

## The Influence of Human Resources Quality and Work Ethic on the Performance of Private Bank Employees in Medan City

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**Abstract** : Employee performance is one indicator of the company's business development. Performance can be shown from quality, quantity, working time, and cooperation to achieve the goals set by the company. Employee performance is related to factors of employees, such as the quality of human resources (knowledge, attitudes, and skills) and work ethic. This research design is descriptive and quantitative research using random sampling method. The data collection technique was carried out using a questionnaire with a sample of 60 respondents. Data analysis used multiple linear regression with simultaneous test and partial test. The results show that 1) there is a positive and significant effect of skills on employee performance, 2) there is a positive and nonsignificant effect of knowledge on employee performance, 3) there is a positive and nonsignificant effect of attitude on employee performance, 4) there is a positive and significant effect of work ethic on employee performance. Simultaneously, the quality of human resources and work ethic significantly affect employee performance.

**Keywords:** *employee performance; quality of human resources, work ethic.*

### INTRODUCTION

Every business organization has goals that must be achieved within a predetermined timeframe. In achieving these goals, the management in business organizations carries out various internal and external strategies. Internal strategy is always related to the internal resources of a business organization, including human resources (HR)/employees. HR is an important asset and has a strategic role in business organizations, which is a central factor.

The company's goals are elaborated in work units carried out by employees so that the achievement of company goals is strongly influenced by employee performance. Therefore, the company's management is very interested in implementing strategies to improve employee performance. Employee performance is a result achieved by the employee in his work according to specific criteria that apply to a particular job.

Performance is the result achieved by a person during a specific period in carrying out his duties and responsibilities compared to various

possibilities, such as work standards, targets or targets or criteria that have been determined in advance and have been mutually agreed upon. Furthermore, [1] explains that performance or performance is a description of the level of

[2] provides an understanding of employee performance specifically as a result of work in quantity and quality achieved by a person in carrying out his duties following the responsibilities given to him. Thus the success of performance includes both quantitative and qualitative aspects.

Employee performance is determined by various factors, both internal and external. Internal factors are related to the quality possessed by the employee, or referred to as the quality of human resources. The work of an employee is largely determined by the quality it has. According to [3], the quality of human resources is a combination of physical abilities (health) and non-physical skills (the ability to work, think, mentally, and other skills) possessed by an individual so that he can work, be creative,

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have potential in the organization.

The quality of human resources can be seen from physical aspects such as strength or physical abilities and skills, but also non-physical elements, such as education or level of knowledge, experience, maturity, and attitude. According to [4], the ability of human resources significantly affects performance, where the higher the ability of human resources, the higher the performance.

Therefore, every company always makes efforts to improve the quality of its human resources to improve employee performance. According to [5], the achievement of an employee's performance is very dependent on himself, this is related to his spirit and work ethic. This is emphasized by [6] that the success of an employee in job competition does not only require skills and abilities but also requires dedication, hard work, and honesty in work. Someone successful must have views and attitudes that value work as something noble for human existence. Employees who have noble thoughts about their work can work sincerely. A view and attitude towards work is known as work ethic.

According to [7], work ethic is a work spirit seen in the way a person responds to work and the motivation behind doing a job. Work ethic is an attitude, view, habit, characteristics or nature of how to work that is owned by a person, a group or a nation.

To improve their business performance, private banks as business organizations must

implement strategies to improve employee performance. In this regard, a study was conducted to determine the relationship between employee performance and the quality of human resources and employees' work ethic in private banks. According to [8], the world of bank work requires quality human resources to increase efficiency in winning the global competition.

## METHOD

The object of this research is a private bank in Medan City. The population in this study were employees at the branch office of the private bank, 152 people, with a sample of 60 people based on the Slovin formula. The sampling technique was based on simple random sampling.

The data collected is primary data obtained through a questionnaire. The scale used is an interval scale with a Likert scale approach. Data analysis to determine the effect of the quality of human resources (knowledge, attitudes, and skills) and work ethic on employee performance using multiple linear regression with simultaneous and partial tests.

