
TRANSFORMING EMPLOYEE MOTIVATION TO ENHANCE EMPLOYEE PERFORMANCE AT PT BIO FARMA (PERSERO)

Nabila Prajnaparamita Leman¹, Aurik Gustomo²

Institut Teknologi Bandung, Indonesia

nabila_prajnaparamita@sbm-itb.ac.id¹, aurik@sbm-itb.ac.id²

ABSTRACT

This study was conducted at PT Bio Farma (Persero). This Indonesian state-owned company focuses on the research and production of life-science products. During the last three years of implementing the Performance Management System, employee performance has decreased from 2019 – 2021. This study explores the decline in employee performance and the factors that cause it. The research was conducted using quantitative and qualitative analysis methods. The quantitative approach was performed through a survey involving 125 Bio Farma employees as respondents. The survey questions cover 5 (five) elements that can contribute to employee performance: shared values, leadership style, organizational culture, perceptions of organizational practices, and employee motivation. In comparison, the qualitative method was performed through interviews, observation, and internal documentation. To help find root causes and gaps, current practice conditions in the company are also discussed in this study. This study found that employee motivation is the main factor contributing to decreased performance, especially regarding career opportunities and the remuneration system. These business issues lead to proposed solutions to improve the career opportunity system at Bio Farma. Talent management is used in determining the future career of employees. This study suggests the application of competency-based assessment to obtain employee competency data that will be included in employee talent data. The proposed solution will be based on an implementation plan through the implementation of four main activities: identifying employee competencies, defining employee competencies, implementing competency-based assessments, and creating employee talent data which includes performance, potential and competency data.

Keywords: competency-based assessment, employee performance, motivation, talent mapping, performance management.

Corresponding Author: Nabila Prajnaparamita Leman

E-mail: nabila_prajnaparamita@sbm-itb.ac.id



INTRODUCTION

The Human Resources function has evolved to reach more effectiveness in the corporate world. Today, Human Resources focus on five major components: recruitment and selection, training and development, pay and benefit, performance appraisal, and labour relation (Touma, 2022). Performance appraisal plays a significant part in evaluating the enterprise's achievement toward the targets. Further, performance appraisal is also used to determine employees' contribution to supporting the enterprise's targets achievements. This practice is also known as employee performance management.

Employee performance management is one of the most effective Human Resources processes which can guide employee performance and have an immensely positive effect on organizational success (Neher & Maley, 2020). Successful organizations were those with the highest return on equity and those who had established a performance management system "aligning" every aspect

of the organization from top management to the factory floor (Buya, 2014). Thus, effective performance management is needed as a source of a sustainable competitive advantage (Ong & Mahazan, 2020). As corporations desire higher business performance and results, they need clear goals and strategies. An organization must set goals to motivate employees and clarify their role perceptions by establishing performance objectives (Rifa'i & Fadhli, 2013). It will improve employee performance in two ways: by amplifying the intensity & persistence of effort and giving employees clearer role perceptions so that their actions are compatible to their behavior that will improve work performance.

Usually, one Corporation has more than one fundamental goal to be achieved in a certain period. It is often led to being uncontrollable, which means that every Corporation should use a measurable way to keep their performance on track with the goals set. Effective performance management is essential to businesses as it helps them align their employees, resources, and systems to meet their strategic objectives (Sunarsi, 2018). It works as a dashboard, too, providing an early warning of potential problems and allowing managers to know when they must adjust to keep a business on track. Organizations that get performance management right become formidable competitive machines (Lestari, 2019).

In emerging markets, performance management is considered a participative system, continuous and future-oriented, as an ongoing cycle of criteria settings, monitorization, evaluations, diagnosis and improvements, action plans, and development resources (Vosloban, 2012). The more the employees exceed expectations, the more excellent company's performance, and achievements. Thus, a strong company will always attract and retain talent. Several contributing factors to maintaining and improving employee performance include motivation. Motivation as a meaningful construct is a central pillar in the workplace (Herzberg, 2017). Thus, motivating employees is a challenge as it has what it takes to define employee satisfaction in the workplace.

PT Bio Farma (Persero) is a life science company specializing in vaccine research, development, and production based in Bandung, West Java, Indonesia. When established in 1890 during the Dutch Colonialism era, Bio Farma was named Parc Vaccinogene and was in Batavia (now Jakarta). In 1895, the company was known as Parc Vaccinogene en Instituut Pasteur, and by 1902 it had changed its name to Landskoepoek Inrichting en Instituut Pasteur. Since then, vaccine research, development, and production have been operated in Bandung.

