

The Effect of Work Motivation and Work Discipline on Employee Performance

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Abstract

This study was conducted with the aim of determining the influence of work motivation and work discipline on employee performance (case study on PT Kilang Pertamina Internasional RU III Plaju). The population in this study is all employees at PT Kilang Pertamina Internasional RU III Plaju as many as 868 employees in 2024. The sample used in this study was 148 respondents using the proportional random sampling method in determining the sample. The results of multiple linear regression analysis show that work motivation and work discipline have a positive and significant effect on employee performance. Work motivation is expected for PT Kilang Pertamina Internasional RU III Plaju to form work team members that need to be adjusted to the appropriate level of education, appropriate work experience, and additional skills possessed by employees. Work discipline, the application of sanctions for employees who have been warned not to repeat their mistakes. In addition, the use of protective equipment at work needs to be maintained to avoid work accidents.

Keywords: work motivation, work discipline, employee performance

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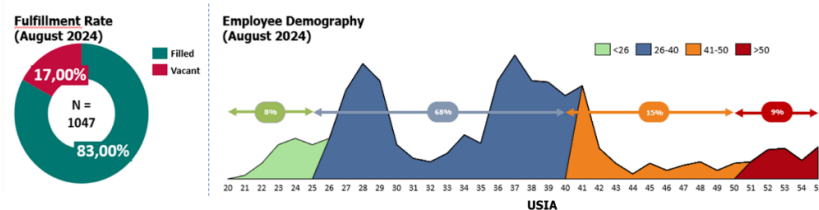
INTRODUCTION

Human resources are the main asset for organizations that are planners and active actors of various activities in the organization. Human resources have thoughts, feelings, desires, status, and educational backgrounds whose mindset can be brought into an organizational environment. Human resources are not like money, machines, and materials that are positive and can be fully managed in support of the achievement of company goals. So the success of an organization is supported by the compensation and career development opportunities provided to the members of the organization. The achievement of organizational goals also does not only depend on technology, but rather depends more on the humans who carry out their work. The ability to deliver good work results to meet the needs of the organization as a whole is a contribution to employee performance (Suak, 2022).

The Refinery Unit III is one of the factories owned by PT. Pertamina International Refinery (KPI) located in Palembang, South Sumatra. The RU III Refinery has two operating areas separated by the Komering River, namely the Plaju Area Refinery and the Gerong River Area Refinery. The area west of the Komering River is in Plaju District, Komperta Village (formerly known as Plaju Ulu), Palembang City. The area to the east of the Komering River is in Sungai Gerong Village, Banyuasin I District, Banyuasin Regency, South Sumatra. The area of the refinery and office area of PT. Pertamina Refinery Unit III is + 230.06 ha in the Plaju refinery area and + 136.57 ha in the Sungai Gerong refinery area (<https://unity-in-biodiversity-ru3plaju.com/tentang-kami/>, 2024).

The main business activities of the Existing Refinery PT. Pertamina International Refinery (KPI) RU III is processing crude oil into several fuel products [Pertalite, kerosene/ kerosene/ AP 0706, diesel/ ADO, IDO (Industrial Diesel Oil), MFO (Marine Fuel Oil), MFO 180/380, Biodiesel (B-35)], BBK [pertamax, dextrite], NBM [LPG Mixed, SBPX (Special Boiling Point), LAWS (Low Aromatic White Spirit), Musicool (MC-22), HAP 32, Polytam (Polypropylene) – Film, propylene], and other products such as LSFO (Low Sulfur Fuel Oil) or LSWR (Low Sulfur Waxy Residue). PT. The Pertamina International Refinery (KPI) RU III has a design processing capacity of 126.2 MBSD (126,200 Bbl / day). Currently, the PT. The Pertamina International Refinery (KPI) RU III processes 100 MBSD of crude oil. Raw materials for crude oil (Crude) come from exploration areas in the Southern Sumatra area (Sumbagsel) as well as from other areas in Indonesia (<https://unity-in-biodiversity-ru3plaju.com/tentang-kami/>, 2024).

