The Performance of Technology Industry Startup Employees in the Digital Era in Indonesia

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Abstract: This study is aimed at testing the influence of motivation and organizational climate on employee performance through job satisfaction and employee attachment as mediating variables. This study uses a quantitative approach that highlights the relationship or influence between research variables and tests hypotheses, using primary data collected using the survey method through questionnaires with a liker scale of 1 to 5. The population in this study is Digital Startup Employees in Indonesia. The study sample numbered 265 people. Data analysis was carried out using descriptive statistical analysis and inferential statistical analysis (Structural Equation Modeling (SEM) using the Lisrel 8.80 program. The results showed that motivation, organizational climate, job satisfaction, and employee attachment had a positive and significant direct influence on job satisfaction; Motivation and organizational climate have a significant positive influence on job satisfaction and employee engagement. Job satisfaction and employee engagement as mediating variables increase the relationship between motivation and organizational climate to employee performance.

Keywords: Motivation, Organizational Climate, Employee Engagement, Job Satisfaction, Employee Performance

INTRODUCTION

The development of the modern era, especially in the business sphere, especially technological advances, created an industrial revolution towards business. The industrial revolution shaped the business system by prioritizing technology, which creates creativity and innovation for business people. Thus the creation of a technology-based startup that provides services and products through offline and online media, start-ups can be said to be small-scale companies that have hosting and domains in the form of websites or blogs (Arjanti & Mosal 2012).

Indonesia in 2021 is the fifth most startup company in the world with 2,346 startups in the country (Databooks, 2022). It is evident that the growth of technology companies according to the Financial Services Authority currently Indonesia has 2 decacorns and 7 unicorns with a total of 2,346 startups. The majority of startup companies in Indonesia or
around 72.5% have less than 50 employees, and as many as 19.3% have 50-200 employees, have 201-500 employees only about 5.6%, and startup companies that have more than 500 employees are only around 2.6% (Mikti, 2021).

With a large number of startup companies in Indonesia, companies need assets through human resources that perform well and have a vital role that aims to determine the success and quality of the company. Company performance can be measured by employee performance when going up and down, but the situation that occurs is that many companies streamline employees due to poor employee performance and are based on the results of KPIs (Key Performance Index). Reviewing employee performance in technology startup companies is very necessary to get the welfare of the company and employees and encourage company performance, this study aims to review the motivation and commitment of the organization to obtain employee performance.

**LITERATURE REVIEW**

**Motivation**

Heller & Parasnis (2011) says motivation is a condition that pushes the human being towards a specific goal. Yet another thing is expressed by Baird & Parasnis, (2011) that who defines motivation as a stimulant of one’s desire and work well. The motivation was also conveyed by Stello, (2014) that motivation is an integral part of the relationship/industry in the framework of the process of forming, developing, and managing human resources in a company.

Motivation is a term used in organizational behavior to describe the strength of the individual, which describes the extent, direction, and perseverance of effort expended on work (Grant, 2012). While the opinion (Webb, Bruton, Tihanyi, & Ireland, 2013) towards motivation is motivation is a state or condition that affects the arousal, direction, and maintenance of behaviors relevant to the work environment.

**Organizational Climate**

Robbins and Judge (2021) say, “The organizational climate refers to the shared perception that members have of the organization and their work environment”. And also refers to the shared perception of the members of the organization towards what they have around the organization and the work environment. The shared perception that members of the organization have about the organization and the work environment; in particular, existing policies, practices, and procedures. The organization can affect employee productivity or performance, so it is a key part because a supportive organizational climate can influence individuals, teamwork, and leadership, to be able to know and understand and carry out tasks, jobs, functions, positions, and responsibilities as well as authority, communication, and responsibility.

