

PERFORMANCE OF EMPLOYEES IN THE PROCUREMENT DEPARTMENT OF PT. PETROKIMIA: WORK EFFECTIVENESS, JOB SATISFACTION

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Abstract : Expansion of PT. Petrokimia Gresik, which is getting bigger, requires large human resources as well. On the other hand, there is no permit for additional permanent manpower, while most of the human resources in the Procurement Compartment of PT. Petrokimia Gresik has entered its retirement period and there is no technology transfer for the migration of software used in the company, namely SAP software, so employee performance is ineffective. This research used to examine the influence of work effectiveness on employee satisfaction and performance, job satisfaction on employee performance. This research includes quantitative research, using population and sample of employees who are part of the Service Procurement Department and the Goods Procurement Department at PT. Petrokimia Gresik with a number of 50 respondents. All incoming and appropriate data will be analyzed by smartPLS. The results showed that work effectiveness has a positive and significant effect on employee performance, job effectiveness has a positive and significant effect on employee job satisfaction, job satisfaction has a positive but insignificant effect on employee performance and job satisfaction mediating the influence of work effectiveness to employee performance.

Keywords : *Work Effectiveness, Job Satisfaction, Employee Performance, PT. Petrokimia*

1. Introduction

PT. Petrokimia Gresik is a State-Owned Public Agency (BUMN) within the scope of the Ministry of Industry and Trade of the Indonesia which is under the Holding Company of PT. Pupuk Indonesia, as chairman of PT Petrokimia Gresik, is engaged in the production of fertilizers, chemicals and other services. PT Petrokimia Gresik is determined to become a producer of fertilizers and other chemical products that are highly competitive and whose products are the most attractive to consumers by guaranteeing compliance with requirements and service with the best performance.

The problem raised was that more and more factories were being built, or expanded, but HR Management had not yet received permission to add permanent personnel, while most of the Human Resources in the Procurement Compartment of PT. Petrokimia Gresik has started to enter retirement for the next few years, not to mention that there is a problem of technology transfer for the migration of software used in the company, namely SAP software, so that employee performance is ineffective.

Supporting this gap problem requires an adequate E-Procurement System can meet the operational needs of business processes and requires speed in the processing process. Meanwhile, in Supply Chain Management there are optimization factors that must prioritize cost, quality and time.

Table 1. Procurement Performance Report 2017

MONTH	PO					
	ITEM		Value		Percentag e of Items (%)	Percentag e of Value (%)
	Total	E-Pro	Total	E-Pro		
January	1.566,0	128,0	319,88	2,23	8,17	0,70
February	841,0	100,0	356,02	1,47	11,89	0,41
March	1.099,0	511,0	328,69	15,61	46,50	4,75
April	974,0	467,0	439,890	15,110	47,950	3,440
May	1.177,0	344,0	549,160	10,300	29,230	1,880
June	1.819,0	101,0	451,200	1,750	5,550	0,390
July	1.505,0	742,0	491,530	30,900	49,300	6,290
August	2.703,0	491,0	412,280	46,180	18,170	11,200
September	1.293,0	349,0	250,890	7,990	26,990	3,190
October	1.698,0	698,0	501,780	25,250	41,110	5,030
November	2.814,0	647,0	680,320	30,390	22,990	4,470
December	2.013,0	471,0	517,250	18,720	23,400	3,620
TOTAL	19.502	5.049,0	5.298.9	205,900	25,890	3,890

Source: Department of Procurement, PT. Petrochemical

From the procurement performance report data, it can be seen that the process time for making purchases is quite long, this long time if efficiency is not carried out can result in factory trips, cut rates, or shutdowns, the required material does not arrive on time, so research is needed that shows the influence of effectiveness. on employee performance with employee job satisfaction as a mediating factor.

2. Literature Review

Work Effectiveness

Tangkilian (2005) states that effectiveness is a balance or optimal approach in achieving goals, abilities, and utilization of human labor. Many factors of job satisfaction are motivated by fair and equal remuneration, employee placement according to their profession, job load according to ability, a conducive working atmosphere and environment, adequate equipment at work, management support attitudes, and finally the level of routine. (monotonous) in work, this is as expressed by Hasibuan (2001).

Hakimah & Suprani (2019) also said that employees are said to be working effectively placed according to their skills and education. This will motivate him to do well. So that the performance becomes quite effective for the company.

Employee performance

Performance can be known and measured if an individual or group of employees has criteria or benchmarks of success that have been established by the organization. Therefore, if there are no goals and targets set in the measurement, it is impossible for a person's performance or organizational performance to be known if there is no measure of success as

stated by Moeheriono (2012).

Veithzal (2005) also states that overall performance is that the results of someone as an entire during an exact amount in effecting tasks, corresponding to work standards, target or criterias which has determine on advance and are mutually agree.

