 | 0.51 – 0.60 |
| Recognition for achievement | 1 | - |
| Responsibility | 2 | 0.39 – 0.73 |
| Growth/advancement | 4 | 0.61 – 0.66 |

| Hygiene factors | Number of items | Cronbach's alpha Agreement - Importance |
|---|---|---|
| Supervision | 6 | 0.90 – 0.86 |
| Interpersonal relationships | 8 | 0.96 – 0.94 |
| Salary | 1 | - |

Table 5: Cronbach's alpha of the variables

Three variables (the work itself, recognition for achievement and salary) are measured by one item which makes it impossible to calculate the Cronbach's alpha. These statements are reliable in the way they measure what they ask. The Cronbach's alphas for the other two hygiene factors are high enough to be reliable. The Cronbach's alpha of the three remaining motivators are too low. Therefore, the Cronbach's alphas are calculated when items are deleted which resulted in scores between 0.39 and 0.73 (table 5), of which only the 0.73 on the desired situation on responsibility is reliable. A comparison between Cronbach's alphas of previous questionnaires is not possible, because these are not available. Thus, the assumption of using these statements based on previous research which resulted in reliable scores, cannot be made. However, a low Cronbach's alpha is not necessarily a problem, because it can be due to the relatively small sample size. With a small sample size, the answers of one respondent can have a big impact on the total outcomes. Therefore, variables will not be excluded from this research, but it must be kept in mind that a low score on the Cronbach's alpha can mean that different concepts are measured or that the interpretation of the items differs between the respondents.

*5.2 Characteristics respondents*

The questionnaire includes some questions on personal characteristics of the respondents. The results of these questions are summarized in the table on the next page. The distribution between teams is already added in table 2, so this is not included again in this table.

| Characteristic | Class | Frequency | Percent |
|---|---|---|---|
| *Age* | 20 years or younger | 6 | 7.5% |
| | 21 till 30 years old | 64 | 80.0% |
| | 31 till 40 years old | 8 | 10.0% |
| | 41 till 50 years old | 2 | 2.5% |
| | *Total* | *80* | *100.0%* |
| *Function* | Administration | 1 | 1.3% |
| | Helper | 6 | 7.5% |
| | Operator | 66 | 82.5% |
| | Section head | 7 | 8.8% |
| | *Total* | *80* | *100.0%* |
| *Years of employment at Sarandi* | 0 till 3 years | 21 | 26.3% |
| | 3 till 6 years | 32 | 40.0% |
| | 6 till 9 years | 26 | 32.5% |
| | 9 till 12 years | 1 | 1.3% |
| | *Total* | *80* | *100.0%* |
| *Years of employment at current team* | 0 till 3 years | 34 | 26.3% |
| | 3 till 6 years | 32 | 40.0% |
| | 6 till 9 years | 13 | 32.5% |
| | Missing value | 1 | 1.3% |
| | *Total* | *80* | *100.0%* |

**Table 6: Characteristics of the respondents**

*5.3 Measurement of the questionnaire*

Respondents are asked to give two answers on each question; their experience right now (agreement) and how they would like to see the desired situation (importance). The scale on which the respondents had to answer ranged from 1 to 7; disagree very much, disagree, disagree slightly, neither agree or disagree, agree slightly, agree, agree very much.

The results on the current and desires situation on the different variables that are determinants for employee motivation are depicted in boxplots. A boxplot is a graphic representation of the five-number summary (minimum, first quartile, median, third quartile and maximum), showing the dispersion of the collected data, which allows a comparison of distributions (Moore & McCabe, 2009); in this case a comparison between the current and the desired situation. According to Moore and McCabe (2009) a graph is the best method to get a general picture of the dispersion. The median is used as the centre instead of the mean, because this measure is resistant for the influence of some extreme observations. In addition, the median does not react heavily on changes in some observations (Moore & McCabe, 2009).

The data belonging to one variable are included in a graph in which two situations, current and desired situation, on one statement are put next to each other in the graph; the left one is the current situation and the right one the desired situation. The graphs about the several concepts are shown below, starting with the motivators and the hygiene factors measured by the questionnaire. Finally, the results on the hygiene factors not measured by the questionnaire are described.

A comparison will be made between the dispersion from the results of the current and the desired situation on a statement. Since insufficient grades mean dissatisfied or unmotivated employees, these grades will also be taken into account.

*5.4 Results on motivators*

The boxplots on first concept 'the work itself' (figure 3) show that 75 percent slightly or more agreed on the question if they enjoyed their job nowadays. Comparing this to the answers on the desired situation, the dispersion is the same for the upper 75 percent. Currently, seven respondents grade their job as insufficiently enjoyable and the answers of only three respondents below the minimum of the desired situation. The respondents are satisfied in the current situation, which means that the work itself is sufficiently satisfying for the shop floor workers.
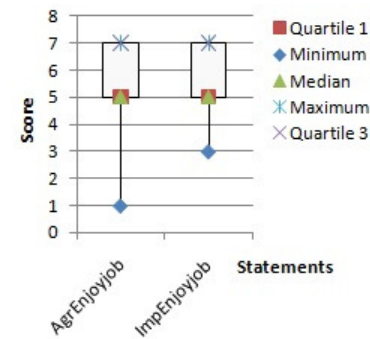


**Figure 3: Motivator - The work itself**
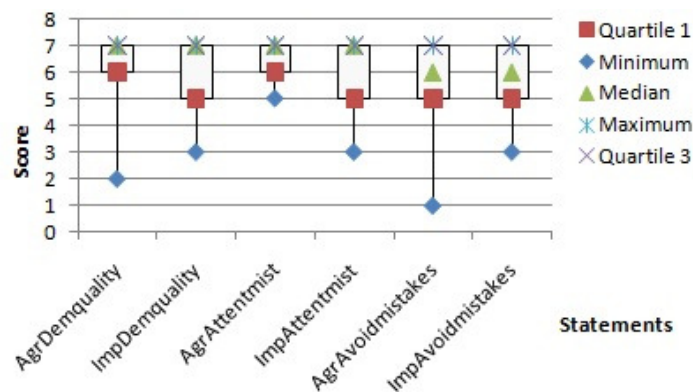


**Figure 4: Motivator - Achievement**

Figure 4 shows the dispersion regarding the statements about 'achievement'. According to the shop floor workers they focus their attention on quality and on avoiding mistakes, which is important because Sarandi is focused on product quality. The majority of the employees answered that they are more demanding on quality and attentive on avoiding mistakes in the current situation than is necessary for them in the desired situation. The boxplot about 'know how to avoid mistakes' shows that respondents in the current situation are below the desired level of knowledge on avoiding mistakes in their work. A closer look shows that only one respondent gave one as answer which is the only answer below the minimum of the desired level. Briefly, regarding to level of satisfaction of employees, this concept is also sufficiently emphasized by themselves.

Taking a look at figure 5 about 'recognition for achievement', illustrates a difference between the current and the desired situation. The answers of 50 percent of the respondents are between one and five, while only 25 percent of the respondents scored between two and five for the desired situation. 30 respondents assess the current situation on recognition for achievement as insufficient, while only nine respondents think it is not so important. Thus, the current situation for recognition for achievement within
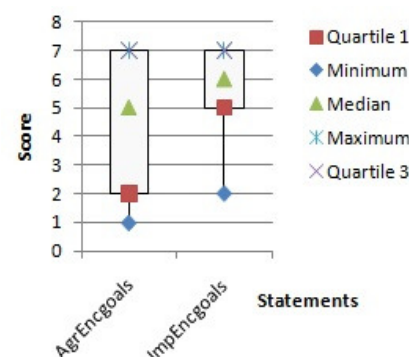


**Figure 5: Motivator - Recognition for achievement**

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Sarandi is not satisfying adequate, because it does not meet the needs of the shop floor workers.
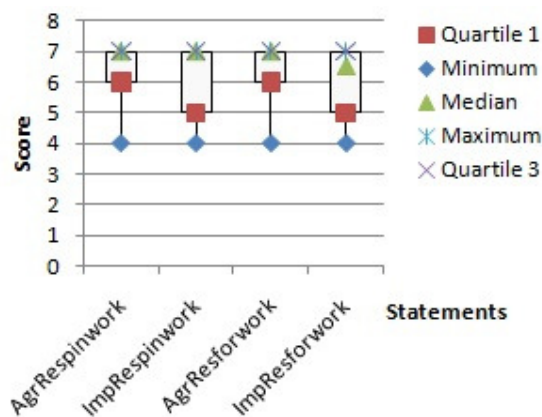


**Figure 6: Motivator - Responsibility**

The answers on the questions about 'responsibility' (figure 6) are all between neutral and agree very much, which means that the respondents feel that they have responsibility in their work and that they feel responsible for their tasks. However, the respondents feel more responsible for their work and feel that they have more responsibility in the current situation than they think is needed in the desired situation. Based on this, it can be concluded that the current situation on responsibility for the shop floor workers is sufficiently satisfying in the current situation.