This is similar to what Michael Armstrong said in his quote through the opinion of Robert Ivancevich that the organizational climate is a set of properties of the work environment perceived by employees directly or indirectly, which are assumed to be the main tool or force in influencing employee behavior (Armstrong, 2009:385). So that to understand how an employee views the organizational climate, it is necessary to take into account the perception of the employee's work situation (including the characteristics of the organization in which they work) and the nature of his relationship with other people in the same environment.

**Job Satisfaction**

Job satisfaction is an attitude of a person toward his work, this is obtained from the views of individuals or employees towards their work and based on the level between
individuals and organizations regarding their suitability (Ivancevich, 2014). Job satisfaction is seen as a combination of environmental style and psychological conditions that make a person give a sense of honesty by acknowledging satisfaction with the work he does (Thay et al., 2013). Job satisfaction is an attitudinal variable that is determined by the quality of the working conditions of an organization and in turn determines a series of consequences at the level of employee behavior, for example, absenteeism, work involvement, loyalty to the company, and others (Mihalcea, 2013).

The attitude of employees towards what they like and dislike about their work is part of them and one of the affective and cognitive expressed feelings and thoughts about work are referred to as job satisfaction. So job satisfaction presents employees' thoughts and perceptions of their workplace from various angles (Munir and Rahman, 2016). Similar to Greenberg, 2011 work satisfaction is expressed as an attitude raised by employees negatively and positively towards their work.

There are two categories of job satisfaction, namely, intrinsic and extrinsic. Intrinsic job satisfaction is influenced by a person's emotions and feelings towards their work, for example, autonomy and expertise, while external job satisfaction is satisfaction covering traits from outside the job, namely salary and the way the company is managed (Spies, 2006). Job satisfaction affects work behavior, in line with the hypothesis that the higher the employee's job satisfaction, the more it will provide employee behavior.

Employee Engagement

Employee engagement introduced by Gallup Institute is defined as the status of employees with a work environment or company where they work which has the meaning of employee involvement that varies in the organization and provides emotional attachment to work and groups or organizations, to the role of work and immersion in work activities (Srivastava & Madan, 2016).

Harter, Schmidt, and Hayes (2002) say that individual agility is a form of satisfaction for enthusiasm at work, in line with Frank (in Saks, 2006) employee engagement is a form of effort to provide effort, individual goals, and focused energy, more adaptability than expected so that it is directed to the organization so that it provides positive value and results that directed to the goals of the organization and give all the property owned to the organization (Albrecht, 2011). Rothbar (in Saks 2006) revealed that engagement is a long-term psychological involvement or attachment, and motivational which includes two dimensions, namely attention, and absorption.

Employee Performance

Employee performance is a behavior about how a target can be achieved and achieved because performance is a goal-oriented process that is directed to ensure that every organizational process is in place to be maximized and performance is carried out also for the organization, which aims to maximize the productivity of employees, teams, and organizations (Armstrong & Taylor, 2014). Performance can be said to be a function of the ability to perform, it has a meaning in work activities that the individual can work on the tasks he has (Malär, Nyffenegger, Krohmer, & Hoyer, 2012).

Performance can be seen as the individual capacity of an employee to perform with the capacity, opportunity, and ability to be demonstrated. Whereas (Kotabe & Murray, 2004), performance as a result of work is related to organizational goals such as quality, efficiency, and other effectiveness criteria. (Singh, 2013) identifies performance as a result of an activity that is one of the measures of an individual's performance.

The organization or company must have special quality standards for employees to be able to develop and advance, so for employees to achieve good performance they must ensure
their performance is following predetermined company standards. The opinion of Kamisah (2012) is that performance is the embodiment of work done by employees which is rarely used as the basis for assessment of the employee or organization, because good performance is a step towards achieving organizational goals. So it is necessary to strive for performance improvement efforts to support the organization, but this is not easy because many factors affect a person’s high and low performance. (Curtis et al., 2015) define the achievement of task performance as measured against predetermined or standard accuracy, completeness, cost, and speed of identification. (Style & Performance, 2015), performance is defined as the result achieved from actions with the skills of employees that arise in some situations. Meanwhile, according to (Sutanto & Kurniawan, 2016), performance is a function of motivation and ability.