Employee Satisfaction

Employee job satisfaction is an important factor in an effort to improve performance, therefore every company needs to make efforts so that employees have high performance so that overall company performance will be high. Job satisfaction in general concerns a person's attitude about his job and will appear to be manifested in one's behavior and performance. People who are satisfied with their work will work with high morale so that the employee's performance is high as stated by Hidayat (2011).

Damayanti, et al. (2018) also said that job satisfaction are emotional perspective that's fun and loves the job. Job satisfaction at working is job satisfaction enjoy when working by getting work results, placement, treatment, equipment and a decent operating environment. Satisfaction outside of working is worker job satisfaction that's enjoyed outside of working with the amount of remuneration which will be received from the results of his work, so they can buy what their needs.

3. Research Methodology

The research used is quantitative research where quantitative research is research that emphasizes more on numbers and analytical techniques using statistics and is assisted by the SPSS program as stated by Sugiyono (2015). And the population that will be taken are employees who are part of the Service Procurement Department and the Goods Procurement Department at PT. Petrokimia Gresik with a number of 50 respondents. Figure 1, shows a picture of the research conceptual framework.

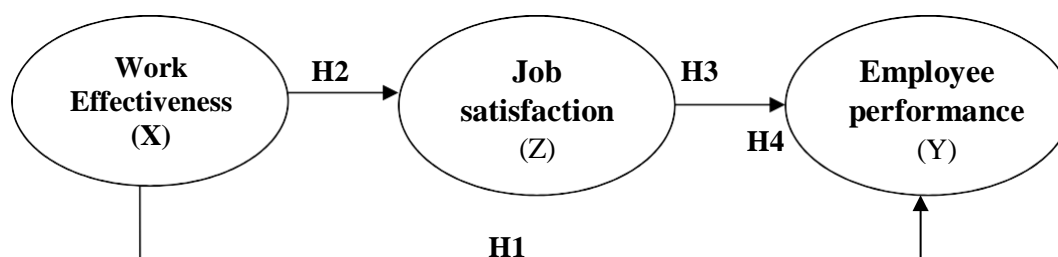


Figure 1. Conceptual Framework
 Source: researchers (2020)

Description

X : Independent Variable

Y : Bound Variable

Z : Variable Mediation

Where the research hypothesis is as follows:

H1 : The effect of work effectiveness on the performance of the employee of the Procurement compartment

H2 : The effect of Job Effectiveness on Job Satisfaction of employees of the Procurement Compartment

H3 : The influence of Job Satisfaction on Employees Performance in the Procurement Compartment

H4 : The influence of Work Effectiveness on Employee Performance in the Procurement Compartment of PT. PG indirectly through the Job Satisfaction variable asmediation.

4. Results And Discussion

Research result

a. Linearity Assumption TestResults

The results of the linearity assumption test of this research are shown on table 2.

Table 2. Linearity Assumption Test Results

No	Relationship Between Variables		Test result		
			f	Si g	Remark s
1	Work effectiveness	Job satisfaction	1.62 7	0.000	Linear
2	Work effectiveness	Employee performance	1.66 2	0.000	Linear
3	Job satisfaction	Employee performance	0,02 1	0.000	Linear

Source: Results of processed research data (2020)

Based on the results of linearity calculations as shown in table 6.1.1, it can be seen that all linearity values (f-count) show a significant value ($p < 0.005$), so it can be concluded that the model can be said to belinear.

b. Structural ModelTesting

When analyze the model using PLS, we tend to begin by viewing the R Square to each dependent variable. The transformationwithin the R Square value willaccustomedes the result of certain independent latent variable on the dependent latent variablewhether or not the dependent variablehave a substantives effect. For the latent variable within the structural modelsthat has R^2 of 0,670 indicates of model categorized at "good", R^2 of 0,330meanif model categorized at "moderate", R^2 is0,19 indicating if the model categorized at "weak" (Ghozali, 2009). The PLS output is as represented in table 3.

Table 3. R-Square Test Results

Construct	R-Square
Satisfaction (Z)	0.620
Employee Performance (Y)	0.785

Source: Results of processed research data (2020)

c. Hypothesistest

The results of testing the hypotheses proposed on this research are briefly shown in table 4.

Table 4. Hypothesis Test Results

Relationship Between Variables	Original Sample Estimate	T-Statistics	Remarks
Work effectiveness -> Job satisfaction	0,787	9,977	Significant
Work effectiveness -> Employee performance	0,970	17,875	Significant
Job satisfaction -> Employee performance	-0,110	1,570	No Sign

Source: Results of processed research data (2020)

Hypotheses test and also the coefficients of direct influences between the research variables will seen from significant value of the path coefficients and critical point (CR) is 0,05 which may be seen within the path diagram represented in Figure 2.



Figure 2. Model test results

Source: Results of processed research data (2020)

The results of model testing as shown in the image above show that all path coefficients have a significant effect. When compared between the mediation variables, it appears that the effect of work effectiveness on employee performance has the highest path coefficient of 0.970 compared to the satisfaction variable, while the job effectiveness variable also has a strong influence on satisfaction that satisfaction will be able to act as a mediating variable on employee performance.

