Employee's Performances at the Palm Oil Factory: A Fundamental Study

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Abstract—**The present study investigates the palm oil factory's employee performance in Pahang Malaysia. It is found that personal motivation, remuneration, and training are important factors that determine the employee's performance but the work environment is rejected. The finding of this study is important as it contributes to additional information for employers to motivate employees and develop effective ways to improve employee performance to grow the palm oil manufacturing industry through creating a good relationship between management and operation staff. This is essential because the employee is the most valuable asset for an organization to be successful where high productivity can only be achieved through excellent employee performance.**

Keywords—*Employee's performance, employee satisfaction, organization satisfaction, factors influencing employees, employee's motivation*

I. INTRODUCTION

Employee's performance is an important factor for every organization. It can make substantial gains and highly contributes to improvement in a short time thus impacting the organizations' performance. The more efficient the employees, the more successful the organization can be. Most studies agreed that employee performance is an important factor, but there is still a lot of misinformation about such influence and impact on their performance. The factors affecting employees' performance are not a new thing nowadays. The topic has become popular in research as there had been investigations by various scholars around the world. In the present study, personal motivation, work environment, remuneration, and training have been used as the independent variables that will affect the performance of the employees.

II. PROBLEM STATEMENT

Managers have always tried to motivate their staff to perform tasks and duties to a high standard [1]. Being a flexible employee and having the ability to do excellent tasks and duties nowadays is a must, especially in a developing country like Malaysia. Being flexible can be described as providing employees with a better work-life balance and can help employers improve productivity [2] which can help employee retention through personal motivation, work environment, remuneration, and training. Employees who continue to do their minimal best, but unable to overcome challenges always found themselves to be demotivated, which is not a new scenario in workplaces these days. This kind of situation always occurs to most organizations with poor flexible employment. Also, motivation remains a difficult factor to manage because employees' aspirations and targets do not always match with what their employers can provide [4].

Additionally, poor work surroundings, such as incomplete equipment, bias, inability to adopt a new culture, and less communication between colleagues are among the factors contributing to the decline of employee's performance, especially in doing team works [2]. Apart from that, remuneration is one of the factors influencing employee performance.

Often time, employers do not realize that their employees' performance declines due to deterioration in motivation level among the employees. This could be due to how employers reward their employees for their works. Some organizations do not appreciate their employees' hard work, which leads to a decline in employees' performance. Employee situations such as lack of consistency unfocused during work time, repetition of the same mistake, and not prioritizing safety during working are also common problems that occur in an organization, especially in manufacturing industries. [6].

Therefore, training is one of the effective methods to increase employee performance through learning. However, some companies do not want to waste too much money and time on employee training because they do not believe that their employee's capability can contribute to improving the organization's performance. However, it is important to note that among employees, acquiring proper skills is important in the race to get the employer's satisfaction [14].

III. LITERATURE REVIEW

The palm oil business has been marked by the Malaysian government as a vital player in aspiring the vision to change the nation throughout 2020 [12]. The Third National Agricultural Policy (1992-2010) mentions that various policies had been developed to create a positive position of the palm oil market, which is not only to sustain but add values to maintain its competitive edge [12].

To achieve these goals, the oil business has been called for consolidation and restructuring. The government aims are: (a) to produce the world's largest feather palm plantation company, in the hope to become an economic model for others to follow, (b) to enhance investors' interest and increase tradability of the stock, and (c) to spearhead efforts in making massive capitalization stock. Three rural development state agencies are responsible for planting feather palms with massive areas of land that are restored or newly opened. The

agencies are Federal Development Authority (FELDA), Federal Land Consolidation and Rehabilitation Authority (FELCRA), and Rubber Business Smallholders' Development Authority (RISDA).

In the early 1960s, palm oil business cultivation redoubled considerably due to government diversification programs to scale back Malaya's dependency on the rubber and tin industry. At that point, FELDA opened new lands to be explored which turned out to be palm estates. Development within the palm oil industry was conducted to introduce the palm plantations fields to eradicate poverty among the native individuals. During this time, the palm oil trade was spectacular. on the industry focused on various analyses to provide new strategies of cultivation technology, quality seed production, as well as the production of the latest palm oil-based product. No doubt, the palm oil industry has become among the most important agricultural sector in the Asian nation. It also serves as the key to the economic growth of the country [13]. Malaysia is among the successful countries that utilize the advantages of the feather palm trade and contributes to this industry globally through important contributions, improvement, and commitment.

