

ANALYSIS OF EMPLOYEE PERFORMANCE IMPROVEMENT IN MEDAN CITY *PUD* MARKET

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ARTICLE INFO

ABSTRACT

Received : 10 April 2022

Revision : 18 April 2022

Received : 02 May 2022

Keywords:

Performance;
competence; work
culture; communication;
motivation

The achievement of revenue targets for *PUD* (Regional Public Enterprises) Market of Medan was not as expected, which shows the performance of *PUD* Market of Medan is not optimal. Many factors affect the achievement of revenue targets, one of which is the human factor, in this case, is the absence of *PUD* Market employee performance. If the employee has a good performance, then the trader as the party renting selling space will be more loyal and impact increasing the occupancy rate of the market. This study aims to analyze *PUD* Market of Medan employee performance and its influence factor. This type of research in this study is correlational research consisting of four independent variables and the dependent variable of employee performance. Analysis of the data used is multiple regression analysis. The result showed that the performance of employees *PUD* Market in Medan by 39.1% was influenced by competence, work culture, organizational communication, and motivation.

Introduction

The city of Medan has the main revenue from *PUD* (Regional Public Enterprises). The market comes from contributions and rentals of shophouses and kiosks, which are marketed to traders and consist of stands, tables, tents, and income from cleaning contributions. Municipally-owned corporations (*BUMD*) is the only agency that manages 50 markets in Medan City. Management's ability to manage resources is highly dependent on the quality of human resources (Melton & Meier, 2017). Suppose the employee or employee of a business entity can follow the job description accompanied by a high level of skill and

discipline. In that case, the target of the business entity will be achieved.

The income is determined based on the number of outlets (shops, kiosks, stands, and tables) multiplied by the tariff and cleaning contribution. In addition, *PUD* Market of Medan City generates income by receiving daily and monthly contributions from points of sale and by offering other services, such as construction services and electricity facilities (Roslinda & Nurlaila, 2022). The Medan City Market *PUD* can set an annual revenue target based on these two things (the number of outlets and the rent). However, the target that has been set cannot be met.

The income that has not been able to meet the target shows that the performance of the Medan City Market *PUD* has not been

How To Cite: Pakpahan, et al. (2022). Analysis of Employee Performance Improvement in Medan City *PUD* Market. *Journal of Social Science*. 3(3). <https://doi.org/10.46799/jss.v3i3.348>

E-Issn: 2721-5202

Published By: [Ridwan Institut](http://www.ridwaninstitut.com)

optimal. Various factors can influence this, one of which is human resources, in this case, the performance of *PUD* employees.

Employee performance shows employees' skills in carrying out a particular field of work. Many organizational transformation projects rely heavily on the willingness of employees to adapt in the present day (Alqudah, Carballo-Penela, & Ruzo-Sanmartín, 2022). Moreover, when a company has more high-performing workers on its payroll, overall productivity increases, making it more resilient to changing environmental conditions (Danni & Bachri, 2021). If employees work optimally, then the complaints of service users, namely traditional market traders, decrease. From the results of the graph of traders' complaints on the performance of Medan City Market *PUD* employees, it has increased.

The number of complaints that occur tends to increase. This is certainly an achievement that the Medan City Market *PUD* manager did not expect because it harmed the company's main source of income. Traditional markets are an excellent alternative for shopping among people. The variety of goods plus the freshness of fish, meat, and vegetable products attract consumers to shop at this market. It can be recognized that there is a dependency on the ability of employees to become an obstacle in improving company performance. The employees needed are employees who are expected to innovate in work practices so that they are more capable of responding to the demands of existing changes.

From the research results by (Ronald, 2010), employee performance is influenced by various factors, namely competence and motivation. Performance is influenced by leadership style, organizational communication, and work motivation (Sehfudin & Mas'ud, 2011). In addition, work culture also influences employee performance (Assagaf, 2012; Munawirsyah, 2018). Regardless of the organization, organizational culture exists; it binds the organization to a chain of implicit meanings that provides distinct meanings for all human actions and organizational processes (Cucu-Ciuhan & Guită-Alexandru, 2014).

The objectives of this research are:

- a. Knowing the factors that cause employee performance at *PUD* Market of Medan City is still not optimal.
- b. Develop strategies to improve employee performance at *PUD* Market of Medan City.

Method

a. Type of research

The type of research used is correlational research. This research was carried out to detect how variations in a factor are related or correlated with one or more other factors based on the correlation coefficient (Sinulingga, 2012).

b. Population and Sample

The population is the entire subject or object of research (Ghozali, 2009). In this study, the population was employees who served in the Medan City Market *PUD* Office. Sampling in this study using the census technique or all of the population used as research respondents.

The number of employees of Medan City Market *PUD* as of April 30, 2022, is 652 people (including casual daily workers). In this study, the sample size is based on the opinion of (Hair, Anderson, Tatham, & Black, 1998), which states that the ratio between the number of subjects and the number of independent variables in multivariate analysis is recommended for around 15 to 20 subjects.

Based on the conceptual framework that are competence, work culture, organizational communication, and motivation, there are four independent variables, thus the number of research subjects is between 60 to 80 respondents. In this study, questionnaires were distributed to 80 respondents.