**Motivation Against Job Satisfaction and Employee Engagement**

Heller & Parasnis (2011) says motivation is a condition that pushes the human being towards a specific goal. Yet another thing is expressed by Baird & Parasnis, (2011) that who defines motivation as a stimulant of one's desire and work well. The motivation was also conveyed by Stello, (2014) that motivation is an integral part of the relationship/industry in the framework of the process of forming, developing, and managing human resources in a company. Job satisfaction is an attitude of a person toward his work, this is obtained from the views of individuals or employees towards their work and based on the level between individuals and organizations regarding their suitability (Ivancevich, 2014). Job satisfaction is seen as a combination of environmental style and psychological conditions that make a person give a sense of honesty by acknowledging satisfaction with the work he does Tnay et al. (2013).

Research by Daniel, et al (2021) on the hotel business that employee job satisfaction will affect service in hotels because highly motivated people will feel satisfied with their work. And in public sector workforce research, that the motivation and attachment of employees to employees who are motivated and tied to the organization will provide positive behavior Dr. Shabaan (2018)

H1: There is a significant influence between Motivation and Job Satisfaction.
H2: There is a significant influence between Motivation and Employee Engagement.

**Organizational Climate Against Job Satisfaction and Employee Engagement**

Michael Armstrong said in his quote through the opinion of Robert Ivancevich that the organizational climate is a set of properties of the work environment perceived by employees directly or indirectly, which are assumed to be the main tool or force in influencing employee behavior (Armstrong, 2009:385). The behavior of employees to perform tasks and work can be reviewed by means of job satisfaction and attachment of employees to their work and organizational environment, and provide emotional attachment to work and groups or organizations, to work roles and in work activities. In the research of Albrecht, et al (2018) produced a positive impact on the organizational climate and employee engagement or attachment. All variables in his research have a positive role so that on this occasion it was revealed that the organizational climate has a positive impact on employee attachment. Supported by research to company leaders in Colombia that the organizational climate in employees provides job satisfaction to employees and leaders.

H3: There is a significant influence between the Organizational climate and Employee Engagement.
H4: There is a significant influence between Organizational climate on Job satisfaction.
Job Satisfaction and Employee Engagement Against Employee Performance

The attitude of employees towards what they like and dislike about their work, is part of them and one of the affective and cognitive expressed feelings and thoughts about work referred to as job satisfaction. So that job satisfaction presents employees' thoughts and perceptions of their workplace in various angles (Munir and Rahman, 2016). Therefore, job satisfaction will cause good performance and low number of employees in the place where they work. Frank (in Saks, 2006) employee engagement is a form of effort to provide effort, individual goals and focused energy, which is expected so that it is directed to the organization so that it provides positive value and results that are directed to the goals of the organization and gives all the ownership owned to the organization (Albrech, 2011).

H5: There is a significant influence between Job Satisfaction and Employee performance.
H6: There is a significant influence between employee engagement and Employee performance.

Motivation Against Employee Performance Through Job Satisfaction and Employee Engagement

The influence of motivation has a significant impact on employee performance, according to research by Daniel, et al (2021) that employee motivation will support employees to perform well. However, the presence of motivation will form job satisfaction in each individual employee which will form a positive performance. In his research, the effect of job satisfaction will motivate to provide positive results on employee performance. Supported by research conducted by Abdullahi, et al (2021) showed that organizational culture has a significant effect on employee performance, and on employee engagement indicators it has a significant influence and carries out an effective role in improving employee performance and successfully affecting employee performance with predictors. Therefore, employee attachment relationships can be able to drive organizational performance by encouraging motivation. There are several objectives as a form of cooperation between the company and employees to increase employee enthusiasm and motivation as a company strategy to maintain qualified employees (Ardy, 2018).

