# CHAPTER 5

# DISCUSSION AND CONCLUSION

## 5.1 Introduction

This chapter discusses the results of the analysis presented in Chapter 4. It begins with a brief review of the focus of this study, including the gaps that were identified in the literature that provide the rationale for this study. The chapter then discusses the analysis results and highlights the theoretical and practical implications of the study. Finally, it delineates the research limitations and suggestions for future studies. The chapter concludes with a summary of the thesis.

## 5.2 Brief Review of the Research Focus

This study was conducted to examine the factors that influence employee job performance at BUMN Karya, Indonesia. Adequate understanding of this issue is important because employee job performance determines the performance of an organization. Vosloban (2012) argued that employee job performance has a significant role in the growth and performance of organizations in emerging markets. In addition, understanding the determinants of employee job performance in this context is essential because it has declined (Nuryanti, Masharyono & Faishal, 2021) and not met the expectations of the organization (Rakhim, 2020; Tahir, 2012).

This study focuses on three factors, namely HRM practices, transformational leadership, and OCB. Previous studies have verified the effects of these three factors on job performance (Chukwuka & Nwakoby, 2018; Tabouli, Habtoor & Nashief, 2016; Andreani & Petrik, 2016). However, empirical evidence on these relationships has been

inconsistent, as some studies found that they do not significantly influence job performance (Monalis et al., 2020; Kasenda et al., 2016; Muarif, 2015; Gulo & Yupiter, 2014; Hanafi et al., 2018). Therefore, this study further investigates the effects of these three factors on job performance in the context of BUMN Karya to obtain additional evidence about these relationships.

Because of those inconsistent findings, scholars have recommended further investigating the mechanism that links work/individual factors to job performance (Andreani & Petrik, 2016) to extend understanding about the relationship between work/individual factors and job performance. Tabouli, Habtoor, and Nashief (2016) found the indirect positive effect of HRM policies on job performance through organizational commitment. Al-Amin (2017) revealed that transformational leadership positively affects job performance through job engagement. In line with this evidence, this study argues that work motivation could mediate between HRM practices, transformational leadership, OCB, and job performance. There are two reasons to support the potential role of work motivation as a mediator. First, work motivation has a positive impact on job performance (Olusadum & Anulika, 2018), including the job performance of employees in small and medium-sized organizations (Barkley, 2017). Second, work motivation mediates between certain relationships, as has been shown by previous studies. For instance, Evelyn, Muathe, and Kilika (2018) found that work motivation mediates the relationship between job characteristics and employee job performance. Another study found that work motivation mediates the effects of employee competence, leadership, and education and training on employee job performance (Haluk, Rante, Risamasu & Syauta, 2016). However, the mediating role of work motivation between HRM practices, transformational leadership, OCB, and job performance has not been explored.

## 5.3 Findings and Discussion

### 5.3.1 Human Resource Management Practices are Positively Related to Job Performance

This study posited that HRM practices would be positively related to job performance. However, the results showed that the effect of HRM practices on job performance was not significant. In other words, HRM practices (i.e., compensation, training, career development, work-life balance) at BUMN Karya did not contribute to the job performance of its employees. This finding contradicts previous studies (e.g., Chukwuka & Nwakoby, 2018; Tabouli, Habtoor & Nashief, 2016) that found a significant relationship between HRM practices and job performance. It is, however, consistent with previous studies in Indonesia. For instance, Monalis et al. (2020) found no significant relationship between HRM practices and job performance in Toyota Service Company, Indonesia. Similarly, Kasenda et al. (2016) revealed that training had no significant effect on the performance of employees of the Ministry of Finance at Manado, Indonesia. A possible explanation for this result is that HRM practices at BUMN Karya contribute to organizational performance instead of job performance. Several studies suggest that HRM practices contribute to organizational performance and competitive advantage (Collins & Clark, 2003; Lawler, 2008; Jerby, 2013). This is perhaps because HRM practices, as a system of activities and strategies that focus on successfully managing employees at all levels of an organization, aims to achieve organizational goals (Byars & Rue, 2006; Byars & Rue, 2004).

### 5.3.2 Human Resource Management Practices are Positively Related to Work Motivation

This study hypothesized that HRM practices would be positively related to work motivation. However, the result showed that this relationship was insignificant. In other words, HRM practices (i.e., compensation, training, career development, work-life balance) at BUMN Karya did not contribute to employee work motivation. This finding contradicts previous findings on the significance of HRM practices in improving employee work motivation (Gullu, 2016; Ozkeser, 2019). It is possible that BUMN Karya uses other means to improve work motivation, for example task characteristics (Evelyn, Muathe & Kilika, 2018) and organizational work system (Al-Naqbi, Yusoff & Ismail, 2018). It may also be that employee-related factors contribute to work motivation in this context. For example, Haluk, Rante, Risamasu, and Syauta (2016) found that employee competencies influence work motivation. BUMN Karya may consider both work factors (task characteristics and organizational work system) to enhance work motivation among its employees. Although there is no empirical evidence about the influence of both factors on employee work motivation at BUMN Karya specifically, previous studies have provided evidence about its significance in improving employee work motivation in other contexts (Evelyn, Muathe & Kilika, 2018; Al-Naqbi, Yusoff & Ismail, 2018).