Figure 7 shows the boxplots resulting from the answers given on the questions for 'growth/ advancement' in the jobs. The dispersion of the current and the desired situation regarding having the necessary skills and receiving on-the-job training are mainly the same. However, taking a closer
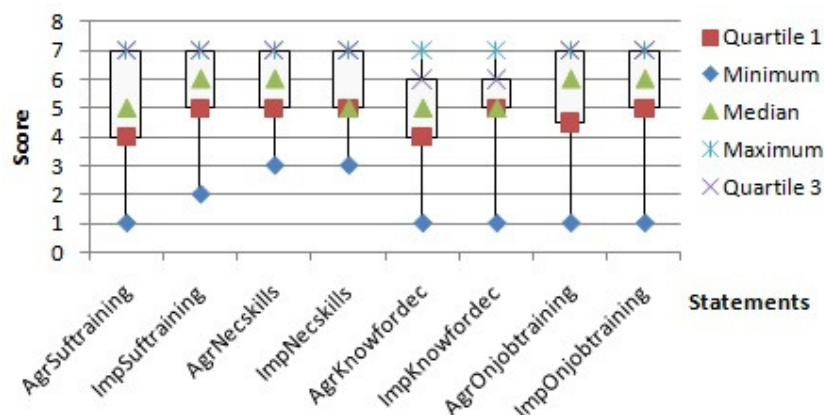


**Figure 7: Motivator - Growth/advancement**

look on the data, reveals that the current situation of receiving on-the-job training received eleven insufficient grades compared to two for the desired situation. This means that many respondents are not sufficiently satisfied about the current situation of on-the-job training. In addition, 25 percent answered between one and four for the current situation on whether they received sufficient training for their work tasks with sixteen respondents giving an insufficient grade for the current situation compared with two persons for the desired situation. Regarding the level of knowledge to make their own decisions in their work 75 percent answered between four and seven in the current situation, while in the desired situation 75 percent of answers were between five and seven. There were eleven insufficient grades for the current situation compared with four for the desired situation, which means that those respondents feel that they currently do not have the right knowledge to make their own decisions in their work. Taking this all together, the current situation does not meet the needs of the respondents for growth and advancement in their work sufficiently. Thus, the variable growth/advancement is not satisfying and therefore not motivating enough.

Regarding the motivators causing satisfaction, it can be concluded that the work itself, achievement and responsibility are satisfying in the current situation. There is no need to change the HR practices to improve employee satisfaction on these variables. However, recognition for achievement and possibilities for growth and advancement do not satisfy the shop floor workers enough to be motivating. HR practices influencing these two variables must be changed to make the employees more satisfied.

*5.5 Results on hygiene factors*

The first three questions about 'supervision' (figure 8) had to be answered by all the respondents. The other three questions had to be filled in by the section heads. The majority of the respondents is sufficiently satisfied about the style of instruction of their nearest supervisor in the current situation. The desired situation does not differ much of the current situation. However, still nine respondents do not appreciate the style in the current situation, compared to three who think is not that important in the desired situation. Regarding the overall management style of their supervisor the boxplots on the situations are quite similar; 75 percent of the answers were between five and seven. The current and desired situation scored respectively nine and two insufficient grades. The boxplots about receiving feedback from their supervisor show a different picture. These answers are more dispersed; 50 percent of the answers on the current situation are between five and seven, while 75 percent of the answers on the desired situation are between five and seven. In addition, there are sixteen insufficient grades for the current situation compared to nine for the desired situation. Thus,
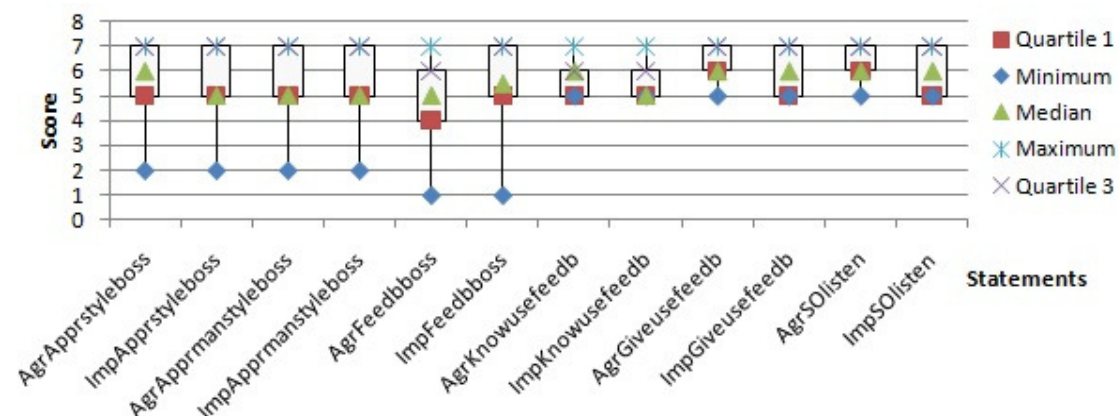


**Figure 8: Hygiene factor - Supervision**

many respondents are dissatisfied with the feedback in the current situation. All the answers of the section heads are between five and seven, which means they are not dissatisfied with the way they give feedback and how their subordinates react on the feedback. Thus, the majority feels that overseeing the performance or operations of the employees is sufficient, but still a significant group is dissatisfied by the supervision in the current situation on the style of getting instructions, the management style and getting feedback.

The questions about 'interpersonal relationships' (figure 9) are divided in questions about the relationship between colleagues and questions about the relationship between an employee and his supervisor. The boxplots about the current and the desired situation on the relationship between colleagues are quite similar. Only the lowest 25 percent are different. Though, just a few answers are

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insufficient both situations. However, the respondents seem more dissatisfied by the relationship with their supervisor. The majority thinks that they should feel more appreciated by their boss, that their supervisor should make more time available to support them, listen to them and to encourage them to come up with new ideas in the desired situation. Currently there are many dissatisfied respondents on this; between 13 and 21 percent graded the questions on the relationship with their supervisor as insufficient, although the section heads are not dissatisfied by the feedback from their subordinates. The conclusion can be made that the relationships between colleagues does not lead to dissatisfaction, but the relationship between the respondents and their supervisors do lead to dissatisfied shop floor workers.
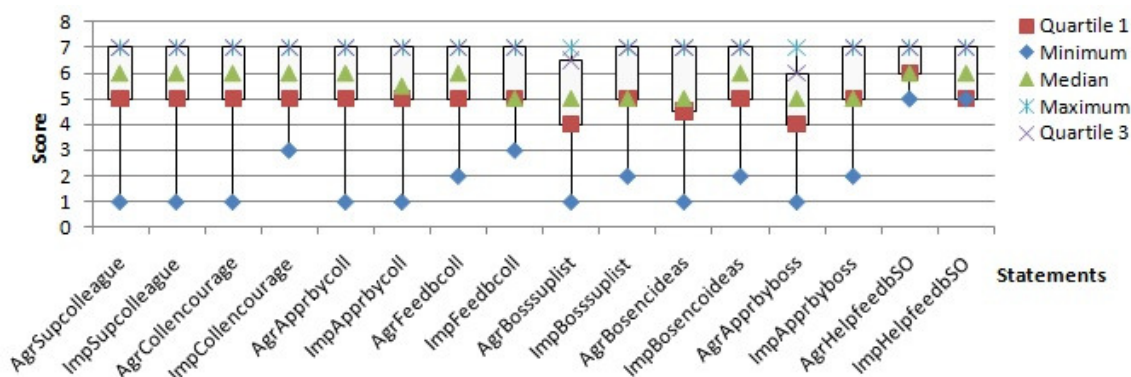