Under Japanese Colonialism in 1942, Bio Farma changed its name to Bandung Boeki Kenkyushoo, which Kikuo Kirauchi led. In 1945, when Dutch Colonialism entered, Bio Farma was named Landskoepoek Inrichting en Instituut Pasteur again. The operation was moved to Klaten, Central Java. At that time, Bio Farma was led by R.M. Sardjito, the first Indonesian who led the vaccine company.

In 1955, Indonesia took over the only vaccine company from Dutch ownership. The company was operated under the name of Perusahaan Negara Pasteur until 1961 the government changed the company name to Perusahaan Negara Bio Farma. Seventeen years later, based on Government Regulation no. 26, the year 1978, the company was recognized as Perusahaan Umum (Perum) Bio Farma. In 1997, Perum Bio Farma was changed to PT Bio Farma (Persero) based on Government Regulation no. 1 the year 1997, with 100% ownership to the state, made Bio Farma the State-Owned Enterprise. In 2020, Bio Farma was formed as the Parent of Pharmacy Holding State-Owned Enterprises (Holding BUMN Farmasi) until today.

As the Parent of Pharmacy Holding State-Owned Enterprises, Bio Farma owns three subsidiaries: Kimia Farma, which focuses on prescription drugs/medicines production; Indofarma, which focuses on herbal medicines production; and Inuki, which focuses on the nuclear technology industry. In comparison, Bio Farma focuses its business on life science research, development, and production, mainly on vaccines and sera.

Bio Farma is Indonesia's most prominent vaccine corporation (Iswati et al., 2022). It has two locations, 91,058m² in Pasteur Area for production facilities, research & development, and administration support and 282,441m² in Lembang Area for animal breeding. Supported by 1,300 employees, Bio Farma has fulfilled National essential vaccines necessities and has exported its vaccines to more than 150 countries and 3,200 million dosages annually. In 132 years, Bio Farma has produced bacterial vaccines, viral vaccines, and diagnostic kits and provided healthcare services, especially vaccination services.

Bio Farma has launched several vaccines that helped the world to eradicate some diseases and continue to contribute massively to fulfilling national vaccine necessities as well as international up to more than 150 countries worldwide. With such success stories, Bio Farma plans to transform into a world-class life-science company focusing on vaccines and other life-science products.

To realize the plan, Bio Farma needs to arrange the Company's Long-Term Plan (RJPP) and Company Work Plan and Budget (RKAP) to see how feasible and achievable the plans are. The big project needs to be translated into a Corporate Strategic Plan to become the Corporate's Key Performance Indicator (KPI).

Philpott and Sheppard (1992) define performance management as a systematic approach to improve performance in the level of business and team in order to achieve business goals (Khan et al., 2014). The implementing an effective performance management system will ensure an effective employee performance level that led to the overall organization performance (Andriani et al., 2022). The performance management system can be performed using Key Performance Indicator (KPI). KPI allows the management to control and track the targets achieved at a certain period. Of course, in achieving the targets, the top management needs help to do it. They need support from their lower-level managers and staff to realize the desired targets. The system that regulates the evaluation through the KPI concept is known as Performance Management System (PMS). To achieve the target, the Corporate's KPI will often be cascaded from the lower-level managers to the staff so that the daily job performed by the employees supports the Corporation's targets. The use of KPIs also enables the management to evaluate the performance of its subordinates/staff or lower-level managers.

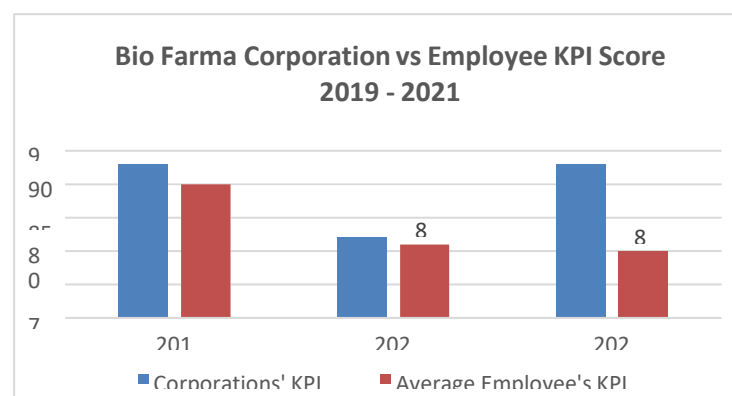


Figure 1. Corporation vs Employee KPI Scores

Starting in 2019, Bio Farma applied Performance Management Systems using the KPI method based on the Balanced Scorecard concept, which consists of 4 perspectives: Financial, Customer, Internal Process, Learning & Growth (Grigoroudis et al., 2012). In 2019 and 2020, all employees put their KPIs based on their job descriptions. Back then, performance appraisal results were not connected to the remuneration system, so many employees did not care about their achievements. As a result, the KPI scores were normative. The KPI achievement of the Corporation in 2019 was 93, followed by 82 in 2020 and 93 in 2021. However, employee performance at Bio Farma experienced a decline year by year. In 2019, the average KPI results were 90, which fell to 81 in 2020. Due to this condition, in 2021 Performance Management Unit proposed the KPI cascading method. The employees were requested to create the KPI based on the KPI set for their superiors, hoping that it would generate conformity between the Corporation's KPI achievements and boost Employees' KPI achievements. However, in 2021 the average employee's KPI scores continue to decrease. In 2021, Corporation's KPI score was 93, while most employees' scores only reached 80.