Manpower Demography



Source: PT KPI RU III Plaju, 2024

Figure 1. Manpower Demography PT KPI RU III Plaju

In Figure 1, it can be seen that the majority of employees of PT KPI RU III Plaju are Millennial Generation who tend to have achievement-oriented and adaptable characteristics. Human resources play an important role in carrying out activities in a company. In order for the company's goals to be achieved, employees who work efficiently and effectively are needed so as to provide good work results. Employees are the main asset of the company and have a strategic role in the company, namely as thinkers, planners, and controllers of company activities. In order to achieve the company's goals, employees need motivation to work harder (Herlambang, 2022).

PT KPI RU III Plaju has a program to increase employee motivation, including the provision of incentive coefficients for employees according to their performance, a meritocracy system that provides opportunities for employees with the best performance to be able to occupy strategic positions/positions, the Annual Employee Award program

PT KPI RU III Plaju has Reward & Consequences rules that apply to all employees that have been agreed upon in the PKB (Collective Labor Agreement) and regulated in the Guidelines for Management of Business Behavior and Ethics No. A01-001/KPI13000/2022-S9.

Table 1. Performance Assessment Data of PT. KPI RU III Plaju Year 2023

It	Score	Number of People
1	1 – 3	3
2	4	10
3	5	508
4	6	217
5	7	130
6	8	0
Total		868

Source: PT. KPI RU III Plaju, 2024

Data in Table 1. Above that no employee can have a performance score of 8. Based on the data in the table above, it shows that the score is getting better, it will show a better score. The value of employees with a performance score of 7 is still relatively small or 15% of the total population. Performance assessment is carried out by the head of the function per unit per year. The data above shows that employee performance is not optimal because there are still many employees who get small scores.

This research has a high urgency considering the importance of improving employee performance to support the operational success of PT. KPI RU III Plaju, one of the strategic refineries owned by PT. Pertamina International Refinery. The data shows that the majority of employees have suboptimal performance scores, where only 15% of the total employees achieve a high performance score (score 7), while no employees achieve the maximum score (score 8). This indicates an urgent need to evaluate and develop motivational strategies and more effective performance improvement programs. With millennials dominating the workforce demographic, companies need to adapt to relevant and innovative approaches to improving employee performance to support the company's increasingly complex targets in the national energy sector.

The uniqueness of this research lies in its focus to explore the relationship between motivation strategies, reward and consequences programs, and the implementation of meritocracy systems to improve employee performance in the energy refinery environment operating in two different areas, namely Plaju and Sungai Gerong. This study not only assesses the effectiveness of motivational programs such as incentives and rewards, but also examines how the characteristics of the millennial generation affect the response to the program. An integrative approach that combines the demographics of the millennial generation with meritocracy-based performance evaluations provides a new perspective in human resource management in the energy sector which has high demands on efficiency and productivity.

This research provides significant benefits both for companies and for the development of human resource management science. Practically, this research can help PT. KPI RU III Plaju in identifying the weaknesses of the current employee performance improvement program, as well as providing data-based recommendations to increase the effectiveness of the program. The benefits also extend to the preparation of performance improvement strategies that are more relevant to the needs of the millennial generation, which dominates the company's workforce. Academically, this research can enrich the literature on employee performance management strategies in the energy industry, especially in the context of the millennial generation demographic and the implementation of meritocracy, which can be a reference for other companies with similar challenges. By optimizing employee performance, the company is expected to be able to achieve better operational targets, increase competitiveness, and contribute to national energy security.

Work Motivation

Motivation is a tendency (a trait that is the subject of opposition) in a person that arouses support and directs the actions of his horns. Motivation includes biological and emotional factors that can only be guessed from the observation of behavior (Hasibuan, 2020).

