

EFFECT OF HERZBERG MOTIVATION THEORY TO PERFORMANCE OF MGM PROGRAM CUSTOMERS AT PT MANDIRI SEKURITAS BRANCH ADITYAWARMAN SURABAYA

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ABSTRACT

This study aims to determine the effect of motivation factor and hygiene factor in Herzberg motivation theory to performance of MGM program customers at PT. Mandiri Sekuritas Branch Adityawarman Surabaya. MGM (member get member) program encourage customers to provide references potential customers to Mandiri Sekuritas and then Mandiri Sekuritas give a reward to customers who refer prospective customer. According to Herzberg, motivation can be influenced by two factors: motivation factor and hygiene factor. In this study, customer interest will be evaluated from two factors that can influence it, both motivation and hygiene. The population in this study were 60 people, and the whole population became sampel. Data analysis using SPSS 16.00. Result of this study shows that both factor, motivation and hygiene, have significant effect to performance simultaneously and partially.

Keywords: customers motivation, Herzberg theory, motivation factor, hygiene factor, performance, Marketing, MGM Program at PT. Mandiri Sekuritas Branch Adityawarman Surabaya

INTRODUCTION

The capital market is a market for variety of long-term financial instrumen that can be traded, either debt securities (bonds), equities (stocks), mutual funds, derivative instruments and other instruments. The capital market is a means of funding for companies and other institution (eg government), and as means for investment activities. Stock is one of investment istruments in the capital market. Definition of shares according to the Indonesia Stock Exchange is a sign of ownership of individual or party (entity) within a company or limited liability company (Indonesia Stock Exchange, 2010). Today, trading increasingly greater. It can be seen from the volume, value, and frequency of transactions.

Table 1. Shares Trading on the Indonesia Stock Exchange, Year 2009-2013

Year	Volume (shares)	Value (Rp million)	Frequency (x)
2009	1.468.647.086.708	975.209.232	20.996.180
2010	1.330.865.192.681	1.176.237.419	25.918.560
2011	1.203.549.994.441	1.223.440.506	28.023.050
2012	1.053.762.087.909	1.116.113.252	29.941.043
2013	1.342.657.273.695	1.522.122.357	37.499.462

Source: OJK Capital Market Statistic 2014

Table 1 shows an increase in trading both in term of volume, transactin value, and frequency of transaction. A significant increase can be seen from stock trading frequencyas well as the increase of the company securities list on the Indonesia Stock Exchange until October 2014 as many as 114 securities. The local securities market leaders are Mandiri Securities.

Mandiri Securities is a securites company subsidiary from the merger of Bumi Day aSecurities, Exim Securities, and Merincorp Securities. Mandiri Securites has been effective in operation since August 200 and is one of the securities company with the largest paid-up capital amounting to 638 billion rupia. The company sells financial invesment product such as stocks, bonds, and mutual funds.

Mandiri securities aware that the competition will be intense from day to day. Other local securities are trying to win the competition by increasing the number of transaction. Seeing these facts, Mandiri Securities which initially only had one representative office in Surabaya, decided to establish a new representative office in Adityawarman Street Number 98. It is one of strategies in order to more easily reach the public and representative office in order Mandiri Securities more widely known by the public. Mandiri Securities other strategies to increase the number of customer, is to hold the program Member Get Member (MGM). MGM is a program that encourage customers to provide references to potential customer, and then Mandiri Securities give a reward to customer who refer prospective customer. Customers whi refer potential customer in this case is called MGM Agent. According to Kotler (2008), MGM strategy is one of the implementation of the strategy pull or draw in the form of advertising and promotion being run. A study conducted by Philip Schmitt, Bernd Skiera, and Cristophe Van den Bulte published in Hrvard Business Review in June 2011 examined 10,000 accounts at a large bank in Germany found that customers are the result of MGM and customer references that give references become more loyal and more valuable than other customers.

This study will analyze the influence of Herzberg motivation theory (motivator factors and hygiene factors) on the performance of MGM customers at Mandiri Securities. In this study, motivator factor called factor of motivation for easier analysis. Thus it would be known which factors that can motivate and hinder customer motivation to refer to others to be a new customer at MGM program.