These three years of KPI scoring show that the employees' KPI continues to fall. Thus, management should pay more attention to this condition because decreasing employee performance may also affect a corporation's performance.

METHOD

This research uses both quantitative and qualitative methods. The quantitative approach is used to collect and interpret the data. At the same time, the qualitative method describes and validates the research result. Data collection instruments are illustrated as follows.

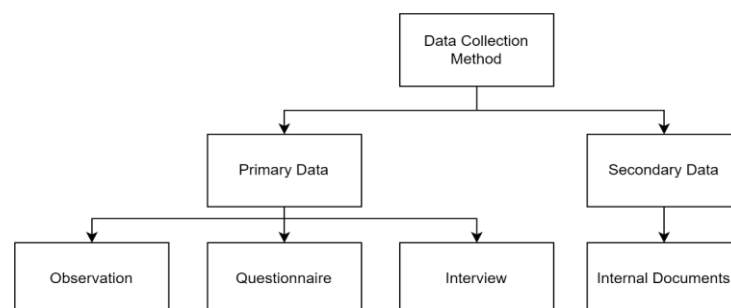


Figure 2. Data Collection Method

The above diagram explains that the data collection method is done by 2 (two) kinds of primary and secondary data. According to (Gog, 2015), preliminary data is collected specifically for the research project. This study gathers the primary data through observation, questionnaire/survey, and interview methods. In contrast, secondary data is already collected in some contexts other than the present study (Robinson, 2014). It provides the necessary background information, builds credibility for the research report, and helps to clarify the problem during the exploratory research process. The author uses the related company's internal documentation to collect secondary data.

RESULTS AND DISCUSSION

The descriptive analysis will explain the outcome based on frequencies and percentages. Next step, the study will be continued by describing the instrument's degree of correlation and reliability based on the Pearson Correlation coefficient and Cronbach Alpha.

The Influence of Shared Values on Employee Performance

Table 1. Correlation Matrix of Shared Values & Employee Performance

		Shared Values	Employee Performance
Shared Values	Pearson Correlation	1	.626**
	Sig. (2-tailed)		.000
	N	125	125
Employee PerformanceResult	Pearson Correlation	.626**	1
	Sig. (2-tailed)	.000	
	N	125	125

**. Correlation is significant at the 0.01 level (2-tailed).

The result in Table 1. is calculated using the statistics software of SPSS. According to the statistical result, the relationship between variables of shared values and employee performance is proven to have a significant positive relationship ($r = 0.626$, $p < 0.05$). With $r = 0.626$, it demonstrates that those two variables are related. Thus, shared values have a significant influence on employee performance. This significant relation describes that if the shared values internalization is done correctly, it will positively impact employee performance.

To determine the validity of the above result, a Sig 2-tailed value is used. An instrument or data is valid if the Sig 2-tailed value is under 0.05 (Sekaran, 2006). Thus, based on Table 1. with $p < 0.05$, the statement is valid and can be used to measure the relationship. In performing the reliability test, Cronbach's Alpha Coefficient was calculated and resulted as follows.

Table 2. Cronbach's Alpha Coefficient for Shared Values Variable

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.963	.964	18

Table 2. shows the result of the reliability test coefficient. In gathering data regarding the shared values variable, this research used 18 questions on the survey and resulting in Cronbach's Alpha coefficient of 0.964. Cronbach's Alpha Coefficient shows that the result is greater than 0.8. Thus, the result is categorized as excellent, which means that the survey data has very high internal consistency.

The Influence of Leadership Style on Employee Performance

Table 3. Correlation Matrix of Leadership Style & Organizational Culture

		LeadershipStyle	Employee Performance
Leadership Style	Pearson Correlation	1	.582**
	Sig. (2-tailed)		.000
	N	125	125
Employee Performance Result	Pearson Correlation	.582**	1
	Sig. (2-tailed)	.000	
	N	125	125

**. Correlation is significant at the 0.01 level (2-tailed).

The result in Table 3. is calculated using the statistics software of SPSS. According to the result, the relationship between leadership variables and employee performance has a significant positive relationship ($r = 0.582$, $p < 0.05$). With $r = 0.582$, it proves that those two variables are moderately related. Thus, leadership style has a significant influence on employee performance. This significant relation shows that if the leadership practice is done correctly, it will moderately impact employee performance.