Conversely, performance is a concept to manage human resource traits or can be viewed as a performance process based on work. Employee performance is an important aspect for many organizations [5]. Employee performance is a key performance index that is affected by different factors within organizations [3]. According to [8], an employee's performance is the accomplishment of a specific task measured against planned or known standards of accuracy, completeness, cost, and speed. The performance of workers at the digital computer is proscribed to the character and purpose of occupation pleasure, alteration of orderly growth, or depressing the work gratification higher than influence [9]. According to [10], an employee's performance essentially depends on plenty of things, like performance appraisals, worker's inspiration, worker's happiness, payments, steerage and improvement, job

safety as well as business configuration. [11] stated that once a worker has interaction, the worker is responsive to his or her responsibility within the business goals and motivates his or her colleagues aboard, for the success of the structured goals. Hence, employees need to get more engaged and involved, especially in their jobs to perform excellent performance for the organization.

On the other hand, stress can be defined as an unpleasant mental condition that is synonymous with the emotions of worry, anxiety, disturbance, anger, sadness, and grief. It involves physiological responses to excessive and typically unpleasant stimulation to threatening events within the setting. For instance, the palm oil factory staff can face stressful challenges at work, which could be psychological or in other words emotional in nature. For example, misunderstanding between colleagues and leaders, as well as the employees' assumption that they should be treated fairly by the employers. Other situations include the employee's concern regarding increment and chances of promotion [7]. Typically, once this stress occurs within the work environment, it will affect worker's performance and keenness in doing their tasks.

IV. RESEARCH QUESTION

To achieve the objectives of the study, the following questions are used as a guideline for the present study:

- What is the relationship between personal motivation, work environment, remuneration, and training to the employee's performance?
- What is the factor increasing employee's performance?
- What is the effect of personal motivation, work environment, remuneration, and training on employee performance?

V. RESEARCH OBJECTIVE

The objectives of this study an as per below:

- To determine the relationship between personal motivation, work environment,

remuneration, and training to the employee's performance.
- To identify the factors that increase employee performance.
- To describe the effect of personal motivation, work environment, remuneration, and training on employee's performance.

VI. RESEARCH METHODOLOGY

The present study uses the quantitative method to gather detailed data and information. The survey method through questionnaire was distributed to the XYZ palm oil industry to get the required information. The respondents of the present study are among the management and operation staff in the palm oil factory, including executive staff and higher-level posts. The respondents are selected from the department of operation, human resources, maintenance, and electrical staff. The factory is named XYZ and is located in Pahang, Malaysia.

VII. FINDINGS

Table 1 shows the relationship between the variables. There is one variable that was not significant to the employees' performance, which is work environment due to the significant value at 0.805. This means the work environment's relationship with employee performance is poor because the significant value is above 0.5. Thus, the work environment has no significant relationship with employee performance.

Only three variables are significant to the employees' performance, which are personal motivation, remuneration, and training. Personal motivation is significant at 0.127. Whilst remuneration is also significant at 0.023 and training at 0.000. These three variables indicated that the relationship towards employee's performance is strong because their significant values are below 0.5. It means that personal motivation, remuneration, and training have a significant relationship with employee performance and act as factors contributing to the increase in employee performance. Based on the result, the highest significant value is

training, which is significant at 0.000, compared to other variables. This indicates that training is the dominant factor that contributes to the employee's performance successfully.

Personal Motivation

Table 2 shows the relationship between personal motivation and employee performance. Personal motivation affected employee performance by 45%. The coefficients correlation relationship between these variables is 0.671, which means the personal motivation values have a significant effect on employee's performance.

Table 1: Coefficient of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.272	.346		.786	.436
	Personal Motivation	.179	.115	.145	1.553	.127
	Work Environment	.030	.123	.021	.248	.805
	Remuneration	.227	.097	.249	2.351	.023
	Training	.507	.115	.568	4.413	.000

Dependent Variable: Employee's Performance

Table 2: Model Summary of Personal Motivation Affecting Employee's Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.671ª	.450	.439	.34607	1.991

a. Predictors: (Constant), Mean Personal Motivation
b. Dependent Variable: Mean Employee's Performance

Work Environment

Table 3 shows the relationship between work environment and employee performance. Work environment affected employee's performance by 24.3%. The coefficient correlation relationship between these variables is 0.493, which means the work environment values have a significant effect on employee's performance and showed a positive effect between the independent variable and dependent variable.

Table 3: Model Summary of Work Environment Affecting Employee Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.493ª	.243	.228	0.40594	1.383

a. Predictors: (Constant), Mean Work Environment
b. Dependent Variable: Mean Employee's Performance

Remuneration

Table 6 shows the relationship between remuneration and employee performance. The remuneration affected employees' performance by 58.3%. The coefficient correlation between these variables is 0.764. Table 4 shows that the study was significant at 0.000, which means the remuneration values had a significant effect on employee's performance. Table 5 shows that there was a significant effect of remuneration on employee's performance, which was 0.000, that is the positive effect between the independent variable and dependent variable.