**Figure 9: Hygiene factor - Interpersonal relationships**

Figure 10 shows what the respondents think of the level of their 'salary'. 50 percent graded the current situation five or lower, while 75 percent graded the desired situation with a five or higher. The number of insufficient grades for the current situation is 30 of which the majority just slightly disagrees. The desired situation gets an insufficient grade seven times. From these numbers, it can be concluded that the current level of salary leads to dissatisfaction of the respondents.
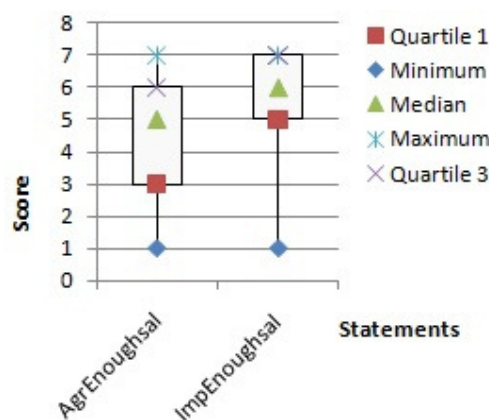


**Figure 10: Hygiene factor - Salary**

The results on the hygiene factors that are measured by questionnaire are described above. As argued before, company policy and administration, status, job security and the working conditions are not measured by the questionnaire, but by means of observations an answer is formulated on whether the respondents are currently dissatisfied by these variables.

Company policy and administration included the rules about how to carry out their jobs, the job description and the hierarchy within the company. Sarandi has strict rules about how they should accomplish their tasks, for example regarding safety rules, clocking in, pauses during the work day and cleaning up the work floor at the end of the day. Although, the shop floor workers are aware of these rules, they do not always follow those rules, especially regarding the safety rules. Some complaints are heard about the system and punishments of clocking in. Sarandi has formulated job

descriptions for all the functions the employees execute. Observations made clear that section heads have more responsibilities mentioned in the job description than they execute, for example regarding warnings to their subordinates when they do not accomplish their work correctly. The hierarchy for production consists of four layers; the helpers and operators, section heads, division head and management. Because this variable comprehends several aspects and observations did not provide enough data on this variable, a clear conclusion cannot be drawn on company policy and administration. Therefore, more research must be done on this subject.

Although, the hierarchy does not consist of many layers, looking at professional status within Sarandi, there is a big power distance between the shop floor workers and the management, which for example is expressed in the fact that some shop floor workers do not enter the room of the management easily. From the shop floor workers there were no complaints about the hierarchy. This corresponds with the results of Hofstede (n.d.) that Indonesia has a high level of inequality of power and wealth. However, Sarandi's management would like to receive ideas and complaints from the work floor to make improvements in the organization, while the shop floor workers doubt about this. The management seems to want to decrease the power distance to get more information from their employees. According to Hofstede (n.d.) the power distance is not necessarily obliged upon the employees, but it can be accepted as part of their culture. However, this is not the scope of this research. For this research, the current situation is not causing dissatisfaction for the employees.

Concerning job security, the permanent employees of Sarandi are pretty secure of their jobs. Performing their tasks well results in ongoing employment at Sarandi. This situation is favorable for the employees. The assumption can be made that the employees will not be dissatisfied by this situation.

The final hygiene factor discussed are working conditions within the factory, which are the characteristics of the physical environment in which the employees work. The factory is broad space divided in different areas in which the sections work and which they have to clean every day. The space is enlightened by natural light which is supplemented by artificial light when there is not sufficient natural light. Sarandi also has its own canteen and mosque which allows the employees to buy food and drinks and practice their religion in the pauses. Employees seem not to be dissatisfied by this aspect. During the observations the employees were no complaints about the working conditions. Thus, the conclusion can be made that the employees are not dissatisfied by the working conditions in the factory.

About the hygiene factors, the conclusion can be drawn that the interpersonal relationship between colleagues, status, job security and the working conditions do not cause dissatisfaction for the shop floor workers. Regarding the variable company policy and administration no clear conclusion can be formulated, because not enough data are found for this extensive variable. The variables supervision, interpersonal relationship between respondent and their supervisor and salary are currently dissatisfying shop floor workers. HR practices influencing these variables need to be changed.

*5.6 Linking results on motivation to HR practices*
The motivators recognition for achievement and growth/advancement, and the hygiene factors supervision, interpersonal relationships between supervisor and subordinate and salary currently do

not meet the needs of the employees. These motivators do not contribute to employee satisfaction, while these hygiene factors currently cause dissatisfaction. Thus, these variables do not contribute to the motivation of the shop floor workers of Sarandi. In this section the HR practices influencing these variables are mentioned and how they can be adapted for Sarandi.

*Supervision, interpersonal relationships, and recognition for achievement*
The way the subordinates feel about supervision, interpersonal relationships between subordinate and supervisor, and recognition for achievement stems mainly from the behavior of the supervisors. They have to monitor the performance of their team members, give recognition for achieved goals and build relationships with them. This is only possible when a supervisor possesses leadership characteristics. In the case of the section heads of Sarandi, besides operating a machine, they have to steer their subordinates towards the needed actions, give them feedback, reward them for good performance and warn/punish them when this is necessary. Currently, the supervisors seem not to possess these extra skills and competencies. Interviews revealed that supervisors do not carry out those extra responsibilities right now. To accomplish these tasks good, additional skills regarding supervision and leadership are necessary. These extra responsibilities should result in additional rewards. HR practices influencing the behavior of supervisors are recruitment, placement and selection and training and development. Fitting recruitment, placement and selection procedures helps with the selection of the right person for these functions. When supervisors do not possess the skills required for the extra responsibilities, training and development can help them gain these skills. A training and development program can comprehend topics like supervision, leadership style and development of relationships.

As mentioned in section 2.4, it is important to tell if the employees are doing well and that their progress is recognized by their supervisor. Recognition and rewarding can be done through praising employees by additional salary, based on pre-set goals set for that specific period or giving them a compliment. When supervisors do not have the right skills for praising and rewarding, this has to be added to the training program as well. The feeling of recognition for achievement is also influenced by compensation. This is discussed later on in this section.

Relationships at Sarandi are build in a formal and informal way. Building relationships in a formal way takes place during the orientation training. The informal socialization takes place in more leisure-like settings, like during lunch break or a trip with the section. Opportunities to spend time together and interact affects the likelihood of developing a relationship which increases employee performance. Although Sarandi spends a lot of energy on the development of relationships, employees are still dissatisfied by the relationship with their supervisors. This can be due to a lack of skills and competencies as well. Communication is an important factor in the development of relationship, supervisors can also be trained in communication.

*Growth and advancement*
Growth and advancement is about the development of employees. The development of employees at Sarandi is influenced by the practices training and development and performance appraisal. The fastest and most effective means of development at the work floor is on-the-job training, which is currently applied in the probationary period of a new employee. On-the-job training can be a good way of training and development outside the probationary period as well. Besides the fact that shop

floor workers are not motivated by training and development, Sarandi's management thinks the skills and competencies of the shop floor workers are not sufficient, because the management considers the number of mistakes in the production process too high. Therefore, the training and development program must be reconsidered. One of the options is adding mentoring to the current program. Mentoring is pairing a less experienced worker to a more experienced worker who can guide, support, and learn the less experienced worker knowledge, skills and competencies, while they are working. Classroom training is another possibility for training and development, for example lectures, films and simulations about working methods or new machines. By developing a training program a systematic model of learning and training can be used. This model consists several steps: identify the development needs, design the development activity, carry out the development and evaluate the development. After the evaluation, new developments needs have to be identified and so on.