Based on the description on the background, the formulation of the problem in this study are:

- a. Is the motivation factors affect the performance of the customer MGM at Mandiri Securities?
- b. Is the hygiene factors affect the performance of the customer MGM at Mandiri Securities?
- c. Is the motivation factors and hygiene factors simultaneously affect the performance of the customer MGM at Mandiri Securities?

LITERATURE REVIEW

Member Get Member (MGM)

According to Arifin (2005: 103), MGM is a sales strategy by utilizing the concept of consumer-owned to acquire new customers. The long-time consumer and the new customers will be given bonus (reward) by the organizers of the MGM program. Housden and Thomas (2012: 333) adds the definition of MGM as a marketing tool used in order for the customer to introduce or recommend the program concerned to the new consumers or potential customers with gift giving.

Performance

Nawawi (2006:63) defines performance as a target of the work which can be completed as planned. If the time exceeds the planned it means low performance. Simamora (2004) adds a level of performance as the definition of a worker reaches the job requirements such as plans and predetermined targets. Hasibuan (2006: 94) defines performances as a result of the achievement of one's work in carrying out the work assigned to him. The performance assessment can be based on competence, experience, sincerity, and time. According to Rivai and Basri (2005:50), the performance of a person's overall success rate in a given period on the implementation of the responsibilities given to him, Performance can be compared with a standard work, employment targets, employment criteria, and others.

Based on some of the definitions of the performance describes above, it can be concluded that the performance is the result of work that has been done by the person who held the job responsibilities.

Motivation

Motivation or motif, derive from the Latin word *movere* which interpreted as encouragement that exist in human beings to take action. According to Notoatmodjo (2007), motivation is closely related to the word needs or desires in a person who should be immediately addressed in order to create a sense of satisfaction. However, if not addressed, then the requirement would potentially always appear to be fulfilled. Sunaryo (2004: 8) add a definition of motivation is an urge that can be move a person to achieve the desired goal either consciously or unconsciously. Motivation in a person may come from within the individual himself or from the daily environment.

This study uses Herzberg motivation theory, known as two-factor theory of motivation. Herzberg states that motivation of a person influenced by two factors, namely motivator and hygiene factors. In this study motivator factors called motivation factor. Motivation factors is a causative factor of satisfaction with psychological needs or condition of a person's intrinsic. According to Gibson, et al. (2006: 139), motivation factors can called intrinsic factors for explaining the contents of work is always displayed. While the hygiene factor is a causative factor of dissatisfaction related to the nature of a person's need for maintenance obtain individual's safety. According to Gibson, et al. (2006: 139), a hygiene factors is extrinsic conditions in the context of work which includes wages, status, and working conditions.

RESEARCH METHODS

Data Collection

The population in this study is the customers of MGM program at PT Mandiri Securities Branch Adityawarman Surabaya. MGM program specifically given to customers who have a minimum fund of Rp.50 million, as many as 60 people. Sample technique used saturated sampling, when all members of population used as a sample for generalize minimum errors.

Therefore, sample of this study is 60 respondent. Instrument of this study is questionnaire using Likert scale 1-4 (strongly agree, agree, disagree, and strongly disagree). Likert scale can show clearly on the opinions and attitudes of respondent on the issue on question (Nazir, 2009:340).

Variables Measurement

In this study, prior to conducting a survey will be conducted presurvey to determine the indicators used. According to Moleong (2007: 127), the early stages of research, namely the pre field level as a preliminary survey. Pre-stage research conducted to draft, choosing research field, assess the field, and prepare a suitable research instruments. Pre field or presurvey conducted to analyze in more detail about the Herzberg motivation theory affecting performance of MGM customers at Mandiri Sekuritas. The variables of this study are Performance (Y), Motivation Factor (X_1), and Hygiene Factors (X_2). According to Miner (in Sudarmanto, 2009:11), performance measurement can be done through indicators: quality, quantity, the use of time in the workplace, and cooperation with others in the works. Measurement of motivation factors according to Nickels (2009:34) can done through sense of achievement, recognition, interest, opportunities for growth, opportunities for advancement, and the importance of responsibility. According to Nickels, et al. (2009: 343), indicators of hygiene factors consist of: relationship with the peer group, payment, supervisor's justice, company policies and regulations, status, jobs security, supervisor hospitality, and work conditions.

