

**EMPLOYEE PERFORMANCE ANALYSIS BASED ON  
EDUCATION AND WORK DISCIPLINE IN THE COOPERATIVES  
AND MICRO, SMALL & MEDIUM ENTERPRISES (MSMEs)  
DEPARTMENT OF MALANG REGENCY**

**Yusuf Iskandar**

Institute of Economics Jaya Negara Taman Siswa Malang, East Java, Indonesia  
E-mail: [yusufiskandar789@gmail.com](mailto:yusufiskandar789@gmail.com)

**Abstract**

*Education can be defined an activity that is carried out in school. Work discipline means an attitude to respect and obey the applicable rules, both written and unwritten, as well as able to follow the rules and to be given sanction for every violation to the duties and authorities given. This research aimed to: 1) analyze the effect of education on employee performance; 2) analyze the effect of discipline on employee performance; 3) analyze the effect of education and work discipline on employee performance in Cooperatives and Micro, Small & Medium Enterprises (MSMEs) Department of Malang Regency. This research method used quantitative methods with primary and secondary data. The data were collected through library study and field study with a sample of 65 people. The data analysis used multiple linear regression assisted by SPSS version 24. The results shows that education has no significant effect on employee performance. In contrast, work discipline has a significant effect on employee performance. Both education and work discipline do not significantly affect employee performance in the Cooperatives and Micro, Small & Medium Enterprises (MSMEs) Department of Malang Regency.*

**Keywords:** *effect of education, effect of work discipline, employee performance*

**INTRODUCTION**

Human resources in an organization is an essential role since it becomes the main driving force of all activities to be able to achieve the continuity of the organization. Human Resources (HR) is a science and art to achieve the organizational goal through other people's efforts by focusing on all other people employed to achieve a predetermined goal (Nurmansyah 2011; 3). The success or failure of an organization in maintaining the

existence of the organization begins with the efforts to manage human resources, especially in increasing the performance optimally. Education, work supervision, and discipline are factors that can affect the performance of an organization. Performance must be understood by all organizational interests as a method for taking preventive action against decreasing organizational performance.

Human resources are an inseparable part of organization (Sugiyono, 2013: 201). Organization can run smoothly if they are in accordance with what has been determined and if the organization members share the same goal to make the organization develops and increases the profits year by year. According to Hasibuan (2016: 10), human is the main driving factor of all organization activities, so that the workforce role should obtain more serious attention from the organization.

The existence of an organization begins from its effort to optimize the work performance. One of the factors to reach the expected performance is the employee must have proper educational background that is suitable with their field (Koyongian, 2015: 11). Another factor that affects human resources is work discipline. According to Liyas (2017: 11), work discipline can be seen as something that has great benefits, both for the organization and employees. If the employee has high work discipline, it will ensure the implementation of rules and fulfillment of tasks, so that optimal results can be obtained and targets of the organization will be achieved.

Ardana (2012: 223) stated that education is all kind of efforts to foster personality and develop the life-long skills of Indonesian people, both physically and spiritually, that takes places in inside and/or outside school to build the unity of Indonesia and a fair and prosperous society according to Pancasila. Siagian (2008: 10) mentioned that discipline is defined as a person's attitude and behavior that reflects the level of obedience to various applicable regulations and the corrective action against violations of the regulations or standards that have been set.

Performance is a system used to assess and find out if an employee carries out the overall responsibilities. It can also be defined as a combination of work results, namely what must be achieved by an employee and the competence to achieve it (Sedarmayanti 2009: 88-89). From the explanations of experts about work discipline and education above-mentioned, it can be concluded that work discipline and education can affect performance in an organization.

There are three main supporting pillars of economy in Indonesian economic system. They are State-owned enterprises (*BUMN*), Private-owned enterprises (*BUMS*) and Cooperatives. The three pillars have their respective roles based on their capacities. Cooperative is joint business activities that has the aim of prospering its members and society, as well as participating in building the national economic order in the context of realizing a developed, fair and prosperous society according to Pancasila and the 1945 Constitution of the Republic of Indonesia.

Cooperatives as one of the forms of business entity that is in accordance to the provisions of the 1945 Constitution must be given broad opportunity and enhanced development, so they will be able to fulfill their role in the national development. This policy must be taken to solve the disharmony in society due to huge gap in economic power. There are only small percentage of people with strong economic position that dominates the national economic life. On the other hand, most people in the society are those in a weak economic condition that has never been able to carry bigger role in the national economy. As the statement of the 1945 Constitution of the Republic of Indonesia Article 33 paragraph (1), the priority should be the prosperity of the society and not the prosperity of some people; thus, the suitable business entity for that goal is a cooperative.

Department of Cooperatives and Micro, Small & Medium Enterprises (MSMEs) performs the duties of regional autonomy in the field of Cooperatives and Micro, Small and Medium Enterprises (MSMEs). Department of Cooperative and MSME is led by the Head of Department who is responsible to the Regent through the Regional Secretary. In accordance with the Regulation of the Regent of Malang Number 15 of 2008 concerning Regional Apparatus Organization, Department of Cooperatives and MSMEs has a main duty of preparing regional policies in the field of cooperatives and MSMEs. Malang Regency Department of Cooperatives and MSMEs carries out its duties with the standards of education and work discipline.

Department of Cooperatives and MSMEs of Malang Regency is one of the organizations that works professionally by prioritizing education and work discipline of the employees. Based on the observation, the employees have not shown any positive result in their performance based on the policy of education and work discipline.