### 5.3.3 Transformational Leadership is Positively Related to Job Performance

This study posited that transformational leadership would be positively related to job performance. The result showed that transformational leadership did not significantly influence job performance. In other words, transformational leadership did not contribute to the job performance of employees in this context. The finding

contradicts previous studies, for example Andreani and Petrik (2016), who found a significant relationship between transformational leadership and job performance. On the other hand, it is in line with a study that found insignificant relationship between transformational leadership and job performance in the Islamic banking sector of Indonesia (Muarif, 2015). It could be that transformational leadership in the context of this study (BUMN Karya) contributes to employee work attitude instead of job performance. Several studies indicated that transformational leadership is strongly related to one aspect of employee work attitude, known as OCB (MacKenzie, Podsakoff & Rich, 2001; Guay & Choi, 2015; Zacher & Jimmieson, 2013). In addition, other studies have found that transformational leadership can reduce employee turnover intention (Fu et. al., 2010; Hughes et. al., 2010; Olluokun, 2003) and improve commitment (Simosi & Xenikou, 2010).

### 5.3.4 Transformational Leadership is Positively Related to Work Motivation

This study posited that transformational leadership would be positively related to work motivation. However, the result showed the insignificant effect of transformational leadership on work motivation. In other words, transformational leadership does not contribute to employee work motivation at BUMN Karya. This finding contradicts previous studies that found a significant relationship between transformational leadership and work motivation (e.g., Aunjum et al., 2017; Ahmad, Abbas & Rasheed, 2014; Susilo, 2018). It could be that transformational leadership in the context of this study contributes to other variables instead of work motivation. Several studies indicated that transformational leadership is strongly related to OCB (MacKenzie, Podsakoff & Rich, 2001; Guay & Choi, 2015; Zacher & Jimmieson, 2013). Other studies found that transformational leadership could decrease employee

turnover intention (Fu et. al., 2010; Hughes et. al., 2010; Olluokun, 2003) and improve employee commitment (Simosi & Xenikou, 2010).

### 5.3.5 Organizational Citizenship Behavior is Positively Related to Job Performance

This study posited that OCB would be positively related to job performance. The result provided support to this hypothesis. In other words, OCB contributes to employee job performance at BUMN Karya. This finding is in line with previous studies in the context of a higher education institution (Dinka, 2018) and public organizations (Al-Mahasneh, 2015), where there is a positive and significant relationship between organizational citizenship behavior and employees job performance. This study extends the literature by providing empirical evidence on the link between OCB and job performance in Indonesia. The relationship has been verified in non-Southeast Asian countries, for example Ethiopia (Dinka, 2018) and Jordan (Al-Mahasneh, 2015).

### 5.3.6 Organizational Citizenship Behavior is Positively Related to Work Motivation

This study posited that OCB would be positively related to work motivation. The result showed the significant effect of OCB on work motivation. In other words, OCB contributes to employee work motivation at BUMN Karya. This finding is in line with previous studies in the contexts of Industrial Affairs of South Sumatera Province, Indonesia (Hanafi, 2018) and of the agricultural industry (Barbuto & Story, 2011). This study extends the literature by providing empirical evidence about the link between OCB and job performance in state-owned construction firms in Indonesia. The

relationship has been verified in public organizations in Indonesia (Hanafi, 2018) and in the agricultural industry in a Western country context (Barbuto & Story, 2011).

### 5.3.7 Work Motivation is Positively Related to Job Performance

This study posited that work motivation would be positively related to job performance. The result found the significant effect of work motivation on job performance. In other words, work motivation contributes to employee job performance at BUMN Karya. This finding is in line with previous studies that have found a significant relationship between work motivation and job performance (Perry, Hondeghem & Wise, 2010; Omollo, 2015; Eyal & Roth, 2011; Alfagira, 2018; Shahzadi, Javed, Pirzada, Nasreen, Khanam & Farida, 2014). This study extends the literature by providing empirical evidence about the link between work motivation and job performance in state-owned construction firms in Indonesia. The relationship has been verified in public service organizations in a Western country (Perry, Hondeghem, & Wise, 2010), commercial banks in Kenya (Omollo, 2015), and the education sector (Shahzadi et al., 2014). The significant relationship between work motivation and job performance is perhaps because motivated employees make greater effort at work, resulting in higher performance (Perry, Hondeghem, & Wise, 2010). Eyal and Roth (2011) argued that to improve employee performance, managers need to be more understanding and have good background knowledge about motivation policies.