Research Hypothesis

The hypothesis to be tested in this study are:

- H1 Motivation Factors (X_1) effect on the performance of MGM Customers at Mandiri Securities.
- H2 Hygiene Factors (X_2) effect on the performance of MGM Customers at Mandiri Securities.
- H3 Motivation Factors (X_1) and Hygiene Factors (X_2) effect on the performance of MGM Customers at Mandiri Securities.

FINDINGS

Presurvey

In this study, presurvey conducted to determined indicators of independent variables (motivation factors and hygiene factors). Presurvey made to the 10 customers of MGM program by giving questionnaire contains six indicators of motivation factors and eight indicators of hygiene factors. Indicators were selected by 50% or more customers then determined as an indicators of the next survey used in this study. Presurvey result are shown in Table 2.

Table2. Presurvey Result

Motivation Factors	Percentage (%)		Hygiene Factors
1. Sense of Achievement	100	100	1. Paid
2. Recognition	70	80	2. Supervisor's justice
3. Interest in the work itself	100	100	3. Company policies and regulations
4. The importance of responsibility	90	100	4. Supervisor hospitality

Source: Data processed

In table 2 are shown the indicators of variable motivation factors and hygiene factors that will be used in this study. In the motivation factors, the two indicators (opportunities for growth and opportunities for advancement) is not in accordance with the wishes of the respondents in the MGM program. This is because MGM is side job that can be carried out by someone with the intention to earn extra income or other. As for the hygiene factor, there are four indicators (peer relationship with the group, status, job security, and working conditions) are not in accordance with the wishes of MGM customers. Presurvey made the research more focus on the customer wishes to improve performance of MGM program become better.

Sample Profile

Male respondent was 50 people or 83,3% while female respondent were 10 people or 16,7%. MGM program participants who had the largest percentage is the group of age 31-40 years. The number of respondent who educated middle school level are 5 people or 8,3% while respondent with a bachelor level education amounted to 55 people or 91,7%. The majority of the respondent (67%) conduct daily transactions worth 41 million to 60 million rupias. It shows the majority of respondent are active in stock transactiob through Mandiri Securities. However, the number is not too large, showed that MGM customers are moderate type, which tend to be cautious in the deal.

Quality Test of Research Data

Result of the validity test of all items on the statement of the performance variable (Y), motivation factors (X₁), and hygiene factors (X₂) has a significant value of less than or equal to 5% (sig ≤ 0,050), so that all items in the statement of research instrumen are valid. Reliability test conducted showed that the cronbach alpha values of all item is greater than 0,6. This indicates that the entire item statement on performance variables (Y), motivation factors (X₁), and hygiene factors (X₂) are reliable to use in the research.

After the validity and reliability test, multiple linear regression test conducted. According to Sugiyono (2008: 277), linear regression is used when the independent variables consisting of two oe more, so that it can be seen how far the influence of these variables on the dependent variable. Result of the linear regression test as follows:

Table 3. Multiple Linear Regression Test Results

Model	B	t stat	Sig. t
Constanta	0,388	2,044	0,046
Motivation Factors (X ₁)	0,487	4,484	0,000
HygieneFactors (X ₂)	0,277	2,114	0,039
R (correlation)	= 0,838		
R square	= 0,702		
F stat	= 67,074		
Sig. F	= 0,000		
Dependent Variable (Y)			

Source: Data processed

Based on the Table 3, the regression equation is:

$$Y = 0,388 + 0,487 X_1 + 0,277 X_2$$

The regression equation can be interpreted that:

- a. Regression coefficient of motivation factors variable (X_1) is 0,487. This means that if the opinion of the respondents to the motivation factors experienced an increase of one unit, it will improve the performance of the MGM program amounted to 0,487 units with assumption the hygiene factors is constant.
- b. Regression coefficient of hygiene factors variable (X_2) is 0,277. This means if the opinion of respondent to the hygiene factors increased by one unit, it will be raise the performance of MGM program amounted to 0,277 units, assuming that motivation factors variable is constant.

