

CHAPTER 2

LITERATURE REVIEW

In this section, the researcher will explain the definition and the literature supported by many other compiled works, and researches regarding individual needs, personal preferences, and work environment on job performance.

2.1. Individual Needs

A need is something that is necessarily possessed by every individual or human being. It is something that the consumer must have to make them feel relaxed or ease. Therefore, individual need becoming a priority and must be fulfilled. Individual needs can be mood changing for some people, and a determining factor to drive people's motivation. In this case, to achieve full potential that can be delivered by the employees in the office, a company should be able to fulfill the employees need, in this term is the salary, and working environment. According to Maslow Theory, need defined as a psychological or psychological feeling that must be satisfied or fulfilled. A need can influence the behaviors, motivation, and work attitudes of a person. According to Maslow theory hierarchy of needs is divided into 5 groups from the most needed to least needed. Those are physiological needs, security and safely needs, social needs, esteem needs, and self-actualization. Starting from the physiological needs to be satisfied. To safety needs at work, in this case is a safety from unemployment, loss of income because of sickness, etc. In the Social needs aspect, some people want to be recognized, be a part of a group, a support from friends, family, and relatives, and also from the co-

worker and supervisors itself that is cooperative. In the esteem needs, a compliment and given a recognition for the good work that is done and maintained by the employees is necessarily needed, as a form of respecting one and another, and also to increase the self-esteem of an employee to do their job better. As for the self-actualization is about how the employee reflect themselves and measure their extent of success and able to complete the tasks regarding the challenges aligned at work (Ramlall, 2004). And for the external is giving an incentive for the employees as a token of appreciation for their hard work and dedication throughout years working for the company, and increase the company's performance (Ramlall, 2004)

According to hierarchy theory of needs, individual needs are crucial aspect that need to be fulfilled and be obtained by everyone. It is important for a company to observe and identify the needs of its employees. Therefore, the company will be able to increase the employee's motivation, which led to high performance and work optimization (Haynes, 2008). There are several ways for a company to fulfill the needs of the employees, starting from the environment of the company as in the office, supportive supervisors and co-workers, and conducive working environment. It is a simple thing that is needed by the employee to increase their motivation to do the job better and perform well (Hofstede, 1991). Therefore, the following hypothesis is:

H1. Individual needs are positively influencing job performance

2.2. Personal Preferences

The employee should be able to complete all the tasks and assignments given. According to Peters & Zelewski (2007), the assignments given may affect the employee's motivation, because the employees are more motivated to complete the assignments that is related to their interest and ability. Therefore, the employees are having their own preferences when it comes to something that might affect their work performance, such as reasonable salary, conducive working environment, and provided training or job development by the company (Lange & Houran, 2010). It is needed by almost every employee to get what they want. Although the employees do not always can get a raise on salary, etc. the company can substitute it through giving incentive or reward system.

A reward system is one of the factors and preferences of the employee to gain more productivity and motivation on doing their work. An employee who are working hard and beneficial for the company need to be appreciated, to motivate and make them loyal to the company (Cohen et al., 2013). Good reward system is one of many other personal preferences that is benefitting and able to motivate the employees. Giving out promotions, increasing the salary, etc. are focused by the companies to motivate their employees which to increase the quality of the employees work performance (Subramani, 2001).

Other preferences that are regularly needed by the employee is to work paired with their preferred co-worker to work together with. This preference might be able to maximize their job performance by having someone close to

and co-worker that is well-known can share some thoughts and ideas freely. Also knowing one and another capability on doing an assignment, the tasks divided will also be more efficient. Although the employee must have the ability to adapt and work with everyone, some employees are more motivated to work with someone that is well-known. The company might consider this option to see which one that are paired the best for them to be more comfortable to work with. By doing so, the employees can fulfill the expectation and maximize their potential (Lam et al., 2002). A preferences had by the employees whenever the employees have to choose or made a decision, such as the spot in the office, work place, surroundings, and the work partners, to perform better in their job because the employees were placed and work as what the employees are preferred (Voordt, 2004). Therefore, the following hypothesis is:

H2. Personal preferences are positively influencing job performance

2.3 Work Environment

According to Kohun (1992), working environment is entirely affecting and compromise the actions, and motivations on the employee's activities and performance. The employees can work on their full potential if the environment and surroundings are supporting to them. It can be delivered through the supervisors, and co-workers that are supportive to one and another, can share knowledge and thoughts regarding work related topic, and value and another as a team with one vision and mission which is to improve the company performance (Brenner, 2004). Which benefiting the company to improve the effectiveness of its employees. Moreover, the environment of the

office must be designed to allow the employees to be more creative and have the courage to share their thoughts, feelings, and opinions to have a good productivity.