Work Discipline

Work discipline is an attitude and behavior that is carried out voluntarily with full awareness and willingness to follow the regulations that have been set by the company or superiors, both written and unwritten (Robbins & Judge, 2019).

Employee Performance

Performance is a result achieved by employees in their work according to certain criteria that apply to a job (Robbins & Judge, 2019).

METHODS

The population in this study is all employees at PT Kilang Pertamina Internasional RU III Plaju as many as 868 employees in 2024. The type of data used in this study is primary data. The primary data collection technique was obtained directly through filling out a questionnaire by employees of PT Kilang Pertamina Internasional RU III Plaju. To obtain data and information from employees of PT Kilang Pertamina Internasional RU III Plaju who are all respondents in this study totaling 148 employees. So, the author collected data using the distribution of questionnaires directly or through *google forms* shared with employees of PT Kilang Pertamina Internasional RU III Plaju.

RESULT AND RESEARCH RESULTS

Result Analysis and Discussion

Based on the results of the linear regression analysis carried out, several main findings were obtained that showed the influence of work motivation (X1) and work discipline (X2) variables on employee performance at PT Kilang Pertamina Internasional RU III Plaju. Here is a further analysis of the quantitative results and their implications:

1. Constant Values (0.787)

A constant value of 0.787 indicates that if the variables of work motivation (X1) and work discipline (X2) are zero, then the employee's performance remains at the level of 0.787. This illustrates that there are other factors beyond the variables studied (motivation and work discipline) that also affect employee performance. This value is a baseline that shows that without motivation and discipline, there is minimal contribution from other aspects that may affect employee performance, such as organizational culture factors, work experience, or managerial support.

2. The Effect of Work Motivation on Employee Performance

The value of the regression coefficient of the work motivation variable of 0.460 shows that every increase in one unit in work motivation will increase employee performance by 0.460. This indicates a positive and significant relationship between work motivation and employee performance. The higher the work motivation felt by employees, either through giving incentives, recognition of achievements, or other awards, the higher the level of performance shown by them.

a. Quantitative Interpretation: This coefficient shows a fairly strong direct influence, considering that the coefficient value is above 0.4, which in statistical interpretation is considered a moderate to high influence.

b. Practical Implications: Management needs to continue to increase work motivation through programs such as incentives, meritocracy, or Annual Employee Awards to encourage employees to reach their maximum potential.

3. The Effect of Work Discipline on Employee Performance

The value of the regression coefficient of the work discipline variable of 0.406 shows that every increase in one unit in work discipline will increase employee performance by 0.406. Just like work motivation, work discipline also has a positive and significant relationship with employee performance. Work discipline reflects employees' compliance with company rules, responsibility for tasks, and effective time management.

a. Quantitative Interpretation: With a coefficient value of 0.406, work discipline has a positive influence that is almost proportional to work motivation. This shows that employee discipline is one of the main keys in achieving optimal work results.

b. Practical Implications: Companies need to strengthen discipline rules through consistent implementation of Reward & Consequences policies, as well as facilitate training programs that help employees understand the importance of work discipline.

4. Statistical Test Results

The results of the statistical tests obtained provide quantitative support for these findings:

- a. Significance Coefficient: Both work motivation and work discipline variables show a significant positive influence on employee performance. This can be tested with a *p-value* that is smaller than the significance level (e.g., 0.05). This means that this relationship is not a mere coincidence and is statistically acceptable.
- b. Determination Coefficient (R^2): The value of the determination coefficient (R^2) describes the extent to which independent variables (work motivation and work discipline) can explain the dependent variable (employee performance). If the R^2 value is close to 1, then the greater the influence of the independent variable on the dependent variable. For example, if $R^2 = 0.70$, it means that 70% of the variation in employee performance can be explained by work motivation and work discipline.