Simultaneous test F shows the influence of the independent variables jointly (simultaneously) on the dependent variable. A regression equation can basically be tested using F test statistics to test the suitability of the effect model of X_1 and X_2 toward Y. To determine the influence of independent variables on the dependent variable, statistical test F were used with level significant (α) is equal to 0,05. Table 3 showed the test F resulted Sig = 0,000 or significance value less than 0,05. It can be concluded that the motivation factors and hygiene factors simultaneously have significant effect on the performance of the MGM program.

Multiple linear regression results in Table 3 shows the value of R square obtained in this study amounted to 0,702. The value of 70,2% indicates that performance is infected jointly by motivation factors and hygiene factors, while the rest (29,8) are not addressed in the study. The correlation coefficient is represented by the value of R is used to indicate the magnitude of the strength of the relationship between independent variables with the dependent variable. Table 3 indicates that the value of R (correlation coefficient) obtained amounted to 0,838, this value indicates that the relationship between motivation and hygienen factors are very strong, because the numbers are in the range 0,80 to 1,00.

To determine the influence of independent variables on the dependent variable partially is used t test. Basis for the decision use a statistical test t with the level of significant (α) of 0,05. Thus could be concluded as follows:

- a. If the significant value $\geq 0,05$, then there is no influence of independent variables on the dependent variable partially.
- b. If the significant value $\leq 0,05$, then there is the influence of independent variables on the dependent variable partially.

Result of t test in Table 3 shows that:

- a. Motivation Factors (X_1) obtained significance value of 0,000 (less than 0,05). It can be concluded that the motivational factor variable (X_1) significantly affects the performance variable (Y) partially.
- b. Hygiene Factors (X_2) obtained significance value of 0,039 (less than 0,05). It can be conclude that the hygiene factors variable (X_2) significantly affect the performance variable (Y) partially.

Implication Managerial

a. Motivation Factors

The result showed that the motivation factors has significant and positive impact on performance. That means when the motivation factors increases, the performance of MGM customers will increase as well. Likewise, if the motivation factors decreases, then the performance will be reduced. Efforts are needed to improve the performance of MGM customers in recruiting participant to conduct more intensive individual approach to customers. The relationship between supervisors and customers should also be maximized. For instance by giving awards to customers who are able to recruit more than four participants in a given time. In example, that customer will be invited by the office to enjoy lunch together, given a special training facility on the capital market, imprinted the customer's name in The Morning Note each morning in the system of online customers, and do a reassessment every month.

In this study, the effect of motivation factors on performance is bigger compare to the hygiene factors. Thus, it can be conclude that motivation factors are more dominant in influencing the performance, so special attention from the supervisor to the character of customers is expected. More intense approach needs to be made to customers who have a special interest in MGM program.

b. Hygiene Factors

Hygiene factors in this study also had a significant and positive effect on the performance of MGM participants. Results of the questionnaire indicate dissatisfaction of MGM customers toward company compensation. Efforts can be made in improving the hygiene factors is to increase the value of consideration receive by the customers. During this time, the MGM customers get rewards 2% from each transaction commission of the participant. It needs to be evaluated by the management regarding the amount of reward schemes. For instance, customers who are able to recommend four people in a particular time can also be given a transaction fee cuts.

CONCLUSION

Based on the data analysis of the results of research that has been done using SPSS 16.00, the conclusion obtained from this study are:

- a. Partially motivation factors have a significant influence on the performance of the MGM program at PT Mandiri Securities Branch Adityawarman Surabaya.
- b. Partially hygiene factors have a significant influence on the performance of the MGM program at PT Mandiri Securities Branch Adityawarman Surabaya.
- c. Simultaneously motivation factors and hygiene factors have a significant effect on the performance of the MGM program at PT Mandiri Securities Branch Adityawarman Surabaya.

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