### 5.3.8 Work Motivation as a Mediator

This study posited that work motivation could mediate the relationship between HRM practices, transformational leadership, and OCB with job performance. The results, however, only supported the mediation of work motivation between OCB and

job performance. This finding is nonetheless important because it provides empirical evidence on the untested mediating role of work motivation between OCB and job performance. Previous studies have only verified the mediation of work motivation between job characteristics and job performance (Evelyn, Muathe & Kilika, 2018); between employee competencies and job performance (Haluk, Rante, Risamasu & Syauta, 2016); between incentive system and job performance (Al-Naqbi, Yusoff & Ismail, 2018); between working conditions and job performance (Jayaweera, 2015); and between job involvement, perceived supervisor support, and job performance (Taghipour & Dejban, 2013).

## 5.4 Implications of the Study

### 5.4.1 Theoretical Implications

From a theoretical perspective, this study provides empirical evidence about the relationships between HRM practices, transformational leadership, OCB, work motivation, and job performance in the context of state-owned construction firms in Indonesia (BUMN Karya). Previous studies have examined these relationships separately in different studies and contexts. For example, the relationship between HRM practices and job performance was examined in three different studies (e.g., Chukwuka & Nwakoby, 2018; Tabouli, Habtoor & Nashief, 2016; Farooqi, Iqbal, Fakhra & Shabbir, 2016), whereas the effect of transformational leadership on job performance was verified in Andreani and Petrik (2016) and Al-Amin (2017). The influence of OCB on job performance, on the other hand, was examined by Dinka (2018).

This study also contributes empirical evidence about the role of work motivation as a mediator in an untested relationship (OCB and job performance). Previous studies have only examined work motivation as a mediator between job characteristics and job

performance (Evelyn, Muathe & Kilika, 2018); between employee competencies and job performance (Haluk, Rante, Risamasu & Syauta, 2016); between incentive system and job performance (Al-Naqbi, Yusoff & Ismail, 2018); between working conditions and job performance (Jayaweera, 2015); and between job involvement, perceived supervisor support, and job performance (Taghipour & Dejban, 2013).

### 5.4.2 Practical Implications

From a practical perspective, this study extends understanding about the determinants of job performance in state-owned construction firms in Indonesia (BUMN Karya). Adequate understanding about job performance issue in this context is essential because employee job performance in this context has declined (Nuryanti, Masharyono & Faishal, 2021) and not met the expectations of the organizations (Rakhim, 2020; Tahir, 2012). This study provides evidence on the relationship between work motivation and job performance in BUMN Karya. Therefore, the management of BUMN Karya should apply appropriate approached to improve the work motivation of its employees. This study also found the positive effect of OCB on employee work motivation in BUMN Karya. Therefore, its management must promote initiatives to increase the dimensions of OCB: altruism (*al-ihtimam*), helping behavior (*ta'awun*), sportsmanship (*riyadhi*), and civic virtue (*al-itsar*). Allah The Exalted said in the Al-Quran: "Cooperate with one another in goodness and righteousness, and do not cooperate in sin and transgression. And be mindful of Allah. Surely Allah is severe in punishment" (Al-Maidah: 2).

## 5.5 Limitations and Recommendations for Future Research

First, the research data were cross-sectional, and as such they did not capture the changes in pattern and strength of relationships over time. While this design is frequently used in research (Chiaburu & Lindsay, 2008), it does not allow inferences about causality (Dysvik & Kuvass, 2008) and limits the explanatory power of the results (Gegenfurtner et al., 2009). Therefore, a longitudinal study would help validate the current findings. While beyond the scope of this study, a longitudinal study may generate more robust findings on which to base causal inferences (Chiaburu et al., 2010; López et al., 2006).

Second, this study applied the quantitative research design, where the data were collected through a questionnaire. Future studies should consider collecting more in-depth qualitative data from their respondents. The use of qualitative and quantitative methods would provide more in-depth and richer explanations of the determinants of job performance in BUMN Karya, Indonesia.

Third, the data were collected from state-owned construction firms in Indonesia, collectively called BUMN Karya. Future studies could replicate the proposed research framework in other types of organizations, such as public sector organizations, private sector organizations, non-government organizations, and higher education institutions to validate the findings of this study.

Fourth, this study only focused on certain determinants (i.e., HRM practices, transformational leadership, OCB) of work motivation and job performance. Future work could explore other factors that could influence work motivation and job performance at BUMN Karya, Indonesia.

Fifth, the current study revealed that work motivation failed to mediate the relationship between HRM practices, transformational leadership, and job performance.

Future researchers can find other intervening factors that could mediate the relationships between HRM practices and transformational leadership with job performance.

## 5.6 Conclusion

This study was conducted to determine the factors that influence job performance at BUMN Karya, a group of state-owned construction companies in Indonesia. The study also examined the role of work motivation as a mediator between HRM practices, transformational leadership, and OCB with job performance. There are three important findings. First, OCB and work motivation influenced the job performance of employees at BUMN Karya. Second, OCB influenced employee work motivation. Third, work motivation mediated between OCB and job performance.