

THE EFFECT OF TRAINING & DEVELOPMENT AND MOTIVATION ON JOB SATISFACTION IN MICRO AND SMALL-SIZED ENTERPRISES' MANAGERS IN PLAJU ULU VILLAGE

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ABSTRACT

Micro and small enterprises have a great contribution to the country's economy. However the lack of managers' skills and abilities cause obstacles that affect the level of job satisfaction. In order to maximize the job satisfaction, MSEs' managers need training and development and motivation. Training & development aims to increase managers' skills and abilities. Motivation will give positive impact and increase satisfaction if a manager is able to expand his/her business. This study aims to know whether there is effect between Training & development and motivation on job satisfaction. This study is conducted on MSEs' managers in Plaju Ulu Village. The number of samples is 78 managers as respondents, and the sampling technique is stratified random sampling. The analysis method used in this study is multiple regression analysis. The test result shows that Training & development and motivation have a significant and positive effect on job satisfaction. But Training & development do not has a partial effect on job satisfaction, while motivation has a significant and positive effect on job satisfaction. Coefficient determination shows that 24,6% variance of job satisfaction can be explained by independent variables in this study, while the rest 74,6% can be explained by others variable such as as innovation, committment, leadership, and personality that are not discussed in this study.

Keywords : *Development, Job Satisfaction, Micro and Small Enterprises Motivation, Training*

INTRODUCTION

Background

Micro and small business contribute to economic development, national income, increase household income, and create jobs (Benzing & Chu, 2009). Micro and small enterprise are a key source of employment and economic development in Indonesia. In Indonesia, the kind of small enterprises is very diverse, and the number per capita is higher compared to other countries (Kushnir et al., 2010; Mourougane, 2012). According to the Ministry of SMEs and Co-Operatives, by the end of 2012 there were an estimated 56,485,594 units of micro and small enterprises. It means that more than 99% enterprises in Indonesia are micro and small-sized enterprises.

In Palembang by the end of 2012 there were approximately 25.659 units of micro and small enterprises. The percentage of Micro and Small Enterprises in Palembang in 2012 are up to 85.22%. The realization of performance in 2012 was 85,22%, this percentage did not reach the target set at 2012 as much as 89.29%. This target couldn't be achieved due to the lack of funds, and the lack of human resources.

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Most of the small enterprises are traditionally grown and hereditary family enterprise (Kristiyanti, 2012). That is why the owners of the micro and small enterprises also act as the managers.

Meanwhile, in the village of Plaju Ulu until June 2014, the number of micro and small enterprise units is estimated as many as 350 units. 80% of the total or 280 units are micro enterprises, while the rest are small enterprises. Based on the fields of business, retail enterprises are as much as 210 units, service enterprises are as much as 88 units and manufacturing enterprises are as much as 52 units.

The number of units in MSEs in Plaju Ulu village is quite large due to the number of people who decided to engage in this business. The main reason is that they do not have a job because they could not fulfilled the specification for a certain occupation and the capital required to run a business is relatively small, as well as considerable revenue. A retail enterprise unit is able to get IDR 1.500 million to IDR 8 million within one month. For service enterprise, the monthly income generated is IDR 3 million to IDR 7.5 million. And for the manufacture enterprise, the monthly revenue is IDR 3 million to IDR 12 million.

Despite having a fairly large amount of income, but this does not necessarily make MSEs in Plaju Ulu Village has professional manager and workforce. From interviews, researcher found that most of MSEs' owners do not have any specific skills and abilities. And 75% of the labor involved in MSE in Plaju Ulu village are still the family member of the business's owner. Besides the labor issues, MSE in Plaju Ulu Village also still constrained by capital, motivation and enthusiasm issues.

The limitations of the quality of human resources that manage MSEs will greatly affect the efficiency of the management of MSEs so that the enterprise is difficult to develop optimally. This limitation also causes difficulties for MSEs in applying new technologies to improve the competitiveness of products (Kristiyanti, 2012). However, improving entrepreneurship skills in Indonesia is challenging and will require removing obstacles to accessing formal training.

Beside the lack of skilled managers, micro and small-sized enterprise's managers in Plaju Ulu Village are also having problem with encouragement or motivation. According to the interview, researchers found that micro and small enterprises in Plaju Ulu still lack passion in running the business. Most of the business owners confess that they are not satisfied and do not enjoy their job. This dissatisfaction can also be caused because they feel that their enterprises are not developing.

High motivation arising from an entrepreneur him/herself will give great impact to business operations, stimulate and develop the enterprise (Irawati, 2012). This is of course a positive impact and increase the satisfaction when they are able to expand their enterprises. Positive attitudes indicates satisfaction towards the job whereas negative attitude indicates dissatisfaction toward the job (Armstrong, 2006; Funmilola, Sola & Olusola, 2013).

Job satisfaction refers to small-enterprise's managers experiencing their involvement in their own business as enjoyable, fulfilling and rewarding, as well as being satisfied with the way people work together in their occupation (Farrington, 2012). It is not easy to achieve the job satisfaction, due to the issues such as: laziness, the number of complaints from the workers and consumers, low performance work, low consumers' quality of services and workers disciplinary, etc (Syaiin 2008; Irawati, 2008).