Performance appraisal can be used to give feedback to the employees about their progress in their work and how they can make further improvements in their operations and performance. This is necessary for motivated employees. As argued before, it can also be used to reward good employees with extra incentives, like additional financial rewards and recognition. Therefore performance should be measured accurately and supervisors must effectively use performance appraisal. Currently, Sarandi uses an evaluation form (appendix 8) which assesses the performance on several aspects. However, they do not make use of a performance appraisal interview and this evaluation is not related to pre-set goals. Adding these interviews to the way Sarandi executes performance appraisal will be a good way to provide the employees feedback that will reinforce good performance and motivate employee development.

*Salary*
The salaries of the shop floor workers are influenced by the HR practices compensation and performance appraisal at Sarandi, because financial rewards are part of the compensation plan and the performance appraisal determines the increase in salary. As argued in section 2.4 compensation should be aligned to the strategy of Sarandi. Sarandi wants to improve its product quality to become a leading manufacturer in excellent, innovative and reliable medical products. The current skill-based payment system does not support Sarandi in reaching this goal. The starting salary is based on their jobs and can increase based on the score on their evaluation. This system seems to be a skill-based pay system, however, the evaluation is not only based on employee's skills, but also on work behavior, discipline and character, and attendance. The system does not give the impression to fit into Sarandi's strategy, because productivity and product quality are not stimulated by this compensation system and aspects of evaluation. In addition, employees are dissatisfied by their level of salary and it became clear that some employees in higher in hierarchy earn less with more responsibilities. Regarding the process theories and the reinforcement perspective, rewards, and thus salary, must be fair and equitable, high efforts should result in high performance with valuable rewards, target setting must be done in cooperation with subordinates and employee behavior may be changed by using rewards and punishments. To be fair, employees with more responsibilities should be rewarded regarding to this.

Pay-for-performance, individual or group-based, seems more appropriate as compensation system for Sarandi, because this gives the opportunity to link at least part of the compensation to the effort and performance of the employees and to pre-set goals. These goals steer employee behavior

towards the desired actions which contribute to reaching the Sarandi's strategy. The level of start salary should be aligned to the function an employee fulfills and its responsibilities, which should increase the feeling of fairness regarding the salaries paid. For using pay-for-performance effectively, goals must be set aligned to the organizational strategy. Involving employees in this process, increase their commitment to the goals and the efforts to reach these goals. The goals can for example be based on the number of rejects or the number of good products produced. For goal setting to work effectively for the shop floor workers, the goals must be specific, measurable, acceptable, realistic and timely (SMART).

Currently, increases in salary depend on how well the employees are evaluated on their skills, work behavior, discipline and character, and attendance. To better align the reward system with the Sarandi's strategy and make the system fair and equitable, it would be better to apply pay-for-performance system which is based on pre-set goals for example on the level of the individual employee or the section supplemented by a basic fixed amount of salary. To make this possible, the goals must be part of the performance appraisal as well.

At the start of the research the management of Sarandi had some presumptions about the suboptimal employee motivation and reasons for this (see appendix 4). The presumptions on leadership style and the competencies also resulted from the outcomes of the questionnaire. Suboptimal motivation on leadership style became apparent through the differences between the current and the desired situation in recognition for achievement, supervision and interpersonal relationships between subordinate and supervisor, while competencies became apparent through differences in the results on training and development.

# Chapter 6    Conclusion

The previous chapters discussed this research from the research proposal towards the discussion of the results. This chapter describes the conclusions on the research question that can be derived from the previous chapters. Therefore a short conclusion on the sub questions will be formulated, which is followed by the answer on the central question.

*6.1 Conclusion on sub questions*
*'How are the current HRM policies within Sarandi executed?'* was the first sub question. Five commonly used HR practices, covering a representative list of HR practices are identified in the theoretical framework; recruitment, selection and placement, staff planning, training and development, performance appraisal and compensation. The execution of these practices within Sarandi is described extensively in chapter four.

The HRD department is in charge for recruitment, selection and placement after the section or division head indicated the job requirements for the vacant job. Staff planning is mainly fixed by the high and the low season. In the high season the permanent workers are complemented by temporary workers. Regarding training and development an introduction training is given to new employees and trainings on a special website that assessed as useful are offered additionally. For the performance appraisal the supervisor must complete an evaluation form. Based on the score of the evaluation the salary increase of the employee is determined. Compensation mainly consist of financial rewards (the basic salary, added by the over time allowances). In addition, there are some non financial rewards like a yearly staff party, or the awards for the department following the 5S work system the best and the worst. The way these HR practices are performed do not always correspond with the link Miles and Snow (1984) made between a business strategy and the corresponding HRM systems.

The second sub question was formulated as '*In what way can the current motivation of the employees of Sarandi be described?*'. These results are elaborated in chapter five. As discussed in the theory several variables, the hygiene factors and motivators, are accountable for employee motivation. If the hygiene factors do not meet the needs of the employees, they become dissatisfied, while the motivators cause the actual motivation.

It became clear that some of the motivators cause satisfaction at Sarandi and some other motivators do not contribute to the current employee motivation. In addition, some hygiene factors cause dissatisfaction for the shop floor workers of Sarandi in the current situation, while some other hygiene factors meet the needs of the employees and thus do not cause dissatisfaction. For one hygiene factor, company policy and administration, there was not enough data available to draw a conclusion on its contribution to motivation.

Motivators satisfying the needs of the shop floor workers are the work itself, achievement and responsibility. From the hygiene factors interpersonal relationship between colleagues, status, job security and working conditions do not cause dissatisfaction at the moment. Thus, there is no need to change HR practices to improve these variables. However, employee needs may change in the future, so these variables has to be assessed in the future again to keep them motivated.

Currently, the motivators recognition for achievement and growth/advancement are not contributing to employee motivation, while the hygiene factors supervision, interpersonal relationships between subordinate and supervisor and salary cause dissatisfaction for the shop floor workers. So, Sarandi can improve the motivation of the shop floor workers by making alterations in their organization that influence these variables.

*6.2 Conclusion on research question*
In this section an answer will be given on the main research question which was formulated as follows: *'To what extend is there a need for Sarandi to adjust its HRM policy in order to make its employees more motivated?'*

Two motivators and three hygiene factors are inconsistent with the needs of the employees. Adapting the hygiene factors should result in less dissatisfied employees and adapting the motivators should result in more satisfied employees. Together, this increases employee motivation.

The feeling of the shop floor workers about supervision, interpersonal relationship between subordinate and supervisor, and recognition for achievement can be improved by training and development of the supervisors, or the recruitment, placement and selection process. Training and development will improve the competencies of the current supervisors and recruitment, placement and selection in the future should focus on all the skills necessary for a supervisor to find the right person for the function of supervisor, including the required skills for operating a machine as well as for giving useful feedback.

Growth and advancement should be improved by training and development and performance appraisal. Therefore, Sarandi should adapt these two practices. The current ad hoc proposals for training should be replaced with a more formal training and development program. For the development of this program the systematic model of learning and training can be used as a guideline. In addition to a formal training and development program on-the-job training can be extended by mentoring on the shop floor. Performance appraisal gives employees information on how well they progress and how to develop further in the future. Feedback on pre-set goals should be added to the evaluation, because this increases the motivation to reach those goals, and an interview with the individual employee should be added to the performance appraisal program to give them personal feedback.

The HR practices compensation and performance appraisal are responsible for employee dissatisfaction on salary. Although the salary meets the standards for the industry and region, the people are dissatisfied by it. Complaints are not only about the level of salary, but also about the salaries for the different functions. Therefore, the current skill-based payment system can be changed towards a performance-based payment system based on individual or group goals that supports the goals and strategy of Sarandi. The base should be a guaranteed salary which assures the employees fixed amount of income. In this job-based system, the function needs to be rewarded regarding their hierarchical order and responsibilities. The pay-for-performance should be based on performance appraisal about the pre-set goals.