Table 4: Anova of Remuneration Affecting Employee's Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.347	1	6.347	69.910	.000ᵇ
	Residual	4.539	50	.091		
	Total	10.886	51			

a. Dependent Variable: Mean Employee's Performance
b. Predictors: (Constant), Mean Remuneration

Table 5: Coefficients of Remuneration Affecting Employee's Performance

Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.076	.257		4.185	.000
	Mean R	.696	.083	.764	8.361	.000

a. Dependent Variable: Mean Employee's Performance

Table 6: Model Summary of Remuneration Affecting Employee's Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.764ª	.583	.575	.30130	2.087

a. Predictors: (Constant), Mean Remuneration
b. Dependent Variable: Mean Employee's Performance

Training

Table 7 shows the relationship between training and employee performance. The training affected employee's performance by 75%. The coefficient correlation between these variables is 0.866. Table 8 shows that the study was significant at 0.000, which means the training values had a significant effect on employee performance. Table 9 shows that there was a significant effect of training on employee's performance at 0.000, which is a positive effect of training on employee's performance.

Table 7: Model Summary of Training Affecting Employee's Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.866ᵃ	.750	.745	.23338	2.124

a. Predictors: (Constant), Mean Training

b. Dependent Variable: Mean Employee's Performance

Table 8: Anova of Training Affecting Employee's Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.162	1	8.162	149.862	.000ᵇ
	Residual	2.723	50	.054		
	Total	10.886	51			

a. Dependent Variable: Mean Employee's Performance

b. Predictors: (Constant), Mean Training

Table 9: Coefficients of Training Affecting Employee's Performance

Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.815	.197		4.134	.000
	Mean T	.773	.063	.866	12.242	.000

a. Dependent Variable: Mean Employee's Performance

VIII. DISCUSSION

Objective 1: To determine the relationship between personal motivation, work environment, remuneration, and training on the employee's performance.

Based on Table 10, shows that each of the independent variables has a significant relationship with employees' performance except the work environment. The results showed a positive relationship, which means that the hypothesis is accepted. The first independent variable is personal motivation. This is related to the employee's performance through something that can boost their motivation when they are at work, such as promotion opportunities. Some of the employees need the increment and promotion because it will give them a better position, task, and salary. Thus, personal motivation has positive significant value to the employee's performance.

The second variable is the work environment. A positive work environment gives positive surroundings to both employers and employees. However, in the present study,

the employees in the palm oil industry do not agree that the work environment affects their job performance. This might be due to their tasks and jobs that do not relate to work surroundings, like office employees. Complete tools and good relationships between top management and staff can help the employee to feel comfortable during working which helps them to perform well in doing their tasks. A safe working environment makes employees feel comfortable and safe to do their jobs well.

The third independent variable is remuneration. This is a kind of reward that organizations give to their employees for the employees' hard work. Palm oil employees at XYZ were rewarded with medical plan insurance which benefits the employees when it comes to health issues, whether for themselves or their families. This benefit is seen to be sufficient to retain the employees to give their best performance at work. Thus, remuneration has positive significant value to the employee's performance.

The fourth independent variable is training which is very useful to the employees, especially in keeping them up to date with the changing trends and global environment. Training can help employees to increase their capability, skills, and knowledge relating to their job scope. This will help employees to improve their performance within the organization. Thus, training has positive significant value to the employee's performance.

Table 10: The Summary Results of Objective 1

	Hypothesis	Results
H₁	There is a significant relationship between personal motivation and employee performance.	Accepted
H₂	There is no significant relationship between work environment and employee performance.	**Rejected**
H₃	There is a significant relationship between remuneration and employee performance.	Accepted
H₄	There is a significant relationship between training and employee performance.	Accepted

Objective 2: To identify the factors increasing employee performance.

Based on the results of the analysis in Table 11, "Personal motivation affects employee's performance" result was at 0.127, which is below 0.5. Thus, Hypothesis 1 is accepted.

For "Work environment affects employee's performance", the result was found to be at 0.805, which is more than 0.5. Thus, Hypothesis 2 is rejected. Meanwhile, for "Remuneration affects employee's performance", the result was at 0.023, which is below 0.5. Thus, Hypothesis 3 is accepted, while the "Training affects employee's performance" result was at 0.000, which is the strongest value among all the independent variables. Hence, Hypothesis 4 for training is accepted.