The problems found in this study were the lack of employees' punctuality in completing assignments, unsuitable position with the background of education, spending more time with cellphones and hanging out with colleagues, leaving office during work hours and coming back only to take record of work attendance. Therefore, this study aimed to find out a qualified policy regarding educational background and work discipline for more professional performance of the employee, so that the organization will be more benefited and efficient.

Based on the result of observation in the Department of Cooperatives and MSMEs of Malang Regency, the researcher was interested to do research entitled "Employee Performance Analysis Based on Education and Work Discipline in the Cooperatives and Micro, Small & Medium Enterprises (MSMEs) Department of Malang Regency" to analyze the effect of education and work discipline. It became interesting topic since the employees did not perform their work optimally because of unsuitable position based on their educational background

## RESEARCH METHOD

This research used quantitative approach (Sugiyono, 2013), by using education and work discipline as independent variables and work performance as dependent variable. Education variable was measured by the indicators of formal and non-formal education from Handoko (2012). Work discipline was measured by using eight indicators from Siagian (2008) and work performance by Wibowo (2007) with the indicators of work result, work attitude, and personality. The variables were measured by using Likert scale (Sugiyono, 2009). There were 65 employees of Department of Cooperatives and MSMEs of Malang regency as samples, with questionnaire as the main data instrument. Then, the data were analyzed by multiple linear regression analysis (Sugiyono, 2013) by using SPSS 24.

## RESULT AND DISCUSSION

This study involved respondents who were 60% male employees with the age range of 21-30 years old (38%) and that has been working for 11-20 years (38%). The instrument used was valid for it has correlation coefficient more than 0.3 (Ghozali, 2011), and was reliable for its Alpha Cronbach value is more than 0.6 (Sugiyono, 2013).

**Table 1. Result of Multiple Linear Regression Test**

No.	Variable	B	t	Sig.
1.	Constant	23.355	4.040	0.000
2.	Education	-0.092	-0.508	0.615
3.	Work Discipline	0.414	2.100	0.043
F = 2.300				
Sig F = 0.115				

According to Ghozali (2012: 166), the accuracy of the regression function in estimating the actual value can be measured from the Goodness of Fit, that statistically can be measured from t-statistic value, f-statistic value and the coefficient of determination. Statistical calculation is considered statistically significant if the desired test value is in the critical area (the area where Ho is rejected), where Ho states that the independent variable has no partial or simultaneous effect on the dependent variable. On the other hand, it is called insignificant if the value of the statistical test is in the area where Ho is accepted. Tests were carried out using t test and f test.

### **Effect of Education on Work Performance**

The value of t-count from coefficients was 0.508 that means  $t\text{-count} < t\text{-table}$  ( $-0.508 < 1.68488$ ). It showed that  $H_0$  was accepted and  $H_a$  was rejected. This result means that there is no significant correlation between education and work performance.

The cause of the insignificant effect between education and work performance is the employees are not placed based on their educational background. It makes them difficult to work on the assignments that make them unable to work optimally in the Cooperatives and Micro, Small & Medium Enterprises (MSMEs) Department of Malang Regency. This result of study does not in line with the previous researches done by Koyongian (2015), Kowaas (2016), and Safitri (2018) which stated that education has significant correlation to performance.

### **Effect of Work Discipline on Work Performance**

From the table of coefficients, t-count was 2.100 which means that  $t\text{-count} > t\text{-table}$  ( $2.100 > 1.68488$ ). It showed that  $H_0$  was rejected and  $H_1$  was accepted. This result means that partially there is positive between work discipline and work performance.

Some possible causes of positive correlation between work discipline and work performance are the records of attendance for three times a day and system of punctuality applied in completing the assignments. It makes the works to finish optimally and based on the needs in the Cooperatives and Micro, Small & Medium Enterprises (MSMEs) Department of Malang Regency. This result is in line with the previous researches by Cleopatra (2015), Liyas (2017), Koyongian (2015), Koowas (2016) and Sinollah & Amin (2021) which stated that work discipline has significant effect on performance.

### **Effect of Education and Work Discipline on Work Performance**

The result of t-test 1 was simultaneous with f-test for 2.300 which means that ( $2.300 < 3.24$ ). From the result, it can be inferred that education and work discipline has no significant effect on work performance. The statistical result by SPSS showed that independent variable could explain dependent variable for 6,4 %, while the rest of 93,6% was explained by other variables which were not included in this research. However, they did not significantly affect in this research so that the 93.6% did not last long.

The statistical results by SPSS showed that the independent variable was able to explain the dependent variable by 6.4% and the resulting effect was not significant. In contrast, the rest of 93.6% was influenced by other variables that were not included in this study. This study was not significant since the effect reached 93.6% and it was not too long or only temporary.

The variables of education and work discipline have no effect on performance because work orders cannot be carried out optimally by employees. It is because employees have difficulty in accepting assignments that are not in accordance with their educational background so they cannot work optimally at the Department of Cooperatives

and MSMEs of Malang Regency. The result of this study is in line with the previous research results done by Koyongian (2015) and Koowas (2016) which stated that variables of education and work discipline do not significantly affect work performance.

## **CONCLUSION**

Based on the research result, it can be summarized that: level of education does not significantly affect work performance, work discipline significantly affects work performance, and education and work performance altogether do not significantly affect the work performance of the employees in Department of Cooperatives and MSMEs of Malang Regency.

## **RECOMMENDATION**

There are some recommendations can be given based on the results of the study. First, it is suggested to the organization to place the employees based on their educational background so that they can work optimally. Then, the organization can maintain the work discipline of the employees and even to increase it. This research can be used as a reference during work process so that the work performance can be more efficient and beneficial for the organization.

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