The Effect of Work Motivation on Employee Performance at PT Kilang Pertamina Internasional RU III Plaju

The results of the analysis obtained in this study show that work motivation has a positive and significant effect on employee performance so that the first hypothesis can be accepted. The results of this study are in line with the results of the research from (Pham et al., 2022); (Antika & Dwiridotjahjono, 2022); (Alimuddin & Artiyany, 2022); (Leman et al., 2022); (Wicaksono et al., 2021); (Arianindita, 2021); (Suaiba et al., 2021); (Tupti & Arif, 2021); (Jayaweera, 2020); (Shahzadi et al., 2020); (Nzewi et al., 2020); (Paais & Pattiruhu, 2020); (Kirusa & Mukuru, 2020); (Cote, 2019); (Olusadum & Anulika, 2018); (Mfinanga, 2018) showed that work motivation had a positive and significant effect on employee performance.

Based on respondents' responses to the indicator, I enjoy working with others rather than working alone, showing the lowest score. It is suspected that some employees at PT Kilang Pertamina Internasional RU III Plaju said that they were not too comfortable working with their current team. The formation of a work team that has not supported each other or the existence of a less harmonious relationship between fellow employees which results in some employees preferring to work individually rather than working as a team. The role of superiors is also very necessary to contribute and support all employees in order to form a solid work team in order to provide performance in accordance with the company's expectations.

Respondents' responses to my indicators will provide good work results for companies showing the highest scores. This shows that the employees of PT Kilang Pertamina Internasional RU III Plaju will provide good work results in accordance with the company's targets and expectations. Employees of PT Kilang Pertamina Internasional RU III Plaju have provided good work results by providing work results and are able to achieve the targets set by the company.

The Effect of Work Discipline on Employee Performance at PT Kilang Pertamina Internasional RU III Plaju

The results of the analysis obtained in this study show that work discipline has a positive and significant effect on employee performance so that the second hypothesis can be accepted. The results of this study are in line with the results of the research from (Merchant, 2023); (Pirawati & Firman, 2023); (Chan, 2022); (Moningkey, 2022); (Yanti, 2022); (Pane, 2022); (Sopandi, 2022); (Alfiyani, 2022); (Septatrisna & Hendra, 2022); (Soss & Fording, 2021); (Paramananda, 2021); (Setiawan, 2021); (Shi, 2020); (Ferriz-Valero, 2020); (Yan, 2019); (Torlak & Kuzey, 2019); (Dube & Zhu, 2019); (Muktiani, 2019); (Rozi, 2019); (Sumarsid, 2019); (Fitria et al., 2019); (Siti Karlina et al., 2019) showed the results that work discipline had a positive and significant effect on employee performance.

Based on the respondents' responses on the indicator, I always come to the office according to the working hours and on the indicator I have left the workplace without permission from my superior, showing the lowest score. It is suspected that some employees of PT Kilang Pertamina Internasional RU III Plaju still arrive late, leave during working hours

without returning home and there have been employees who have left the workplace without the permission of their superiors. Some employees still arrive late or leave during working hours without permission from their superiors. The implementation of this discipline needs to be carried out in order to reduce employee turnover in carrying out their duties and responsibilities in the company. Superiors must be fair in giving reprimands and giving warning letters for employees who continue to repeatedly violate the rules imposed by the company.

Respondents' responses to my indicators of using protective equipment that meets the standards in carrying out my work show the highest scores. This shows that employees of PT Kilang Pertamina Internasional RU III Plaju have worked in accordance with the procedures and regulations set by the company. The use of protective equipment that meets standards in carrying out work has been done well by employees. Employees already understand what is the responsibility regarding the job desc given. Employees make good contributions in accordance with expectations and are able to achieve in accordance with the company's expected targets. This needs to be maintained and improved in order to provide good achievements for the employees themselves and for the company.

CONCLUSION

Based on the results of the research and analysis that has been carried out, it can be concluded that 1) Work motivation has a positive and significant effect on employee performance at PT Kilang Pertamina Internasional RU III Plaju. 2) Work discipline has a positive and significant effect on employee performance at PT Kilang Pertamina Internasional RU III Plaju.

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