To determine the validity of the above result, a Sig 2-tailed value is used. Thus, based on Table 3. with $p < 0.05$, the statement is valid and can be used to measure the relationship. In performing the reliability test, Cronbach's Alpha Coefficient was calculated and resulted as follows.

Table 4. Cronbach's Alpha Coefficient for LeadershipStyle Variable

Cronbach'sAlpha	Cronbach's Alpha Based onStandardized Items	N of Items
.803	.804	2

Table 4. shows the result of the reliability test coefficient. In gathering data regarding the leadership style variable, this research uses 2 questions on the survey, which resulted in Cronbach's Alpha coefficient of 0.804. Cronbach's Alpha Coefficient shows that the result is more significant than 0.8. Thus, the result is categorized as excellent, which means that the survey data has very high internal consistency.

The Influence of Organizational Culture on Employee Performance

Table 5. Correlation Matrix of Organizational Culture & Employee Performance

		Organizational Culture	Employee Performance
Organizational Culture	Pearson Correlation	1	.753**
	Sig. (2-tailed)		.000
	N	125	125
Employee PerformanceResult	Pearson Correlation	.753**	1
	Sig. (2-tailed)	.000	
	N	125	125

** . Correlation is significant at the 0.01 level (2-tailed).

The result in Table 5. is calculated using the statistics software of SPSS. Based on the result, it is found that the relationship between variables of organizational culture and employee performance is proven to have a significant positive relationship ($r = 0.753$, $p < 0.05$). With $r > 0.6$, it proves that those variables are related. Thus, organizational culture significantly influences perceptions of organizational practices and employee motivation. This significant relation implies that if the organizational culture is internalized correctly, it will positively impact the perception of organizational practices and employee motivation.

To determine the validity of the above result, a Sig 2-tailed value is used. Thus, based on Table 5. with $p < 0.05$, the statement is valid and can be used to measure the relationship. In performing the reliability test to test the instrument's consistency, Cronbach's Alpha Coefficient was calculated and resulted as follows.

Table 6. Cronbach's Alpha Coefficient for Organizational Culture Variable

Cronbach'sAlpha	Cronbach's Alpha Based onStandardized Items	N of Items
.868	.868	5

Table 6. shows the result of the reliability test coefficient. In gathering data regarding organizational culture variables, this research uses 5 questions on the survey, resulting in Cronbach's Alpha coefficient of 0.868. Cronbach's Alpha Coefficient result is more significant than 0.8. Thus, the result is categorized as excellent, which means that the survey data has very high internal consistency.

The Influence of Perception of Organizational Practices on Employee Performance

Table 7. Correlation Matrix of Perception of Organizational Practices and Employee Performance

		Perception of Organizational Practices	Employee Performance
Perception of Organizational Practices	Pearson Correlation	1	.696**
	Sig. (2-tailed)		.000
	N	125	125
Employee Performance Result	Pearson Correlation	.696**	1
	Sig. (2-tailed)	.000	
	N	125	125

**. Correlation is significant at the 0.01 level (2-tailed).

The result in Table 7. is calculated using the statistics software of SPSS. Based on the result, it is found that the relationship between variables of perception of organizational practices and employee performance is proven to have a significant positive relationship ($r = 0.696$, $p < 0.05$). With $r > 0.6$, it proves that those variables are moderately related. Thus, the perception of organizational practices significantly influences employee performance. This significant relation implies that if the company maintains a good perception of organizational practices, it will also moderately impact employee performance.

To determine the validity of the above result, a Sig 2-tailed value is used. Thus, based on Table 7 with $p < 0.05$, the statement is valid and can be used to measure the relationship. In performing the reliability test, Cronbach's Alpha Coefficient was calculated and resulted as follows.

Table 8. Cronbach's Alpha Coefficient for Perception of Organizational Practices Variable

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.813	.812	5

Table 8. shows the result of the reliability test coefficient. In gathering data regarding the perception of organizational practices variable, this research uses 5 questions on the survey and results in the Cronbach's Alpha coefficient of 0.812. Cronbach's Alpha Coefficient result is more significant than 0.8. Thus, the result is categorized as excellent, which means that the survey data has very high internal consistency.