There is no need to change the HR practices regarding the variables that are consistent with the current needs of the employees. However, changing the HR practices regarding the variables that are inconsistent may cause a change in motivation through the good variables. This should be taken into account. In addition, it should also be taken into account that motivation changes over time. Thus, the HR department has to be attentive on changing needs from the employees.

*6.3 Recommendations*

Following from the conclusion formulated previously, some recommendations can be made for the HR practices executed at Sarandi. These recommendations should help Sarandi to make their employees more motivated to perform their job as good as possible, resulting in better product quality. The recommendations about the HR practices follow from the results from the questionnaire, interviews and observations.

It became clear that the respondents were not motivated by supervision, interpersonal relationships between them and their supervisors and recognition for achievement. Recruitment, selection and placement of new supervisors should also focus on the skills needed for being a good supervisor.

The results on motivation did not result in a recommendation regarding staff planning. However, staff planning maintains an important HR practices. Thus, currently there is no need to change this practice, but changing needs may ask for change in the future.

From the conclusion on the research question recommendations for training and development can be made. It is important to set up a more formal training program for supervisors as well as for other shop floor workers. This program should be developed after identification of the needed skills for the different functions and the current level of those skills. Developing a more formal training program results in better motivation from supervision, interpersonal relationships, recognition for achievement and growth and advancement.

Following from the results, the performance appraisal of the shop floor workers can be improved as well. The evaluation of the individual employee should be more focused on their performance instead of their skills. In this way employees are rewarded for their achievement. This can be based on individual or group level. Reaching pre-set goals should result in more financial rewards for the employees, which fits better to Sarandi's strategy. In addition, the evaluation should be discussed with the employee himself by means of an appraisal interview. This improves the way of giving feedback and reinforces employee performance and development. Performance appraisal should also be used to determine growth and advancement opportunities.

The final HR practice, compensation, should be made more fair and equitable, which means that someone higher in hierarchy with more responsibilities and competencies should earn more than someone lower in the hierarchy. The basic salary can be a fixed amount of money, supplemented by additional rewards through pay-for-performance when the employees reached the pre-set goals. Performance appraisal determines the extend of reaching the goals which determines the level of the additional rewards.

# Chapter 7 Discussion

This chapter discusses the limitations regarding the research and the possibilities for future research. The limitations and possibilities for future research follow from the theory used for this research, the research design and methodology and the results.

*7.1 Limitations*
Several studies mention the relationship between fitting HR practices and employee motivation. However, there was no model available that has tested the influence of several HR practices on different aspects of employee motivation. Therefore, the research model (see figure 2) for is derived from a combination of two common theories on HR practices and motivation which means that the model is not empirically tested. In addition, the list of HR practices is a representative, but no complete which means that there are also other HR practices. This is a threat for the construct validity (Babbie, 2004).

Empirical tests of the two-factor theory in several countries on diverse continents showed the same valid results on this theory. The assumption can be made that this theory is also applicable for Indonesia. However, this is not the case for the other theories; these are tested in a Western setting. Cultural differences can affect the validity of the theories. Although Hofstede (n.d.) mentions that organizational culture depends on national culture, Habir and Lasarati (1999) argued, by using three cases, that the Indonesian culture is not necessarily an obstacle for the adoption of international HR practices in Indonesian organizations. Differences in culture may also cause misinterpretation of the outcomes.

As this research is applied research using specific data of employee motivation at Sarandi it has its implications for the generalizability and therefore for its external validity (Babbie, 2004). The results are not generalizable to other companies and probably even not to other employees of Sarandi, because of the specific research group used. Therefore the research has to be repeated. Additional limitations of the research design and methodology are already mentioned in chapter three.

Just as the theoretical framework and the research design and methodology, the results also have their limitations. Some employees did not execute the questionnaire, because of absenteeism. This can have a negative influence on the questionnaire, because employees who are unmotivated are more likely to be absent. However, only five employees were absent due to illness. The assumption can be made that there is no risk for the reliability.

By filling in the questionnaire, it became clear that the respondents needed some extra explanation in addition to the explanation added in the questionnaire. One of the HR employees gave them the explanation and answered their questions when something was unclear. This may lower the construct validity (Babbie, 2004). Checking the first questionnaires showed some missing answers. This is solved by checking all the questionnaires and ask respondents to answer the question when missing answers appeared.

Another limitation of the questionnaire can be social desirability of the questions, for example whether the respondents feel appreciated by their supervisors. The majority of the answers is

relatively high, but some items are graded insufficient. Though this is a likely limitation. However, differences in the current and desired needs for motivation still could be identified and therefore, this was not a real threat for the research.

*7.2 Future research*
Testing the research model used for this research empirically is suggested for future research. It is known that good human resource management increases employee motivation, but to what extend do the several HR practices influence the different variables on motivation? This can be tested in the Indonesian context, but also in other settings.

To know the effects of the recommendations following from this research on the shop floor workers, the same research can be conducted in the future to examine the expected results on employee motivation. Supposing the effects of employee motivation on product quality in the theory, the relationship between increased employee motivation and improvement in product quality at Sarandi can be measured for example by measuring changes in motivation and the the number of rejects in the production process. Rejects are parts that are send back in the production for rework, because they do not meet the quality requirements of Sarandi. Expecting dissimilar needs between different groups of employees, for example the R&D department or the marketing department, the research can conducted on other groups of employees within Sarandi. Changing the HR practices to their specific needs should increase their motivation too.

However, HR practices are not the only factors influencing employee motivation. Therefore, for future research it is recommended to examine other factors influencing employee motivation at Sarandi as well.

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## Appendix 1 Corporate information

To give direction to the company, PT. Sarandi Karya Nugraha formulated a motto, a vision, missions and corporate values (Y.C. Marlina, 29 April 2009). These are mentioned below.

*Motto*:
- Striving the best for human health.

*Vision*:
- Becoming a leading manufacturer company in "excellent", "innovative" and "reliable" medical products and supplies for our customers, clients and partners.

*Missions*:
1. Produce innovative products and supplies and meet international standards in accordance with our field and in line with customers' expectation.
2. Increase human resources competence and company's productivity through persistent training.
3. Reference to profitable standard operation based on philosophy Good Corporate Governance.
4. To be the role model in the society as a green company.

*Corporate values:*
1. Failure is a learning process to achieve success.
2. Different opinion is a part of development process power in order to build the successful team work.
3. Willingness to change in process of thinking & action is a fundamental to achieve success.
4. No day without improvement (*continuous improvement*).

## Appendix 2 Organization chart

*Source:*
*PT. Sarandi Karya Nugraha, 5 May 2009*

PT. Sarandi Karya Nugraha
Medical equipment industries

Sukabumi, Indonesia

May 5th, 2009

| | |
|---|---|
| Muhammad Haudy | President commissioner |
| Budi Praselio | Independent commissioner |
| Isep Gojali | Managing director |

Yeni Marlina
Secretary director

Arief Rachman
General director

Hamidah
General Affairs
Sukabumi

Budi
Sales support (A)

Ruyat
HRD

Novi
General Affairs
Jakarta

Eka Patra
Sales Support (B)

Ferdisar Adrian
Marketing director

Nuraeni Setya
Sales

Erik
Sales export

Astri
Sales
administration

Vacant
Customer
complaints

Vacant
Market support

Asep F
Assembling

Thony Haryono
Design and
promotion

Jayu
Marketing

Feri
Technician

Wijiarto
Technical support

Endah
PPIC
administration

Debby Oentarjo
Product planning
inventory control
(PPIC)

Tuti Risnawati
Warehouse

Isep Gojali
Production
director

Ade Iman F.
Production

Agung Purnomo
Purchasing

Yayan
Sub-contractor

Ipan
Maintenance

Dasep Somantri
Finance director

Dasep Somantri
Finance Manager

Esih S
General
accountant

Reni
General petty cash

Niki Nuryadin
IT

Arief Rachman
Representative
management

Galih Tresnedi
Engineering

Edward
Quality Control

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# Appendix 3 Cause-effect diagram overall problems Sarandi