Discussion

The Effect of Work Effectiveness on Employee Performance

From table 4, we know if original sample estimation value of the LS is 0.787 with a significance below 5% which is indicated by the t-statistic value of 9.977 which is greater than the t-table value of 3.078. The original positive sample estimate value indicates that work effectiveness had significant influence on employee performance (positive value). Because off the regression results, thatwillconcluded that the first hypothesis is accepted.

The results showed that work effectiveness has an influence on employeeperformance where it is shown by testing the hypothesis that has been declared significant. The findings above are

consistent with the findings of Hasibuan (2015) where work effectiveness having a significant effect on performance, that is state if work effectiveness is close relate into performance. The results of this article are proven for support opinions of the researchers above. These findings also show that employees always do the right thing to get the job done

Effect of Work Effectiveness on Job Satisfaction

From table 4, we know if the value of the original sample estimation LS is 0.970 with a significance below 5% which is indicated by the t-statistic value of 17.875 which is greater than the t-table value of 3.078. The original positive sample estimate value indicates that work effectiveness having a significant effect on job satisfaction (positive value). Looking for regression results, That mean they can be conclude if the second hypothesis are accept.

The results show that work effectiveness has an influence on job satisfaction, which is shown by testing the hypothesis that has been stated to be significant in the calculation results. The findings above are consistent with the findings of Hasibuan (2015) where work effectiveness had significant effect on satisfaction, arguing that work effectiveness is closely related with satisfaction. The results of this research are proven to support the opinions of previous researchers and also show that employees always do the right effective thing to complete work and lead to job satisfaction.

Effect of Job Satisfaction on Employee Performance

From table 4, we know if value of the original sample estimation LS is -0.110 with a significance below 5% which is indicated by the t-statistic value of 1.570 which is smaller than the t-table value of 3.078. The original positive sample estimate value indicates that Job Satisfaction has no significant effect on employee performance (positive value). Based on the regression results, it can be concluded that the third hypothesis is accepted.

The results proved that job satisfaction having a significant and also positive effect on employee performance. The findings above are consistent with the findings of Muzakki (2016) where satisfaction had significant impact on employee performance.

Effect of work effectiveness on employee performance mediated by satisfaction

The results of the mediation effect test of the Satisfaction variable on the correlation between work effectiveness and performance are as in table 5.

Table 5. Path Coefficient (Mean, STDEV, t-Value)

	Original samples (O)	Samples average (M)	STDEV	T statistics	P-Values
WE -> JS- > EP	-0,087	-0,091	0,062	1,407	0.160

Source: Results of processed research data (2020)

Hypothesis Testing H4 from table 5 above, it can be seen that the original sample estimation value of LS is -0.087 with a significance below 5% which is indicated by the t- statistic value of 1.407 less than the t-table value of 3.078. The original positive sample estimate value indicates that Job Effectiveness has a significant effect on performance indirectly through the Job Satisfaction variable (positive value). Based on the regression results, it can be concluded that the fourth hypothesis is accepted.

The results of the calculation of the indirect effect on work effectiveness on employee

performance are also obtained with a significant path coefficient value where from this value it can be concluded that there is a significant indirect effect of work effectiveness on performance through satisfaction, and this is in line with this study by Rasmuji & Putranti (2017).

5. Conclusion

From the research results and various data processing analyzes, it can be concluded:

1. Work Effectiveness has a considerable influence on Employee Performance and this means that the higher the Work Effectiveness value level, the higher the employee's performance. A low level of work effectiveness will automatically lower the level of employee performance.
2. Work Effectiveness has a considerable influence on satisfaction, and this means that the higher the level of the Work Effectiveness value, the more Job Satisfaction is obtained. A low level of work effectiveness will automatically lower job satisfaction.
3. Job Satisfaction has a large enough influence on employee performance, and this means that the higher the level of job satisfaction, the higher the employee performance appraisal. A low level of job satisfaction will automatically result in very low employee performance.
4. Work Effectiveness has a significant effect on Employee Performance indirectly through Job Satisfaction as a mediating variable and this means that Job Effectiveness has a significant effect on Employee Performance indirectly through the Job Satisfaction variable.

Suggestion

1. PT. Petrokimia Gresik is expected to maintain the consistency of the work system that has been implemented so that the work effectiveness of its employees remains good and the results of their performance are increasing.
2. PT. Petrokimia Gresik is expected to increase the effectiveness of its work in assigning tasks to its employees so that good employee work can be proud of and make them more satisfied to be appreciated.
3. PT. Petrokimia Gresik is expected to appreciate the work of its employees, so that the employee's performance will be better and increase.
4. PT. Petrokimia Gresik must maintain and maintain an effective work system model, as well as appreciate the good work results of employees, so that employees feel cared for their business results so that in the future their performance will be better.

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