The sample is part of the number and characteristics of the population (Sugiyono, 2006). The sampling method used is the probability sampling method. This method provides equal opportunities for each member of the population to be a sample. Determination of the sample using a simple random sampling technique.

c. Data collection technique

Data collection is a systematic and standard procedure to obtain the required data (Torang, 2012). The techniques used to collect data are:

- 1) The questionnaire is a list containing questions to be filled out by the

respondents based on indicators on the operational definition of variables. The way of assessing the results of the answers to the questionnaire is done using a Likert scale.

2) Documentation study.

d. Data analysis

Analyze the magnitude of the relationship and the influence of independent variables whose number is more than two. It is known as multiple regression analysis (Hasan, 1999).

Results And Discussion

A. Coefficient of Determination Results

Coefficient of determination determines how much the independent variable's ability to influence the dependent variable (Priyatno, 2008). The coefficient of determination is located in the model summary table in the Adjusted R Square column.

The correlation coefficient (R) value shows how big the relationship between the independent variables and the dependent variable is. The value of R ranges from 0 to 1. The value closer to 1 means the relationship is getting stronger. On the contrary, the relationship is weaker when the value gets closer to 0.

Table 1
Correlation Coefficient and Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.625 ^a	.391	.358	.45731

Source: Research Results, 2022 (Data processed)

From the SPSS output in Table 1. it can be seen that:

- 1) The value of the correlation coefficient is 0.625, which indicates a close relationship between the variables of competence, work culture, organizational communication, and motivation on the performance of PUD Market of Medan City employees. If the R-value is between 0.6 – 0.79, then the correlation is close (Situmorang and Luthfi, 2008)
- 2) The value of the coefficient of determination (Adjusted R Square) is 0.358. This means that 35.8% of Medan City Market PUD employees' performance

is influenced by independent variables, namely competence, work culture, organizational communication, and motivation. At the same time, the remaining 64.2% is influenced by other variables outside the variables used in this study.

B. Simultaneous Hypothesis Test Results (F Test)

This test determines whether the independent variables (X1, X2, X3, X4) together or simultaneously have a significant effect on the dependent variable (Y). Alternatively, to find out whether the regression model can be used to predict the dependent variable or not (Priyatno, 2008), as shown in Table 2.

Table 2
F Test Results

Model	df	F	Sig.
Regression	4	12.019	.000 ^b
1 Residual	75		
Total	79		

Source: Research Results, 2022 (Data processed)

In Table 2. the $F_{arithmetic}$ value is 12,019. To test the hypothesis simultaneously, the F_{table} value must be known. Using the 95% confidence level, $\alpha=5\%$, df_1 (number of variables-1) = 5-1 = 4, then df_2 (n-k-1)= 80-4-1 = 75, the value of F-table is obtained through Microsoft Excel 2010 formula "=FINV(0.05,4,75) which returns 2.49. Because the value of $F_{arithmetic} > F_{table}$ (12,019 > 2,49), H_0 is rejected, and H_a is accepted. This means that there is a significant influence simultaneously between competence, work culture, organizational communication, and motivation on employee performance. So simultaneously or together, the four independent variables significantly influence the performance of PUD Market of Medan City employees.

C. Results of Partial Hypothesis Testing (t-test)

This test is used to determine whether, in the regression model, the independent variables (X1, X2, X3, X4) partially have a significant effect on the dependent variable (Y) (Priyatno, 2008).

Table 3
t-test results

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	.600	.660	.909	.366
Competence	.003	.142	.021	.983
1 Work Culture	.245	.103	2.369	.020
Communication	.406	.124	3.281	.002
Motivation	.178	.114	1.564	.122

Source: Research Results, 2022 (Data processed)

Based on Table 3, the following results were obtained:

- 1) The distribution table t or t-table is searched at $\alpha = 5\%$ with degrees of freedom ($df = n - k - 1$ or $df = 80 - 4 - 1 = 75$ (n is the number of respondents and k is the number of independent variables). Using the formula " $=TINV(0.05,75)$ " in Microsoft Excel 2010, the t-table value is 1.99. From the results of the SPSS output from Table 3. the results of the $t_{arithmetic}$ of the competency variable (X_1) are 0.021, the work culture variable (X_2) is 2.369 then, the organizational communication variable (X_3) is 3.281, and the motivation variable (X_4) is 1.564. Because the t-arithmetic value of the work culture and communication variables is greater than t-table (> 1.99), H_0 is rejected, and H_a is accepted, meaning that partially or individually, there is a significant influence between work culture and organizational communication on employee performance at PUD Pasar Medan city.
- 2) The competence and motivation variable have a $t_{arithmetic}$ value smaller than the t-table (< 1.99), so H_0 is accepted, and H_a is rejected, meaning that partially or individually, there is no significant effect between competence and motivation on employee performance at PUD Pasar Medan City.
- 3) The variable that has the most dominant influence on employee performance decisions is Organizational Communication (X_3) because it has the largest coefficient value (in column B), which is 0.406. The work culture variable with the second largest influence on employee performance has a coefficient value of 0.245. From the test results, it can be stated that only two variables affect the performance of PUD Pasar Kota Medan

employees, namely work culture and organizational communication. In contrast, the competence and motivation variables have no significant effect.

Conclusion

The performance of Medan city market pud employees of 35.8% is influenced by competence, work culture, communication, and motivation. While the remaining 64.2% is influenced by other variables outside the variables used in this study.

Organizational communication is one of the factors that gives the most prominent impression on employee performance decisions, while work culture is the second biggest influence.

Competence and motivational factors partially do not affect the performance of the PUD market of Medan city employees.

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Journal of Social Science

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