*Source: Mapped by W. Mulder and R. Westrik, 5 May 2009*
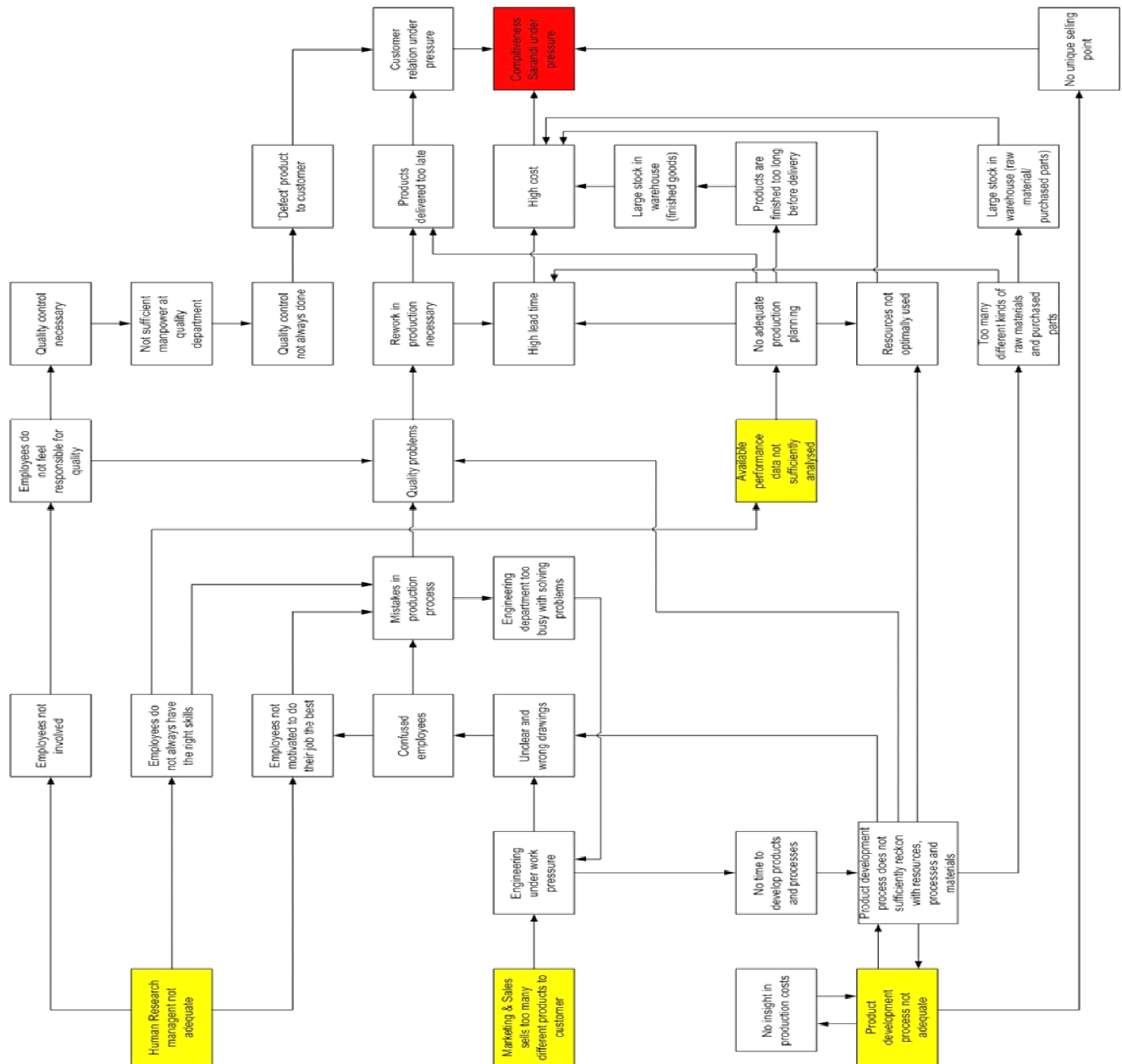
**Appendix 4 Cause-effect diagram motivation employees Sarandi**

*Source: Mapped by R. Westrik, 7 May 2009*
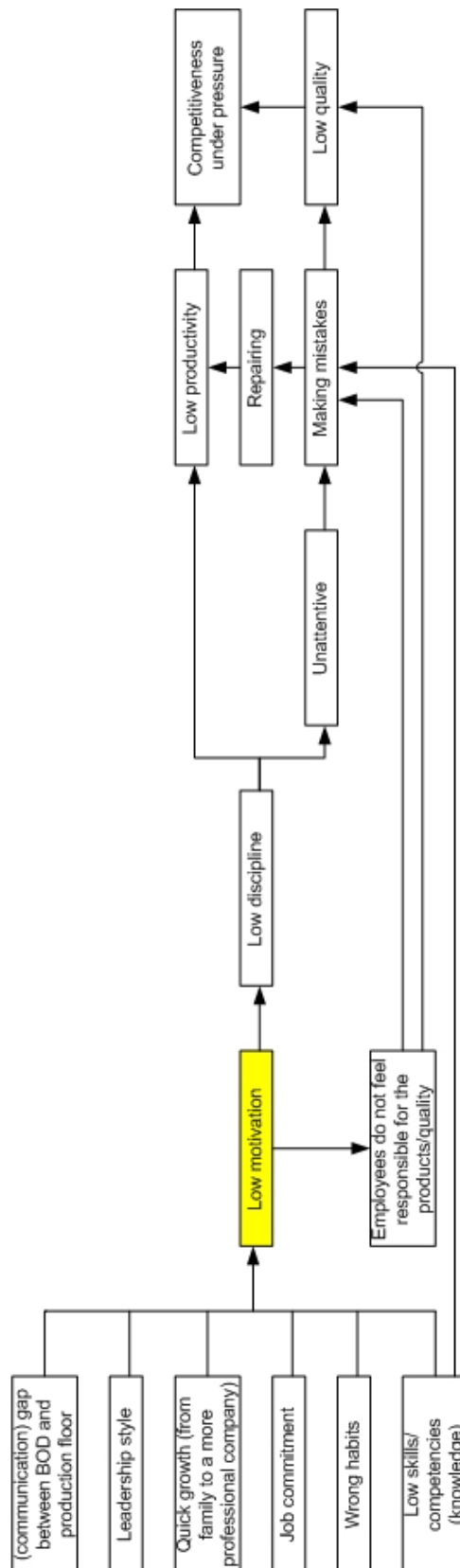
# Appendix 5 Human resources management practice menus

## *Planning Choices*

| | | |
|---|---|---|
| Informal | ---------------------------------- | Formal |
| Short Term | ---------------------------------- | Long Term |
| Explicit Job Analysis | ---------------------------------- | Implicit Job Analysis |
| Job Simplification | ---------------------------------- | Job Enrichment |
| Low Employee Involvement | ---------------------------------- | High Employee Involvement |

## *Staffing Choices*

| | | |
|---|---|---|
| Internal Sources | ---------------------------------- | External Sources |
| Narrow Paths | ---------------------------------- | Broad Paths |
| Single Ladder | ---------------------------------- | Multiple Ladders |
| Explicit Criteria | ---------------------------------- | Implicit Criteria |
| Limited Socialization | ---------------------------------- | Extensive Socialization |
| Closed Procedures | ---------------------------------- | Open Procedures |

## *Appraising Choices*

| | | |
|---|---|---|
| Behavioral Criteria | ---------------------------------- | Results Criteria |

Purposes: Development, Remedial, Maintenance

| | | |
|---|---|---|
| Low Employee Participation | ---------------------------------- | High Employee Participation |
| Short-Term Criteria | ---------------------------------- | Long-Term Criteria |
| Individual Criteria | ---------------------------------- | Group Criteria |