H7: There is a significant influence between Motivation and Employee performance through Job Satisfaction.
H8: There is a significant influence between Motivation and Employee performance through Employee engagement.

Organizational Climate Against Employee Performance Through Job Satisfaction and Employee Engagement

In research Jorge and Esteban (2019) revealed that organizational climate has a positive relationship to employee performance, and Abdullahi, et al (2021) said the role of employee engagement mediation on employee performance has a positive influence so that mediation of attachment to the organizational climate will have a positive influence on performance. And according to Jorge and Esteban that High efficiency and good performance of work teams in organizations have a direct relationship with the good work climate perceived by employees, and with the satisfaction they have towards their workplace.

H9: There is a significant influence between Organizational climate on Employee performance through Employee engagement.
H10: There is a significant influence between Organizational climate on Employee performance through Job satisfaction.
Motivation Against Employee Performance

Motivation can be explained as a condition that occurs to someone that involves a relationship of attitudes, needs, and perceptions that affect one's decision making. There are two forms of motivation in a person, namely: 1) intrinsic motivation, which is related to personality, attitudes, life experiences, education, ideas, or everything that comes from within a person that makes the person moved to do something. 2) extrinsic motivation, something that comes from outside someone who makes that person motivated to do something like the role of a leader, the role of parents, the role of coworkers, regulations, and the environment. Schermerhorn et al. (2002:160) explain that motivation refers to the strength in a person to do something according to a certain level and direction and involves high enthusiasm and persistence to achieve a goal at work with various possibilities for the selection of specific alternatives. Pada penelitian Beltran, et al (2018) mengungkapkan bahwa motivasi karyawan memberikan pengaruh positif terhadap kinerja karyawan sehingga dalam hal in memberikan dampak yang positif untuk karyawan dalam kinerjanya akan motivasi.

H11: There is a significant influence between Motivation and Employee performance.

Organizational Climate Against Employee Performance

Michael Armstrong in his quote through the opinion of Robert Ivancevich that the organizational climate is a set of properties of the work environment perceived by employees directly or indirectly, which are assumed to be the main tool or force in influencing employee behavior (Armstrong, 2009:385). So that in order to understand how an employee views the organizational climate, it is necessary to take into account the perception of the employee's work situation (including the characteristics of the organization in which they work) and the nature of his relationship with other people in the same environment. Performance can be seen as the individual capacity of an employee to perform with the capacity, opportunity, and ability to be demonstrated. Whereas (Kotabe & Murray, 2004), performance as a result of work is related to organizational goals such as quality, efficiency, and other effectiveness criteria. (Singh, 2013) identifies performance as a result of an activity that is one of the measures of an individual's performance. In Jorge and Esteban's 2019 research, revealing the organizational climate has a positive impact on employee performance. In his research, it is revealed that employee performance can be seen from the results of the organizational climate.

H12: There is a significant influence between Organizational climate and Employee performance.

Based on an in-depth literature review, empirical evidence shows findings on the impact of motivation and organizational climate on employee engagement and job satisfaction and their implications for employee performance. Based on the above hypotheses, the research model proposed in this paper is shown in Figure 1.
METHODS
Participants and Procedures
This research is researching employees at technology start-up companies. The data will be obtained using an online questionnaire filled out directly by the research respondents. Respondents consisted of employees of technology startup companies in Indonesia. Sampling using nonprobability sampling techniques is used because the number of populations to study is unknown and infinite. Sugiyono (2014) said that non-probability sampling is a research sampling technique that does not provide equal opportunities or opportunities for all elements. Ukuran samples for structural models used at least 100 respondents so that they could be processed using Structural Equation Modeling (SEM) analysis (Hair et al, 2010). Kline (2011) also states that the specified sample should amount to 5 times the parameters used.

Measurement Scale
The research was conducted through the collection of information in the form of primary data obtained through filling out questionnaires. In filling out the questionnaire, questions will be given to employees who work for technology start-up companies in Indonesia.