According to Table 1, there is one factor that was not significant, while three other factors were significant to the employee's performance. The one factor that was not significant to employee's performance is work environment (.085) with a significant value above 0.5. Meanwhile, another three factors that are significant to the employee's performance are personal motivation, remuneration, and training with a significant value below 0.5. Most of the respondents agreed that personal motivation, remuneration, and training help them to improve their performance within the organization.

Personal motivation is important (sig. 0.127) because if the motivational level of employees is high, it will result in good employee performance. Usually, employees who are much less motivated are likely to expend small or no exertion at paintings, give substandard work output, and display a lack of responsibility which could cause the organization a huge impact on their product quality that will result in them going out of business. Thus, personal motivation affects employees' performance.

Also, remuneration plays an important role to increase employees' performance and helping them to do better in their work (siq. 0.23). This is because, when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement. This will motivate and increase their performance in the organization. Thus, remuneration also affects the employee's performance.

However, based on Table 1, the factor that increases employee's performance the most was training because training has a strong significant

value at siq. 0.000 which showed that training affects employees' performance compared to other independent variables in this study. The t value is 4.413, which is the highest of all independent variables. This is because training is very useful to the employee as it can help them to get up-to-date information in the fast-changing trends and global environment. At the same time, training helps employees to make successful contributions to the employers by improving their skills and performance. Thus, in this study, the factor that has the highest effect on employee performance is training.

Table 11: The Summary Results of Objective 2

Model	Sig.	Results
Personal Motivation	0.127	H_1 is accepted
Work Environment	0.805	H_2 is rejected
Remuneration	0.023	H_3 is accepted
Training	0.000	H_4 is accepted

Objective 3: To describe the effect of personal motivation, work environment, remuneration, and training on employee performance.

Personal motivation, work environment, remuneration, and training have been found to affect employees' performance as shown in Table 12. The most influencing factor that increases employee's performance is training, followed by remuneration and personal motivation respectively. Based on the results of this study, personal motivation affected employees' performance by 45%. Personal motivation is referred to an employee's passion for the job which might influence the employee's performance. However, not all of the employees have the passion to do their jobs. Many of them do their jobs because of the need to survive and to gain a better quality of life.

The work environment is found to have less effect on employee's performance by 24.3%. However, the work environment still has a significant relationship to the employee's performance. This might be because some of the respondents do not agree that the work environment influences their work performance. Work surrounding the palm oil industry is of high concern because the nature of the work requires the employees to be equipped with enough equipment as well as

a good relationship between top management and staff. Besides that, the employers are also concerned about their workers' safety first to ensure that there will be no accident that will occur during working hours. Despite that, in this study, the work environment is not the biggest influencing factor that contributes to employee performance.

From the results of this study, remuneration affected 58.3% of the employee's performance. Remuneration is referred to indispensable attribute to employee engagement, which motivates an employee to achieve more. In this study, remuneration contributed half as the factor affecting employee's performance among the workers in the palm oil industry. By giving attractive remuneration, employees can focus more on their work and personal development. The benefits given by the organization to the employees, such as medical plan insurance makes them stay working in the same organization. Such an insurance plan is important as it will cover the medical cost of hospitalization for the employees and their families, hence it becomes a safety net for the employees should anything happen to them or their families during or outside working hours.

Personal motivation, remuneration, and training were found to be the most effective ways to increase and improve employee's performance in the organizations. Personal motivation of employees is very important to the organization because if the motivational level of employees is high, it will result in good employee performance. In this study, personal motivation affected employee's performance by 45%. If the employees are vastly motivated, they will give good performance and companies will have fewer turnover intentions because the employees are satisfied with their jobs.

Table 12: The Summary Results of Objective 3

Independent Variables	R	R Square	Sig.
Personal Motivation	0.671	45%	0.000
Work Environment	0.473	24.3%	0.000
Remuneration	0.764	58.3%	0.000
Training	0.866	75%	0.000

Training helps to improve skills, capability, and knowledge related to the employees' job scope, especially in the manufacturing industry. The result of this study showed that training affected employees' performance by 79%. Normally, training is the best way to measure when it comes to employee performance. Through the training of the employee, performance can be increased, and the organizations can achieve their goals too.

IX. CONCLUSION AND RECOMMENDATION

The results showed that training is the most influencing factor that affects employees' performance. Other factors also showed positive significance to the employee's performance. This study is useful for future research, especially to measure employee performance. By recognizing the needs and wants of employees, the management will be able to increase the level of job performance in organizations by motivating the employees. By doing so, it will help organizations to achieve higher productivity, efficiency, and effectiveness of their organizations. Finally, the present study can also apply to other industries as well.

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