The Influence of Employee Motivation on Employee Performance Result

Table 9. Correlation Matrix of Employee Motivation and Employee Performance

		Employee Motivation	Employee Performance Result
Employee Motivation	Pearson Correlation	1	.777**
	Sig. (2-tailed)		.000
	N	125	125
Employee Performance Result	Pearson Correlation	.777**	1
	Sig. (2-tailed)	.000	

	EmployeeMotivation	Employee Performance Result
N	125	125

**. Correlation is significant at the 0.01 level (2-tailed)

The correlation test results in Table 9. are calculated using the statistics software of SPSS. According to the result, it is found that the relationship between variables of perception of organizational practices and employee performance is proved to have a significant positive relationship ($r = 0.777$, $p < 0.05$). With $r > 0.6$, it proves that those variables are moderately related. Thus, employee motivation has a significant influence on employee performance. This significant relation shows that if the company maintains employee motivation, it will also moderately impact employee performance.

To determine the validity of the above result, a Sig 2-tailed value is used. Thus, based on Table 10. with $p < 0.05$, the statement is valid and can be used to measure the relationship. In performing the reliability test, Cronbach's Alpha Coefficient was calculated and resulted as follows.

Table 10. Cronbach's Alpha Coefficient for EmployeePerformance Variable

Cronbach's Alpha	Cronbach's Alpha Based onStandardized Items	N of Items
.864	.865	5

Table 10. shows the result of the reliability test coefficient. In gathering data regarding employee motivation variables, this research uses 5 questions on the survey, resulting in Cronbach's Alpha coefficient of 0.864. Cronbach's Alpha Coefficient result is more significant than 0.8. Thus, the result is categorized as excellent, which means that the survey data has very high internal consistency.

The Influence of All Independent & Intervening Variables on Employee Performance

Table 11. Correlation Matrix of All Independent and Intervening Variables and Employee Performance

			Employee Performance Result	Shared Values,Leadership Style, Organizational Culture, Perception of Organizational Values & Employee Motivation
Employee Result	Performance	Pearson Correlation	1	.782**
		Sig. (2-tailed)		.000
		N	125	125
Shared Values, LeadershipStyle, Organizational Culture, Perception of Organizational Values & Employee Motivation		Pearson Correlation	.782**	1
		Sig. (2-tailed)	.000	
		N	125	125

**. Correlation is significant at the 0.01 level (2-tailed).

The result on Table 11. is calculated using the statistical software of SPSS. According to the result, the relationship between all independent and intervening variables and the dependent variable of employee performance is proven to have a significant positive relationship ($r = 0.782$, $p < 0.05$). With $r > 0.6$, it proves that those variables are highly related. Thus, all independent and intervening variables (shared values, leadership style, organizational culture, perception of organizational practices, and employee motivation) significantly influence employee performance.

This significant relation implies that if the company maintains all the related variables, it will positively impact employee performance at Bio Farma.

Further, to determine the validity of the above result, a Sig 2-tailed value is used. Thus, based on Table 4.18. with $p < 0.05$, the statement is valid and can be used to measure the relationship. In performing the reliability test, Cronbach's Alpha Coefficient was calculated and resulted as follows.

Table 12. Cronbach's Alpha Coefficient for Shared Values Variable

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.836	.839	5

Table 12. shows the result of the reliability test coefficient. In gathering data regarding employee performance variables, this research used 5 questions on the survey, which resulted in Cronbach's Alpha coefficient of 0.839. Cronbach's Alpha Coefficient is more significant than 0.8. Thus, the result is categorized as excellent, which means that the survey data has very high internal consistency.

Priority Analysis

After defining and analyzing the survey results using statistical tools, all the research variables are translated into matrix priority where X-axis represents the priority level based on Pearson correlation. In contrast, Y-axis defines impact level with the average mean from the questionnaires. The result of priority analysis will be used to decide which variables have a high impact on employee performance and require immediate attention and implementation planning. The data below will be used to define the priority matrix.

Table 13. Priority Matrix Data

Variables	Priority(X-axis)	Impact (Y-axis)
Shared Values	4.47	0.63
Leadership Style	3.85	0.58
Organizational Culture	4.22	0.75
Perception of Organizational Practices	3.75	0.70
Employee Motivation	3.73	0.77

Based on the information presented in table 13, Priority data as an X-axis is obtained from the correlation of each variable on employee performance. This correlation is obtained from Pearson Correlation using statistical tools. At the same time, Impact data as a Y-axis is obtained from the mean of survey results on each variable. Further, these data will be mapped into the priority matrix, as presented in figure 1. below.