## *Compensating Choices*

| | | |
|---|---|---|
| Low Base Salaries | ---------------------------------- | High Base Salaries |
| Internal Equity | ---------------------------------- | External Equity |
| Few Perks | ---------------------------------- | Many Perks |
| Standard, Fixed Package | ---------------------------------- | Flexible Package |
| Low Participation | ---------------------------------- | High Participation |
| No Incentives | ---------------------------------- | Many Incentives |
| Short-Term Incentives | ---------------------------------- | Long-Term Incentives |
| No Employment Security | ---------------------------------- | High Employment security |
| Hierarchical | ---------------------------------- | High Participation |

## *Training and development*

| | | |
|---|---|---|
| Short Term | ---------------------------------- | Long Term |
| Narrow Application | ---------------------------------- | Broad Application |
| Productivity Emphasis | ---------------------------------- | Quality of Work Life Emphasis |
| Spontaneous, Unplanned | ---------------------------------- | Planned, Systematic |
| Individual Orientation | ---------------------------------- | Group Orientation |
| Low Participation | ---------------------------------- | High Participation |

*Source: Schuler & Jackson, 1987, p.212*

## Appendix 6 Business strategies and human resource management systems

| Organizational/ Managerial Characteristics | Type A (Defender) | Type B (Prospector) | Type AB (Analyzer) |
|---|---|---|---|
| Product-market strategy | Limited, stable product line<br>Predictable markets<br>Growth through market penetration<br>Emphasis: 'deep' | Broad, changing product line<br>Changing markets<br>Growth through product development and market development<br>Emphasis: 'broad' | Stable and changing product line<br>Predictable and changing markets<br>Growth mostly through market development<br>Emphasis: 'deep' and 'focused' |
| Research and development | Limited mostly product improvement | Extensive, emphasis on 'first-to-market' | Focused, emphasis on 'second-to-market' |
| Production | High volume-low cost<br>Emphasis on efficiency and<br>process engineering | Customized and prototypical<br>Emphasis on effectiveness and product design | High volume, low cost, some prototypical<br>Emphasis on process engineering and product or brand management |
| Marketing | Limited mostly to sales | Focused heavily on market research | Utilizes extensive marketing campaigns |
| Organization structure | Functional | Divisional | Functional and matrix |
| Control process | Centralized | Decentralized | Mostly centralized, but decentralized in marketing and brand management |
| Dominant coalition | CEO<br>Production<br>Finance/accounting | CEO<br>Product research and development<br>Market research | CEO<br>Marketing<br>Process Engineering |
| Business planning sequence | Plan → Act → Evaluate | Act → Evaluate → Plan | Evaluate → Plan → Act |

| Human Resource Management System | Type A (Defender) | Type B (Prospector) | Type AB (Analyzer) |
|---|---|---|---|
| Basic strategy | Building human resources | Acquiring human resources | Allocating human resources |
| Recruitment, selection and placement | Emphasis: 'make'<br>Little recruiting above entry level<br>Selection based on weeding out undesirable employees | Emphasis: 'buy'<br>Sophisticated recruiting at all levels<br>Selection may involve pre-employment psychological testing | Emphasis: 'make' and 'buy'<br>Mixed recruiting and selection approaches |
| Staff planning | Formal, extensive | Informal, limited | Formal, extensive |
| Training and development | Skill building<br>Extensive training programs | Skill identification and acquisition<br>Limited training programs | Skill building and acquisition<br>Extensive training programs<br>Limited outside recruitment |
| Performance appraisal | Process-oriented procedure (for example, based on critical incidents or production targets)<br>Identification of training needs<br>Individual/group performance evaluations<br>Time-series comparisons | Results-oriented procedure (for example, management by objectives or profit targets)<br>Identification of staffing needs<br>Division/corporate performance evaluations<br>Cross-sectional comparisons (for example, other | Mostly process-oriented procedure<br>Identification of training and staffing needs<br>Individual/group/division performance evaluations<br>Mostly time-series, some cross-sectional comparisons |

| | | | |
|---|---|---|---|
| | (for example, previous years' performance) | companies during same period) | |
| *Compensation* | Oriented toward position in organization hierarchy | Oriented toward performance | Mostly oriented toward hierarchy, some performance considerations |
| | Internal consistency | External competitiveness | |
| | Total compensation heavily oriented toward cash and driven by superior/subordinate differentials | Total compensation heavily oriented toward incentives and driven by recruitment needs | Internal consistency and external competitiveness |
| | | | Cash and incentive compensation |

*Source: Miles & Snow, 1984, pp. 48-49*

## Appendix 7 Questionnaire

This questionnaire will be used for my final assignment of my study Business administration at Twente University, The Netherlands. With the results of this questionnaire I hope to help PT. Sarandi Karya Nugraha with improving the company. Your answers are kept anonymous.

Thanks in advance for helping me with my final assignment!

**General questions** (Please mark the fitting answer)

1. Age:
   - ☐ <20
   - ☐ 21-30
   - ☐ 31-40
   - ☐ 41-50
   - ☐ >50

2. Team:
   - ☐ Production – machining
   - ☐ Production – welding
   - ☐ Assembling
   - ☐ Production – painting
   - ☐ Production – finishing
   - ☐ Warehouse

3. Function:
   - ☐ Section head
   - ☐ Operator
   - ☐ Administration
   - ☐ Helper

4. Years working for Sarandi:
   - ☐ 0 till 3 years
   - ☐ 3 till 6 years
   - ☐ 6 till 9 years
   - ☐ 9 till 12 years

5. Years working in this function:
   - ☐ 0 till 3 years
   - ☐ 3 till 6 years
   - ☐ 6 till 9 years
   - ☐ 9 till 12 years

At the next pages, you find several statements about different subjects, for example feedback and interpersonal relationships. Please give your answer about agreement and importance (so, two answers should be given about one statement).

The scale for agreement is from disagree very much till agree very much. And the scale for importance is from very low importance till very high importance. For example; if you think the first statement in agreement is between disagree very much and disagree slightly, please check box 2.

Example:

Statement: I go to bed early

Do I agree with it? No, usually I'm not going to sleep before midnight. (fill in 1 or 2)

Do I think it is important? Yes, because I feel better when I sleep early (fill in 6 or 7)

Please fill in honestly and do not talk about the questionnaire with your colleagues until you are finished.

**Statements**

| Work | Agreement (current situation) | | | | | | | Importance (desired situation) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Disagree very much | | Disagree slightly | | Agree slightly | | Agree very much | Disagree very much | | Disagree slightly | | Agree slightly | | Agree very much |
| Sometimes I have to wait for new tasks | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Sometimes I have to do too much work | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I know how to avoid making mistakes | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I enjoy doing my job | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I demand quality | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I need a push to get started | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I am attentive for not making mistakes | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I communicate my ideas, thoughts and suggestions regarding my job | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| There is a ready listener for my ideas, thoughts and suggestions | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I receive encouragement when set goals have been attained | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I feel that I have responsibility in my work | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I have the necessary knowledge to make own decisions in my job | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I feel responsible for my work | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| Possibility of growth | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I have received sufficient training for my work tasks | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I have the necessary skills to perform my work tasks | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I have the knowledge needed to make my own decisions in my work | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I receive on-the-job training at my place of work | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | Agreement (current situation) | | | | | | | Importance (desired situation) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Information* | Disagree very much | | Disagree slightly | | Agree slightly | | Agree very much | Disagree very much | | Disagree slightly | | Agree slightly | | Agree very much |
| I feel that I have received the necessary information for me to perform my work tasks | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I feel that I have knowledge regarding Sarandi (e.g. Objectives, visions) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Changes in the processes are directly communicated to everyone involved | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Occurring problems related to the processes are solved immediately | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| *Motivation* | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| The management (BOD) motivates me | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| The division head motivates me | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My section head motivates me | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My team members motivate me | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My job motivates me | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| *Interpersonal relations* | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I give support to my colleagues | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My colleagues encourage me in doing my job as good as possible | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I feel appreciated by colleagues | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I receive helpful feedback from my colleagues | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I appreciate the style in which I get instructions of my nearest boss | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I appreciate the management style of my nearest boss | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My nearest boss makes time available for supporting and listening to me | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My nearest boss encourages me to come up with new ideas for improving the ongoing activities within the company | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I feel appreciated by my nearest boss | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My nearest boss tells me if I am doing a good job or not | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| Salary | Agreement (current situation) | | | | | | | Importance (desired situation) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Disagree very much | | Disagree slightly | | Agree slightly | | Agree very much | Disagree very much | | Disagree slightly | | Agree slightly | | Agree very much |
| Wage level is important for me to do a good job | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Sarandi gives my enough salary to do a good job | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| People who work hard get the same salary increases as those who only do the minimum necessary | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Reward systems are important to do a good job (other than salary) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| Only for section heads: | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I receive helpful feedback from my subordinates | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I know how to give useful feedback to my subordinates | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I use the skills of my subordinates optimal | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I give useful feedback to my subordinates | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I feel that my subordinates listen to me when I speak to them about their job | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