According to Opperman (2002) working environment divided into three components or elements which are technical environment, human environment, and the organizational environment. The technical environment aspect categorized as the tools, equipment, and facilities that is provided by the company for their employees. Meanwhile for the human environment aspect refers to how the employees treat one and another, barriers between bosses and the employees, informal interaction in the office to allow the employees to share their thoughts and exchange ideas related to the work and assignments (Stewart, 2010).

A good workplace environment affects the productivity, comfort, morale, and engagement of the employees, which led to the motivation and employee's performance (Ollukkaran & Gunaseelan, 2012). Employee's performances will be increasing when the employees are having physically and emotionally desire to work. The quality of the workplace environment does giving an impact to their motivation and subsequent performance (Leblebici, 2012). A proper and good workplace environment increase the willingness of the employee to stay on the office a longer time, which led to the increase of the employee's productivity (Peters & Zelewski, 2007). On the other hand, the employee that work under inconvenient workplace environment are end up with low performance and have no desire to stay at the office (Naharuddin & Sadegi, 2013). According to Oladipo (2009), a good workplace environment

will be resulting a high worker turnover rate and trigger the employees to work on their full potential. Workplace environments stimuli and affected the individual employee on their daily basis that depends on the environment of the workplace itself, a conducive environment will positively impact the employees to do their work better, or the otherwise (Chandrasekar, 2009). A workplace environment does not only focus on the physical appearance of the office or workplace, but also from the surroundings of the employees such as his/her co-workers, supervisors, equity and fairness given from the boss. (Chandrasekar, 2011). Creating a healthy work environment impact the motivation level of the employees, which leads to an improvement in the work performance (Kossek et al., 2012). Therefore, the following hypothesis is:

H3. There is positive relationship between working environment with job performance

2.4. Tech-Savvy on Work Performance

Technology era has showing a significant improvement in the technology growth. One of the phenomenal technology that is given to the society is internet. It has been very helpful to the business through the communication tools, and information gathering. In business sector, internet does a favor on those three things, consumer can reach the company or business through their social media, which categorized as new CRM tools between the company and the customer. Millennials is the generation that has the biggest involvement in the technology era. Therefore, it is called tech-savvy or

generation of technology (Heywood & Elsworth, 2007., McNamara, 2006., Prensky, 2001).

Technology is helpful to many companies. It increases the efficiency of the employees and maximize their potential. Employees can have a 24/7 access to resources, and data collection through internet. Every data gathering can be conducted through technology (internet). Therefore, it is become easier to conduct a research, and information gathering regarding the demographic, issue, patterns, and behavior of the society (consumer, employees, etc). The work of an employees is more efficient and flexible due to the technology involvement (Devi & Jyothsna, 2014). Therefore, lot of company are giving a training to its employees every time a new technology that is helpful to the company are introduced. It is conducted to improve the knowledge and understanding of the employees to the new technology (hardware/software), to improve the efficiency of their works

Millennials that is having a good understanding throughout the technology development will becoming very handy and helpful to the company. The work efficiency will be increasing, and their work performance through many aspects, such as communication, information gathering, data collection, and efficiency. Companies are having their routines on giving their employees training every several months or every year, to increase their work performance, one of them is a training to introduce a new technology that can be used by the employees to improve their works (Devi & Jyothsna, 2014).

Therefore, the hypothesis H4. Tech-savvy is positively related to the work performance.

2.5. Job Performance

There are internal and external factors that are involved in the job performance. Employee's intellectual level, capability, and motivation is a determining factor that affect the job performance of an employee. The company should be strict and be more selective on choosing their candidates to be part of organization, candidates that is recruited should be the one that suits the job position well. Second, the company also must improve the human resource and knowledge of its employees, because market and businesses are fluctuating and must keep up with other business to survive in the market. A monthly or yearly training should be conducted to improve the knowledge and performance of the employees to perform better, and maximize their potential (Daft, 1984). The last one is the employee's motivation. Does not matter on how big is the employee's potential and ability to do the work, it will not be maximized and make a good performance if the employee does not have the motivation to do the job (Deal & Kennedy, 1982).