Based on the background and various references, author is interested in doing the research titled "**The Effect of Training & Development and Motivation on Job Satisfaction In Micro and Small-sized Enterprises' Managers In Plaju Ulu village**".

Statement of the Research Problem

Based on the background, the statement of the problem in this research is:

1. Do training & development and motivation have a partial effect on job satisfaction in MSEs' Managers in Plaju Ulu village?
2. Do training & development and motivation have simultaneous effect on job satisfaction in MSEs' Managers in Plaju Ulu village?
3. Which variable that has the greater influence on job satisfaction in MSEs' Managers in Plaju Ulu village?

Research Objectives

Based on the problem statement above, the objectives of this research are:

1. To see the partial effect of training & development and motivation on job satisfaction in MSEs' Managers in Plaju Ulu village.
2. To see the simultaneous effect of training & development and motivation on job satisfaction in MSEs' Managers in Plaju Ulu village.
3. To see which variable that has the greatest influence on job satisfaction in MSEs' Managers in Plaju Ulu village?

Benefits of the Research

1. Theoretical Benefits

To enrich the concept or theory of science in human resource management, organizational behaviour.

2. Practical Benefits

a. For the Author

To get a better understanding about the science of Human Resource Management and also to apply the knowledge that has been received by the author.

b. For College

As a contribution to the science development, especially in the science of human resource management that can be used as a reference and guidance for the further research.

LITERATURE REVIEW

Theoretical Basis

Central Bureau of Statistic – *Badan Pusat Statistik* (BPS) defines MSE based on the number of employees. Micro-enterprise is a business that has a number of workers from 1 to 4 people. While small enterprise is a business which has workers of 5-19 people.

Training & development

Trainings are activities that involve the application of formal processes to impart knowledge and to help people to acquire the skills necessary for them to perform their jobs satisfactorily. Development is concerned with ensuring that a person's ability and potential are grown and realized through the provision of learning experiences or

through self-directed (self-managed) learning (Armstrong, 2009). Training and development are effective if they have these criteria (Armstrong, 2009):

- The purpose of the training should be clearly defined.
- Every opportunity should be taken to embed learning at work.
- The training techniques used should be appropriate to the purpose of the course and to the characteristics of participants.

Motivation

Maslow (1954) states that there are five human needs that can motivate someone. So if you want to motivate someone, if you want to motivate someone, you have to understand the hierarchy level where the person is. When basic needs are fulfilled, the next need becomes dominant. These following needs can be a source of motivation (Maslow, 1954):

1. Physiological: the needs that are usually taken as the starting point for motivation theory. This is including thirst, hunger, sex, shelter,
2. Safety: This is including healthy, security, protection from harm, etc.
3. Love: now the person will keenly, as never before, the absence of friends, or a sweetheart, a wife or children.
4. Esteem: all people in our society have a need or desire for a stable, firmly based, high evaluation of themselves for self-respect, or self-esteem and for the esteem of others.
5. Self-actualization: This might be phrased as the desire to become more and more what one is, to become everything that one is capable of becoming.

Job Satisfaction

According to Herzberg (1968), satisfaction stem from different groups of variables such as company policies and administration, supervision, and employee benefits that are tailored to a job. According to Herzberg (1968), there are two kind of factors that can contribute job satisfaction and dissatisfaction. Intrinsic factors or motivator related to job satisfaction, and the extrinsic factors or hygiene factors related to job dissatisfaction.

Intrinsic (motivators) factors:

1. Achievement: including finished a task, solved problems.
2. Recognition: including praised, thanked and criticism.
3. Work itself: including difficulty, amount of work, etc.
4. Responsibility: including given special assignment.
5. Advancement: including promotion, opportunities, fairness, etc.
6. Growth: including getting a new contract, reaching standard, etc.

Extrinsic (hygiene) factors:

1. Supervision: including human relations, etc.
2. Relationship with supervision: including friendly relationship, etc.
3. Work condition: including location, physical layout, temperature, etc.
4. Salary: including amount, fairness, method of payment, etc.
5. Relationship with peers: including helpfulness, friendliness, etc.
6. Personal life: including self fulfillment, etc.
7. Relationship with subordinate: including friendly relationship, etc.
8. Status: including achievement, position, etc.

9. Security: including safety and protection.

Previous Research

Table 1. Previous Research

No	Researchs title and researchers	Findings
1	A Comparison of The Motivations of Small Business Owners in Africa (Cynthia Benzing & Hung M. Chu , 2009)	A factor analysis found three motivation factors: a family factor, an external validation factor, and a Self-betterment factor.
2	UK managers' conceptions of employee training and development (Almuth McDowall, & Mark N.K. Saunders , 2010)	Perceived success in training focuses on improvements to job-related skills, whereas success outcomes for development are more varied and difficult to measure.
3	Job satisfaction of managers in Cyprus (Annabel Droussiotis & Jill Austin, 2007)	There are three areas that influence the job satisfaction levels for managers in Cyprus: self-fulfillment, independence, and job environment.