By applying quantitative research ethics, respondents who fill out the questionnaire must know the background of the questionnaire and the purpose of the questionnaire. Data collection techniques through questionnaires or questionnaires, research instruments in the form of a list of questions addressed by respondents. The list of questions is closed, meaning that the respondent gives the answers that have been asked with the questions that have been provided and limited by the researcher, the questions asked are scored and refer to research variables that are by the aspects of the research that are formed into the question items. In analyzing the questions, researchers use a Likert scale to obtain information according to the questions that have been scored with a design including (1) Validation of respondents, and (2) Core Questions.

The answers given by the respondents will be measured using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). All questions in the questionnaire have passed the readability test, validity test, and reliability test using SPSS. In this study, the requirement for the validity of the pre-test according to Dincer (2020) that the limit of the Kaiser-Meyer Olkin (KMO) value is more than 0.50 to be able to perform factor analysis. And for the component matrix value for each question item, which is 0.5 submitted by Hair (2010).

In connection with the unknown number of residents of shipping service users for sure, citing the formula Malhotra et al. (2006), the number of samples to be used can be determined by multiplying the number of question indicators by five. The number of
questions in the questionnaire used was 57 questions in 5 research variables.

**Hypothesis Testing**

This study used SEM (Structural Equation Modeling) using the Lisrel application. SEM analysis is a technique to test together, namely measuring the relationship between variables both independent and dependent construct variable relationships, and is a measurement model that can measure the relationship (loading value) between indicator variables and constructs (Bollen, 1989).

**RESULTS**

**Descriptive statictics**

Based on the average of the variable latent value, the condition of lecturers in the faculties of economics and business shows a low employee engagement, quite low motivation, organizational climate, job satisfaction, and high employee performance (Table 1).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>3.50</td>
<td>Quite low</td>
</tr>
<tr>
<td>Organizational Climate</td>
<td>3.69</td>
<td>Quite low</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>3.59</td>
<td>Quite low</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>3.49</td>
<td>Low</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>3.81</td>
<td>High</td>
</tr>
</tbody>
</table>

**Structural Model Testing (Inner Model).**

Before testing the structural model (inner model), first testing the measurement model (outer model). The measurement model testing results indicate that all variables passed the validity and reliability tests.

The path analysis model that is used as an analysis of the relationship between variables has a direct or direct effect as explained by the model not shown in Figure. The structural model of path analysis that explains the relationship between variables, namely the influence of motivation and organizational climate on employee performance through job satisfaction and employee engagement can be analyzed according to the substructural model for direct and indirect effects as in table.
Based on the table above, it can be seen that from the measurement results of the 8 direct influence hypotheses proposed all hypotheses are significant/accepted. And the 4 indirect influence hypotheses proposed are all significant/accepted hypotheses. An indication of whether a hypothesis is accepted or not can be seen from the critical value/t-table. Further, where the limit for the t-table is ± 1.96. It is known that H1 which states the existence of a relationship between M and JS has a t-value of 5.78, which means that a significant positive relationship between the two and the hypothesis is accepted. The H2 hypothesis that states the influence between M and EE has a t-value of 10.12, which means that a significant positive relationship between the two and the hypothesis is accepted. The H3 hypothesis states that there is an influence between OC and EE with a t-value of 2.23, which means that a significant positive relationship between the two and the hypothesis is accepted. The H4 hypothesis states the influence between OC and JS with a t-value of 3.98, which means that a significant positive relationship between the two and the hypothesis is accepted. The H5 hypothesis which states the influence of the JS variable on EP is known to have a significant influence with a t-value of 5.85, which means that a significant positive relationship between the two and the hypothesis is accepted. The H6 hypothesis which states the influence of the EE variable on EP is known to have a significant influence with a t-value of 4.00, which means that a significant positive relationship between the two and the hypothesis is accepted.