## RESULT AND DISCUSSION

### RESULT

#### Descriptive Analysis

Based on the results of descriptive analysis of the variables analyzed, the following results were obtained:

Table 1. Criteria for Research

Variables Variable	Score	Std. Dev	Criteria
Knowledge (X1)	4.11	0.22	Good
Attitude (X2)	4.03	0.17	Good
Skills (X3)	4.12	0.08	Good
Work ethic (X4)	4.07	0.13	Good
Employee performance ( Y)	3.93	0.16	Good

From the table above, it can be seen that all the variables studied based on the sample data belong to good criteria with an average score of 3.93 - 4.12 from the maximum score of 5. Of the five variables studied, the skill variable has the highest score of 4.12. which shows that the sample in this case employees have a good skill.

### The Effect of HR Quality and Work Ethic on Employee Performance

Data analysis used multiple linear regression with the following results:

Table 2. The results of the regression analysis of the effect of the influence of HR quality and work ethic on the performance of private bank employees in Medan

Variabel	Koefisien Regresi	t	Sig.
Constant	-5,501	-1,601	0,115
Knowledge (X1)	0,490	4,370	0,000
Attitude (X2)	0,129	1,673	0,100
Skill (X3)	0,077	0,782	0,437
Work Ethic (X4)	0,401	4,351	0,000
R	: 0,903		
R <sup>2</sup>	: 0,816		
Adjusted R <sup>2</sup>	: 0,802		
F-hitung	: 60,837 (sig. 0,000)		

Sumber: Data diolah, 2021.

The analysis results show the F-count value of 60.837 with a significance of 0.000, meaning that the variables of human resource quality (knowledge, attitudes, and skills) and work ethic simultaneously have a significant effect on the performance of private bank employees in Medan. The coefficient of determination (adj. R<sup>2</sup>) of 0.802 means that the private bank employee performance changes in Medan are influenced by changes in the quality of human resources (knowledge, attitudes and skills) and work ethic of 80.2%, the remaining 19.8% is determined by other factors which were not described in the study.

Based on the coefficients, the regression equation is obtained as follows:  $Y = -5.501 + 0.490 X_1 + 0.129 X_2 + 0.077 X_3 + 0.401 X_4$

From the multiple regression equation, it can be seen the direction of the relationship resulting from the dependent variable. Based on the regression results, the constant is negative, which indicates that if the quality of human resources (knowledge, attitudes, and skills) and work ethic are not present, then the employee's performance is negative.

The regression coefficient knowledge variable (X1) is positive and significant, meaning that if the employee's knowledge is getting better or increased, the performance of employees will also increase. The regression coefficient

attitudinal variables (X2) is positive but not significant, meaning that if the attitude of the employees has improved, the performance of employees will also increase. The skill variable regression coefficient (X3) is positive but not significant, meaning that if the employee's skills improve, the employee's performance will also increase. The regression coefficient of the work ethic variable (X4) is positive and significant, meaning that if the employee's work ethic is getting better or has increased, then the employee's performance will also increase.

The results of the analysis show that the variables that have a more dominant influence on the performance of private bank employees are knowledge, then work ethic.

## DISCUSSION

The knowledge variable has a positive and significant effect on the performance of private bank employees. This result is in line with [9], that knowledge has a positive and significant effect on employee performance. However, the research results by [10] show that partial knowledge has no significant impact on employee performance.

The attitude variable has a positive but not significant effect on the performance of private bank employees. In contrast to the results of this study, [11] state that work attitudes partially have a positive and significant effect on employee

performance.

The skill variable has a positive but not significant effect on the performance of private bank employees. In contrast to the results of this study, [9] skills have a positive and significant effect on employee performance. Overall, the quality of human resources has a significant impact on employee performance, as explained by [12]. [13] also explained that the quality of human resources supports employee performance.

The work ethic variable has a positive and significant effect on the performance of private bank employees. This result is in line with [14] that partially effective work ethic substantially impacts employee performance.

## CONCLUSION

Partially, there is a positive and significant effect of knowledge and work ethic variables on employee performance, there is a positive and insignificant effect of attitudes and skills on employee performance. Simultaneously, the variables of human resource quality (knowledge, attitudes and skills) and work ethic have a significant effect on the performance of private bank employees in Medan.

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