Conceptual Framework

This research examine whether there is effect of training & development and motivation on job satisfaction. The relationship can be shown in the figure 2.1 below:

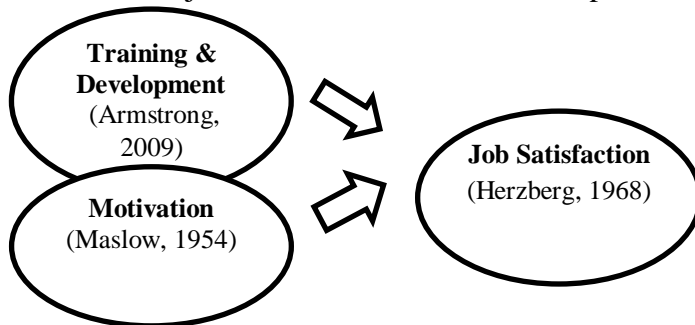


Figure 1. Theoretical Framework

Hypothesis

- Ho : There is no effect of training & development and motivation on job satisfaction.
- Ha1 : There is partial effect of training & development on job satisfaction.
- Ha2 : There is partial effect of motivation on job satisfaction.
- Ha3 : There is a simultaneous effect of training & development and motivation on job satisfaction.
- Ha4 : Training and development has the greatest influence on job satisfaction.
- Ha5 : Motivation has the greatest influence on job satisfaction.

RESEARCH METHODOLOGY

This research is descriptive. Noor (2011) defines descriptive research as research that try to describe a phenomenon, occasions, events that occurred now. The population used in this research are all managers of micro and small businesses in the village of Plaju Ulu as 350 units. The number of samples will be determined by Slovin table with an error tolerance rate of 10%. This research uses Stratified Radom Sampling technique. According to Slovin table, the number of sample that will be studied in this research is 78 micro and small enterprises’ managers. This number is divided into two groups, namely micro and small businesses. In micro business group, researchers took 63 respondents from the sample (80%) and 15 respondents of small business (20%). Variables in this research are Training & Development as an independent variable (X1), and motivation as an independent variable (X2). While Job Satisfaction is a dependent variable (Y). The variables in this research are described in the columns of the operational definition of variables, dimention, and measurement scales in the Table 2 below:

Table 2. Operational Definition of Variables, Dimention, Scale and Quesioners

No.	Variables	Dimention	Scale	Quesioners
1	Training and Development (X1)	(1) The purpose of the training	Ordinal	1.1 - 1.5
		(2) Opportunity in the training		1.1 – 1.7
2	Motivation (X2)	(3) The training techniques (Armstrong, 2009)	Ordinal	1.8 - 1.12
		1. Physiological needs		2.1 – 2.2
		2. Safety Needs		2.3
		3. Love needs		2.4 – 2.5
		4. Esteem Needs		2.6
3	Job Satisfaction (Y)	5. Self-Actualization needs (Maslow, 1954)	Ordinal	2.7 – 2.10
		(1) Achievement		3.1 – 3.3
		(2) Recognition		3.4
		(3) Work itself		3.5 – 3.10
		(4) Advancement		3.11 – 3.12
		(5) Growth		3.13
		(6) Relationship with others		3.14 – 3.16
		(7) Work condition		3.17 – 3.18
(8) Pay (Herzberg, 1968)	3.19 - 3.20			

CONCLUSION AND SUGGESTION

Conclusion

Training and development received by the manager has no effect on their job satisfaction. It shows that the high or low of training and development received by the manager would not affect their level of job satisfaction. It means that Ha1 is rejected.

1. Motivation experienced by managers has an effect on job satisfaction. This relationship is positive and significant. This means that the higher level of motivation, the higher perceived level of job satisfaction. It means that Ha2 is accepted.

2. Training & development and motivation have significant and positive simultaneously effect on job satisfaction. This means that the higher received training & development and motivation they have, the higher job satisfaction they feel. It means that Ha3 is accepted.
3. Variable that has a dominant influence on job satisfaction in this study is motivation. It means that Ha4 is rejected and Ha5 is accepted. It can be seen from the significant value of two independent variables.

Suggestion

According to some of the conclusion, writer wants to suggest the researchers and other parties to pay attention to the following suggestions:

1. In this study, training and development variable has no effect on job satisfaction, but the government and related parties should continue to provide information needed for managers, so they can have greater knowledge about entrepreneurship and have the ability and skill adequate. For MSEs' managers to keep increasing their skills and abilities by joining various training programs.
2. For MSEs' managers to maintain their motivation in running their business. So that they can continuously feel satisfied with their jobs.

For further researches, it is recommended to apply another kind of data collection, such as interviews and observation. And it is also suggested to add other independent variables such as innovation, optimism, stress, and life satisfaction and to improve the questionnaire. This is because most of the questionnaire has difficult content to be understood by managers who have limited knowledge.

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