Then, an analysis was carried out on whether the JS and EE mediation variables had an influence on the relationship between M with EP, and OC with EP. The influence of mediation on the seventh hypothesis is the same as the tenth hypothesis is basically formed from four direct influence hypotheses, namely hypothesis one to the fourth hypothesis. These four direct influence hypotheses test the causality relationship between independent variables and mediation variables.

**DISCUSSION**

Currently, employee performance is always a concern for every organization in various company sectors in Indonesia, especially in the digital or e-commerce sector, namely startup companies. Employee performance is one of the factors and the spearhead for companies to respond to a condition where the organization is faced with a dynamic environmental situation, especially in startup companies that must adjust to the latest phenomena to be able to compete in the market, then labor is the main factor supporting the company. Thus, employees must be able to perform their duties and exceed ordinary duties and also perform beyond expectations and employees must be able to work optimally. However, with the growth of startup companies, it is not fast with the phenomenon that occurs, namely mass employee layoffs at startup companies with efficiency issues carried out by the company.
This encourages companies to make efficiencies in their employees, so that company performance can be reviewed through employee performance, then employee performance can be seen through KPIs (Key Performance Index), there are companies that do efficiency due to poor employee performance.

The results showed that job satisfaction and employee engagement have a significant influence on employee performance, in this case startup company employees. It can be said that employee job satisfaction with their work can be produced by several factors, namely salary, work environment, autonomy, communication and organizational commitment and work satisfaction can be said to be one of the subjects of welfare in the workplace. This can improve employee performance which is influenced by job satisfaction factors by employees, so to get factors in the form of job satisfaction, employees can improve their performance to companies that affect individual needs. Employee performance can be supported by the existence of employee attachment factors to their work and the organizational environment they work in, so that employees who have an engagement will have a positive, satisfactory state of mind, related to work characterized by passion, dedication, and absorption, which will make employee performance high.

This research seeks to obtain information on factors that affect employee performance based on the results of a survey of startup company employees. Some of the organization's strategic efforts are expected to have a positive impact on improving employee performance. Employee performance is significantly influenced by motivation, organizational climate, job satisfaction, and employee engagement. Motivation in employees has a positive influence on job satisfaction, where high motivation towards employees will provide job satisfaction for employees and motivation also has a positive influence on employee attachment, where the high motivation generated by individual employees will provide a sense of employee attachment to their work. Organizational climate has a positive influence on job satisfaction, where the organizational climate has an impact on employees which affects employee performance, can affect employee productivity or performance, so that the main thing due to the organizational climate can support influences on individuals. The organizational climate makes changes to the work ecology that have a positive influence on employee attachment caused by individual and organizational factors that make employees feel a connection to the work they have and the organization they work in. And the influence of motivation possessed by employees will directly affect the performance of employees direct influence, which will stimulate a person's work desire and will and be able to describe the strengths in the individual that describe the extent, direction and perseverance of the effort expended on his work. The influence of the organizational climate has a direct influence on employee performance, which is able to affect employee productivity or performance, which supports can influence individuals, teamwork, and leadership, so as to be able to know and understand and carry out duties, jobs, functions, positions, and obligations as well as authority, communication and responsibility.

CONCLUSION

Current studies make a valuable contribution to the management literature, especially in the field of startups or startup industries where the organizational climate and motivations based on personality and environmental changes can affect employee performance. Theresearch also provides a new way for organizations, especially company management, to design the right strategy to encourage or influence employees of their work to be involved in their work and the satisfaction they have for their work. The study also expands academics and practitioners' understanding of the empirical evidence that supports an emotionally sourced personality that can enhance high-quality interactions with his work within the company. Finally, this research also hopes that the findings of this research in the future can
be a catalyst for academics to pay more attention to the relationship between the organizational environment or the influence of the advancement of industrial patterns with the emotional and personality side of employees.

REFERENCES