If you have any comments, please write it down
here:………………………………………………………………………………………………………………………………………………………………………………………………….
……………………………………………………………………………………………………………………………………………………………………………………………………..
……………………………………………………………………………………………………………………………………………………………………………………………………..

**This is the end of the questionnaire. Thank you very much for your assistance**

## Appendix 8 Evaluation form

Nama : TAUFIK A SAEFUL
Tgl. Masuk : 17-Nop-2008

Kategori : Operator (Produksi)
Status : Kontrak

Semester :
Tahun :

Tanggal :
s/d :

| NO. | ITEM YANG DINILAI | 40-54 | 55-75 | 76-84 | 85-100 | SKOR |
|---|---|---|---|---|---|---|
| **I** | **UNJUK KERJA UNTUK SELURUH KATEGORI** | | | | | |
| 1. | Kemampuan memahami , menanggapi tugas yg diberikan | Tidak tanggap | Perlu penjelasan berulang | Tanggap namun masih perlu penjelasan | Cepat tanggap sedikit penjelasan | |
| 2. | Pengetahuan akan pekerjaannya | Kurang menguasai | Sedikit menguasai namun perlu bantuan | Menguasai namun perlu bantuan | Menguasai | |
| 3. | Kecepatan menyalesaikan tugas | Tidak Cepat dan Malas | Belum cepat dan mau berusaha | Cepat | Cepat dan dapat dijadikan contoh | |
| 4. | Kesalahan dalam menjalankan tugas | Sering melakukan kesalahan | Kadang-kadang melakukan kesalahan | Sedikit melakukan kesalahan | Sedikit melakukan kesalahan, cepat diperbaiki | |
| 5. | Kepatuhan,komitmen terhadap sistem Sarandi (prosedur) | Tidak patuh, tidak mempunyai komitmen | Kadang-kadang patuh | Patuh | Patuh dan punya komitmen tinggi | |
| | **KA.DEPARTEMEN** | | | | | |
| 6. | Kemampuan mendelegasikan tugas | Tidak mampu mendelegasikan | Mampu namun Perlu bimbingan | Mampu mendelegasikan | Mampu mendelegasikan secara detil | ☒ |
| 7. | Kemampuan memotivasi bawahan | Tidak mampu memotivasi | Mampu namun Perlu bimbingan | Dapat memotivasi | Mampu memotivasi dengan hasil maksimum | ☒ |
| | **OPERATOR** | | | | | |
| 8. | Pengoperasian, pemeliharaan dan penguasaan alat-alat ukur mesin, perkakas | Masih kurang | Perlu bantuan dan arahan | Sudah baik | Mampu melakukan tanpa pengawasan dan arahan | |
| 9. | Menerapkan program lingkungan keselamatan, kesehatan kerja | Tidak menerapkan | Kadang-kadang menerapkan | Menerapkan | Menerapkan dan dapat dijadikan contoh | |
| | **OFFICE** | | | | | |
| 10. | Kemampuan mengoperasikan komputer | Kurang menguasai | Sedikit menguasai namun perlu bantuan | Menguasai namun perlu bantuan | Menguasai | ☒ |
| 11. | Administrasi | Tidak Rapi | Kadang-kadang rapi bila ditegur | Rapi | Selalu rapi tanpa ditegur | ☒ |
| | **UMUM** | | | | | |
| 12. | Penggunaan alat investasi perusahaan | Ceroboh dan merugikan perusahaan | Tidak ceroboh dan perlu bimbingan | Tidak ceroboh , dirawat | Tidak ceroboh dan dapat dijadikan contoh | ☒ |
| 13. | Dokumentasi | Tidak Rapi | Kadang-kadang rapi bila ditegur | Rapi | Selalu rapi tanpa ditegur | ☒ |
| **II** | **SIKAP KERJA UNTUK SELURUH KATEGORI** | | | | | |
| 14. | Inisiatip dalam bekerja | Masih perlu bantuan untuk menyelesaikan masalah ringan | Dapat menyelesaikan masalah ringan/rutin | Dapat menyelesaikan masalah yang agak rumit | Dapat menyelesaikan masalah rumit | |
| 15. | Disiplin kerja dalam penyelesaian tugas | Selalu terlambat | Menyelesaikan tugas pada waktunya jika ditegur | Menyelesaikan tugas pada waktunya | Cekatan dalam melaksanakan tugas | |
| 16. | Kerjasama antar karyawan | Tidak dapat bekerjasama | Kadang dapat bekerjasama | Suka bekerjasama dan suka membantu | Suka bekerjasama, membantu dan memotivasi | |
| 17. | Komunikasi dan koordinasi | Susah berkomunikasi /egois | Dapat berkomunikasi tetapi membutuhkan pengarahan | Dapat berkomunikasi dan berkoordinasi | Dapat berkomunikasi, berkoordinasi, tepat dalam pengambilan keputusan | |
| 18. | Hasrat untuk maju/belajar | Tidak berkembang pada posisi sekarang | Tetap pada posisi sekarang | Mampu berkembang dimasa yang akan datang | Mampu berkembang dengan cepat dimasa yang akan datang | |
| **III** | **DISIPLIN DAN KARAKTER UNTUK SELURUH KATEGORI** | | | | | |
| 19. | Kepatuhan terhadap atasannya | Mengabaikan perintah / tidak patuh | Kadang-kadang patuh | Patuh | Patuh dan dapat dijadikan contoh | |
| 20. | Berpakaian | Tidak rapi | Kadang-kadang rapi | Rapi | Rapi dan dapat dijadikan contoh | |
| 21. | Etika kerja (Sopan santun, Cara bicara) | Menimbulkan konflik Vertikal, Horizontal | Kadang sopan, luwes, pandai bergaul | Sopan, luwes, beradaptasi dan pandai bergaul | Sopan, luwes, bijaksana, tegas, disegani, wibawa dan dicontoh | |
| 22. | Sikap Menjadi lebih baik dari kemarin | Sering salah tidak ada perbaikan | Sering salah ada perbaikan | Sedikit kesalahan ada perbaikan | Sedikit kesalahan cepat diperbaiki dan dapat dijadikan contoh | |
| | **JUMLAH SKOR (I,II,III)** | | | | | |
| | **RATA-RATA** | | | | | |
| | **PENGURANG** | | | | | |

| NO | KETERANGAN | SKOR | TIDAK LEGAL | LEGAL | JML PENGURANG | |
|---|---|---|---|---|---|---|
| 1. | Alpa | - 4 | | | | PENILAI 1 : |
| 2. | Izin | - 2 | | | | PENILAI 2 : |
| 3. | Sakit tanpa surat dokter | - 1 | | | | PENILAI 3 : |
| 4. | Telat/Telat ist./Lupa Absen | - 0.5 | | | | |

**TOTAL PENGURANG**

**SKOR AKHIR SETELAH PENGURANG**

**HURUF KRITERIA PENILAIAN**

**SARAN**

**KOMENTAR**

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