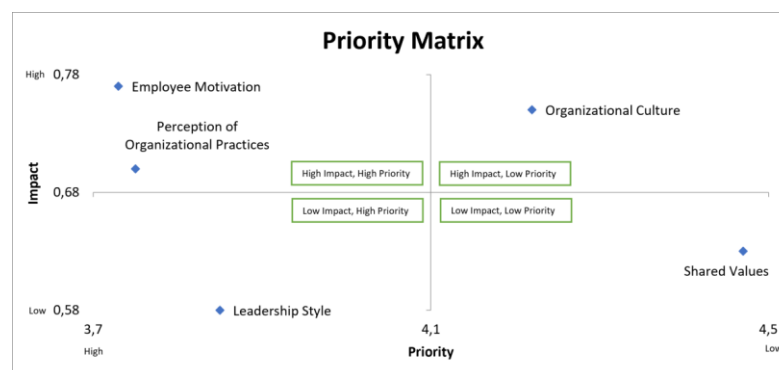


Figure 1. Priority Matrix

The priority matrix shown in Figure 1. is divided into 4 (four) quadrants. The first quadrant is defined as High Impact Low Priority, followed by High Impact High Priority as the second quadrant. The third quadrant is Low Impact High Priority, and the fourth is the Low Impact Low Priority quadrant. The explanation on each quadrant will be explained as follows.

- a. High Impact Low Priority. This quadrant defines the research variable with a high correlation to employee performance. However, it needs low urgency for further actions to support employee performance. In this research, organizational culture is categorized into this quadrant.
- b. High Impact High Priority. This quadrant defines the research variable with a high correlation to employee performance and high urgency for further actions to support employee performance. In this research, employee motivation and perception of organizational practices are categorized into this quadrant. Thus, these two variables must need an immediate plan for improvement.
- c. Low Impact High Priority. This quadrant defines the research variable with a moderate correlation to employee performance but high urgency for further actions to support employee performance. In this research, leadership style is categorized into this quadrant.
- d. Low Impact Low Priority. This quadrant defines the research variable with a moderate correlation to employee performance and low urgency for further actions to support employee performance. In this research, shared values are categorized into this quadrant.

Based on figure 1. and the explanations above. Thus, employee motivation and perception of organizational practices are the priority variables to be improved to enhance employee performance results at Bio Farma. Therefore, further plans and implementation should be based on improving employee motivation and perception of organizational practices to help boost employee performance at Bio Farma.

This research uses the conceptual framework for employee performance as the dependent variable. This variable is correlated by 5 (five) contributing dependent variables: Shared Values, Leadership Style, Organizational Culture, Perception of Organizational Practices, and Employee Motivation. A research survey is conducted to define the correlation between variables, and the results are processed using statistical tools. The statistical process results shows that all the independent variables significantly contribute to the dependent variable, as shown in Table 14.

Table 14. Summary of Pearson Correlation among Variables

		Employee Performance
Shared Values	Pearson Correlation	.626**
	Sig. (2-tailed)	.000
	N	125
Leadership Style	Pearson Correlation	.582**
	Sig. (2-tailed)	.000
	N	125
Organizational Culture	Pearson Correlation	.753**
	Sig. (2-tailed)	.000
	N	125
Perception of Organizational Practices	Pearson Correlation	.696**
	Sig. (2-tailed)	.000
	N	125
Employee Motivation	Pearson Correlation	.777**
	Sig. (2-tailed)	.000
	N	125
Employee Performance	Pearson Correlation	1

	Employee Performance
Sig. (2-tailed)	
N	125

From the presented correlation factors among variables in table 14, the strongest correlation is found between Employee Motivation and Employee Performance with a degree of Pearson Correlation of 0.777, followed by Organizational Culture and Employee Performance with a degree of Pearson Correlation of 0.753. In comparison, Perception of Organizational Practices and Shared Values correlate with Employee Performance with Pearson Correlation of 0.696 and 0.626, respectively. While the relationship between Leadership Style and Employee Performance shows the lowest correlation with the Pearson Correlation degree of 0.582. Thus, employee motivation is the most critical factor affecting employee performance. However, further analysis will be performed on the sub-chapters as follows to address the correlation between each independent variable.

Correlation Between Shared Values and Employee Performance

The first variable that will be analyzed is Shared Values. Based on the statistical results processed by statistical tools (SPSS), Shared Values significantly positively correlated with employee performance with $r = 0.626$. Thus, an improvement in Shared Values internalization increases employee performance.

While from the descriptive analysis, the research found that the Shared Values internalization is considered positive, with a mean of 4.47 out of 5.00. This means that the employees are exposed to the Shared Values very well. The Shared Values at Bio Farma adapt AKHLAK Core Values of BUMN consists of Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif. However, there are still several issues with the Shared Values practices at Bio Farma. Employees claimed they need to be more proactive to create or drive something new for improvement at their work units. Further, the culture of helping each other is still considered low at Bio Farma compared to other aspects of core values AKHLAK.