A performance can also be shown from the individuals through their progress, ability to complete the assignments, and able to achieve the target. The factors that involves the job performance of the employees are the willingness to explore and try something new, which will bring the productivity of the employees (Oluseyi & Ayo). This aspect is contributing a lot to the company's success. A good job performance is necessarily needed from the employees by showing a commitment, creativity, discipline, and innovation (Kreisman, 2002). According to Sinha (2001), the employee's willingness and openness

is also a determining factor regarding their productivity and performance on doing their job. To improve the performance, the employee need to set a target that need to be achieved and keep the task on track. Therefore, the employee will have a better management regarding their tasks and deadlines, which later affecting the company's performance (Stup, 2003). Meanwhile on the psychological needs, the company and supervisors must be able to support and knowledge sharing regarding the job activities, giving encouragement and credit for a job well done, to increase the morale and motivation of the employees to do better and self-confidence, which to improve the employee performance (Blau,1964).

A reward system also one of the factors to improve the employee's performances. This reward system is increasing the employee's motivation to do their job better. According to Khan et al (2005), employee that able to perform well and fulfilling the expectations reflect the quality of their job performance. The performance of the employee does affect by the internal factors such as skills, intellectual capacity or knowledge of the employee to complete the assignments (Franco et al., 2002). Followed by appropriate working conditions provided by the company to ensure the performance of the employees meet the required standards.

2.6. Relationship between employee motivation and job performance

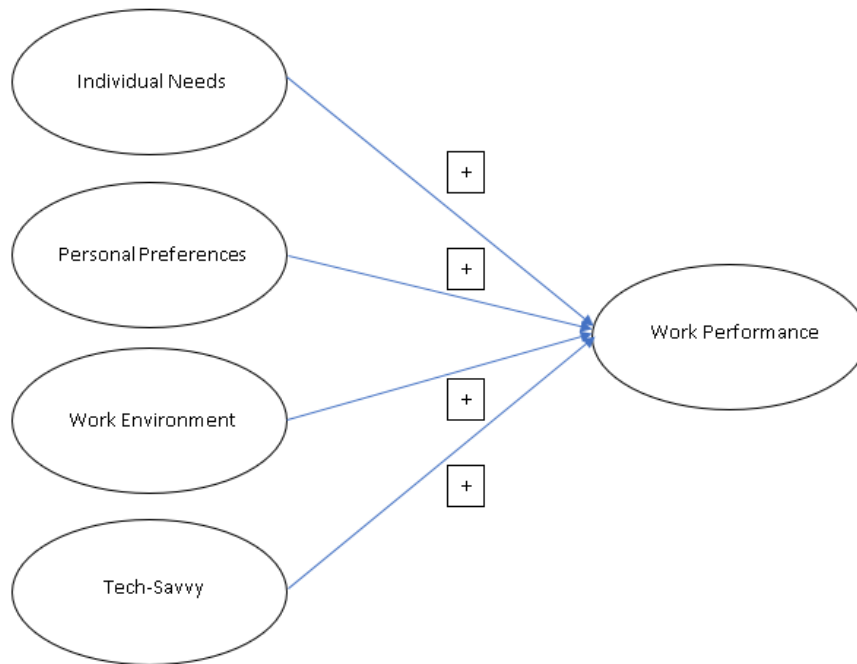
Every person has their own motivation as a key point on conducting their activity. It is the main factor that driven the employees to complete their assignments and tasks given, which the interior drive that person to act (Chaudhary & Sharma, 2012). If the company can identify the needs of their employees, will be able to drive the motivation of the employees to do their work better. An employee who are working with full motivation by their needs fulfilled will be able to focus on their works and not thinking about anything else beside the assignments and tasks given (Chaundhary & Sharma, 2012). An employee that are motivated will carrying on his or her best to complete the assignments and tasks, and improved the productivity which later valued by the company.

For a company to address the issues, such as increasing the motivation of the employees. The company does have to identify what are the things that is able to motivate their employees, then the company will be able to increase the performance and work effectiveness (Bogdanova & Naunivska, 2008). A motivated person is needed and the best option for the company, and also that has the same vision and mission which is to make the company better.

From the employee motivation factor describes that when those 3 factors, which are the individual needs, personal preferences, and working environment are fulfilled, the employees' motivation will be significantly increasing, and intend to do their job better and perform well for the company that has treat them well. It is important for the company to value the

employees' wants and needs, and those who perform well and benefitting the company (Carlsen, 2003).

2.7. Theoretical Framework



Hypothesis:
H1. Individual needs is positively related to Job Performance
H2. Personal preferences is positively related to Job Performance
H3. Work environment is positively related to Job Performance
H4. Tech-savvy is positively related to Job Performance

From this hypothesis, the researcher is expecting all the variables are positively related between one and another. To identify the wants and needs of the millennials as an employee, that is working in e-commerce company. The e-commerce company can be beneficial by having a good quality of the employees, which is more to the millennials, by giving them the most comfortable working office and supporting environment for them to do their work, which later led to a good work performance.