From Priority Analysis, the shared value variable is in the Low low-impact priority quadrant. Because the shared value correlation to employee performance is considered moderate, the survey's mean result is. It means that shared value is not the priority variable to take action to improve employee performance at Bio Farma since it has good employee survey results with a moderate correlation to the business issue.

In conclusion, shared values have a significant positive relationship with employee performance, but with several issues regarding proactive and helping each other culture.

Correlation Between Leadership Style and Employee Performance

The second variable that will be analyzed is Leadership Style. Based on the statistical results processed by statistical tools (SPSS), Shared Values significantly positively correlated with employee performance with $r = 0.582$. Thus, an improvement in leadership style increases employee performance.

According to the descriptive analysis, the research found that the Shared Values internalization is considered positive, with a mean of 3.85 out of 5.00. This means that the employees feel that the leaders are inspirational at Bio Farma and become role models for achieving and performing to the work target. However, their employees still feel an atmosphere of trust and respect between the Board of Executives and employees is yet to be its best practice.

From Priority Analysis, the shared value variable is in the Low Impact High Priority quadrant. Because leadership style correlation to employee performance is considered moderate, the mean result of the survey shows the average results. It means that leadership may need the urgency of an improvement plan to improve employee performance at Bio Farma, but the impact is manageable.

In conclusion, the leadership style is found to have a significant positive relationship with employee performance, but with several issues regarding the atmosphere of trust and respect in the work environment and the need for an inspirational leader.

Correlation Between Organizational Culture and Employee Performance

The third variable that will be analyzed is Organizational Culture. Based on the statistical results processed by statistical tools (SPSS), Organizational Culture has a significant positive correlation with employee performance with $r = 0.753$. Thus, an improvement in organizational culture increases employee performance. While from the descriptive analysis, the research found that the organizational culture is considered positive, with a mean of 4.22 out of 5.00. This means that the employees are exposed to the organizational culture very well. Shared Values shape the organizational culture at Bio Farma that adapts AKHLAK Core Values of BUMN consists of Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif. However, there are still several issues with the organizational culture internalization at Bio Farma. Employees claimed they need to be more proactive to create or drive something new for improvement at their work units. Further, the employees feel that their work target is unclear.

From Priority Analysis, the organizational culture variable is in the High Impact Low Priority quadrant. Because corporate culture's correlation to employee performance is considered high, the survey's mean result shows positive results. It means that the organization has a significant impact on employee performance at Bio Farma but needs no urgency for some actions to be taken for improvement soon.

In conclusion, the organizational culture is found to have a significant positive relationship with employee performance, but with several issues regarding improvement orientation and the company's business strategy directions.

Correlation Perception of Organizational Practices and Employee Performance

The fourth variable that will be analyzed is the Perception of Organizational Practices. Based on the statistical results processed by statistical tools (SPSS), the perception of organizational practices has a significant positive correlation with employee performance, with $r = 0.696$. Thus, an improvement in the perception of organizational practices increases employee performance.

While from the descriptive analysis, the research found that the perception of organizational practices is considered positive, with a mean of 3.75 out of 5.00. This means the employees feel that the organizational practices have been carried out well enough. However, employees still feel that they need improvement orientation and think that the recent information in the company needs to be more transparent and socialized adequately.

From Priority Analysis, the perception of organizational practices variable is in the High Impact High Priority quadrant. Because the perception of organizational practices' correlation to employee performance is considered high, the mean result of the survey shows lower results than the other variables do. It means that perception of organizational practices is the priority variable to be taken action to improve employee performance at Bio Farma since it has low survey results from the employees with a high correlation to the business issue.

In conclusion, the perception of organizational practices is found to have a significant positive relationship with employee performance, but with several issues regarding improvement orientation and information openness.

Correlation Between Employee Motivation and Employee Performance

The last variable that will be analyzed is Employee Motivation. Based on the statistical results processed by statistical tools (SPSS), employee motivation has a significant positive correlation with employee performance, with $r = 0.777$. Thus, an improvement in employee motivation enhances employee performance.

While from the descriptive analysis, the research found that the employee motivation factor is considered positive, with a mean of 3.73 out of 5.00. This means that the employees rate the employee motivation as good enough. However, the major problem with employee motivation comes from career opportunities and remuneration. Most respondents argue that the promotion opportunity and remuneration system still need to represent the best system it should be.

From Priority Analysis, the employee motivation variable is in the High Impact High Priority quadrant. Because employee motivation's correlation to employee performance is considered high, the survey's mean result shows lower results than the other variables. It means that employee motivation is the priority variable to be taken action to improve employee performance at Bio Farma since it has low survey results from the employees with a high correlation to the business issue.

In conclusion, employee motivation is found to have a significant positive relationship with employee performance, but with several issues regarding career opportunities and remuneration systems.

CONCLUSION

There 5 (five) variables correlate and influence the decline of employee performance at Bio Farma. They are the internalization of shared values, leadership style practices, organizational culture, perception of organizational practices, and employee motivation. However, this study found that employee motivation is the most correlated and impactful variable influencing declining employee performance at Bio Farma. Based on this study, the employee motivation variable is formed by at least 2 (two) major contributing factors, which are career opportunity and the remuneration system at Bio Farma. To increase employee performance, the stakeholder might improve these two areas. To increase employee performance at Bio Farma, this study proposes improving the career opportunity system by improving talent pool data accuracy and implementing a Competencies-Based Assessment for all employees. This assessment enables Human Capital Division to gain more accurate talent pool data that will impact future Bio Farma employee career decision-making.

REFERENCES

- Andriani, A. D., Mulyana, A., Widarnandana, I. G. D., Armunanto, A., Sumiati, I., Susanti, L., Siwiyanti, L., Nurlaila, Q., Pangestuti, D. D., & Dewi, I. C. (2022). *Manajemen sumber daya manusia* (Vol. 1). TOHAR MEDIA.
- Buya, I. (2014). The role of performance management in effective service delivery: A case study of a county assembly in Kenya. *International Journal of Social Sciences and Entrepreneurship*, 1(13), 438–445.
- Gog, M. (2015). Case study research. *International Journal of Sales, Retailing & Marketing*, 4(9), 33–41.
- Grigoroudis, E., Orfanoudaki, E., & Zopounidis, C. (2012). Strategic performance measurement in a healthcare organisation: A multiple criteria approach based on balanced scorecard. *Omega*, 40(1), 104–119. <https://doi.org/10.1016/j.omega.2011.04.001>
- Herzberg, F. (2017). *Motivation to work*. Routledge.
- Iswati, T., Sari, D. S., & Rezasyah, T. (2022). Diplomasi Kesehatan Indonesia Di Kawasan Asia Afrika: Biofarma sebagai Pusat Penelitian dan Pengembangan Vaksin & Bioteknologi. *Padjadjaran Journal of International Relations*, 4(2), 124–145. <https://doi.org/10.24198/padjir.v4i2.38180>
- Khan, A. A., Campus, A., Asab, M. Z., & Safdar, F. (2014). Performance Management System of “The City School Bahawalpur.” *Information and Knowledge Management*, 4(10).
- Lestari, E. R. (2019). *Manajemen Inovasi: Upaya Meraih Keunggulan Kompetitif*. Universitas Brawijaya Press.
- Mulyana, Awwal. (2018). Proposal to Improve Employee Performance by Designing Performance Management System, Case Study: PT Bio Farma (Persero). Bandung : Institut Teknologi Bandung
- Neher, A., & Maley, J. (2020). Improving the effectiveness of the employee performance management process: A managerial values approach. *International Journal of Productivity and Performance Management*, 69(6), 1129–1152.
- Ong, J. O., & Mahazan, M. (2020). Strategi pengelolaan sdm dalam peningkatan kinerja perusahaan berkelanjutan di era industri 4.0. *Business Economic, Communication, and Social Sciences Journal (BECOSS)*, 2(1), 159–168. <https://doi.org/10.21512/becossjournal.v2i1.6252>
- Rifa'i, H. M., & Fadhli, M. (2013). *Manajemen organisasi*. Cv. Pusdikra Mitra Jaya.
- Robinson, O. C. (2014). Sampling in interview-based qualitative research: A theoretical and practical guide. *Qualitative Research in Psychology*, 11(1), 25–41. <https://doi.org/10.1080/14780887.2013.801543>
- Siregar & Kartika. (2021). Talent Management Design Strategy for Non-Management Staff Positions at PT XYZ. Bogor : Bogor Agricultural University.
- Sunarsi, D. (2018). Pengembangan Sumber Daya Manusia Strategik & Karakterisrik Sistem Pendukungnya: Sebuah Tinjauan. *Jurnal Ilmiah MEA (Manajemen, Ekonomi, & Akuntansi)*, 2(3), 178–194. <https://doi.org/10.31955/mea.v2i3.461>
- Touma, J. (2022). Performance Appraisal Effect on Compensation. *Journal of Human Resource and Sustainability Studies*, 10(1), 1–12. 10.4236/jhrss.2022.101001
- Vosloban, R. I. (2012). The Influence of the Employee's Performance on the company's growth-a managerial perspective. *Procedia Economics and Finance*, 3, 660–665. [https://doi.org/10.1016/S2212-5671\(12\)00211-0](https://doi.org/10.1016/S2212-5671(12)00211-0)



© 2023 by the authors. It was submitted for possible open-access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>).