

Antecedents of Employee Performance of Conventional Taxi Driver in Medan

Anggia Sari Lubis and Sari Wulandari

Departement of Management, Faculty Economy, Universitas Muslim Nusantara Al-Washliyah, Medan, Indonesia

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Abstract: As an important source of human resource management, job performance is considered by most scholars and practitioners a must for contemporary organisations and and become a topic that is often discussed. In this vein, organisational members should and must provide the best quality of work for the organization to achieve the goals of the organization Various scholars have emphasized the value of identifying and understanding the factors contributing to job performance. The purpose of this research is therefore to investigate the factors fostering job performance. We have developed a conceptual model and tested it with an empirical study based on a sample of 253 participants from conventional taxi driver in Medan City. The results reveal that adversity quotient and work stress have positive impacts on job performance. Furthermore, employee motivation is an intervening variable from the effect between adversity quotient and work stress to job performance. These findings offer a new framework for developing further studies on job performance, as well as important practical implications for managers especially for conventional taxi company .

1 INTRODUCTION

The presence of online taxi-based applications in Medan City has resulted in the reduction of conventional taxi passengers. This is because the fare of online taxi-based applications is lower than that of conventional taxi. In addition, passengers using online applications are also provided with ease in the process of booking a taxi as the passengers can easily order a taxi by using the application on the smartphone, and in just a few minutes waiting time, the passengers have been picked up by taxi-based online applications. The circumstances described in the preceding paragraph lead to a decrease in the performance of conventional taxi drivers. Yet if the performance achieved by conventional taxi driver is good, it will ultimately contribute to the performance of the company. Employees' performance is influenced from internal and external environment of people, such as locus of control, tolerance for ambiguity, business strategy and corporate culture, business environment and changing in the economic conditions (Desmond, 2007).

Other research results show that employee performance is also influenced by human resource

practice consisting of job security, organizational support and psychological contract (Latorre, Guest, Ramos, & Gracia, 2016). The Adversity Quotient (AQ) means to measure people's capacity to respond to and surmount adversity (Stoltz, 1997). Workers with a high Adversity Quotient will have lower job stress. AQ concept can predict the power and focused of a person and can be used to enhance the effectiveness of teams, relationships, families, communities, cultures, societies and organizations (Phoolka & Kaur, 2012). Based on the problems that occur in conventional taxi drivers in Medan City, job stress is one of the factors causing the reduction of employees' performance. Based on the results of research, one of the factors that cause work stress is the extrinsic rewards satisfaction (Elmadağ & Ellinger, 2017). Job stressors involving a range of stakeholders, either internally (eg, employees, suppliers, financial agencies) are directly and indirectly related (through the feeling of loneliness) to burnout (Fernet, Torrès, Austin, & St-Pierre, 2016). Motivation of work has become a long concept in determining high employee performance. Employees' motivation representing a key factor that determines their own objectives (Rusu & Avasilcai, 2014). The object of this research is the conventional

taxi drivers in Medan City. No less than 824 conventional taxi drivers from conventional taxi companies are still active in Medan City. Based on the above background, this research is intended to find out the Antecedents of Employee Performance on conventional taxi drivers in Medan City.

2 THEORETICAL FRAMEWORK AND HYPOTHESES

Job performance can be referred as the duties and responsibilities that are performed as part of an individual's job assignments (Vigoda, 2000). It reflects organizational performance (Wall et al., 2004 and Gomez-Mejia, Balkin, & Cardy, 2007). Adversity quotient is a concept of intelligence raised by Paul G. Stoltz to measure how a person's responses to a problem or obstacle to be utilized as an opportunity. Adversity quotient emphasizes the element of adversity as a determinant of one's success. Adversity quotient informs individuals about their ability to deal with adversity and the ability to overcome them, to forecast capable and incapable individual to cope with adversity, to predict those who will be able and who will fail to achieve expectations of performance and potential, and predict individuals who will surrender and who will survive in the face of adversity. Stoltz (2000) in Phoolka (2012) states that a person who has the ability to survive and continue to struggle with perseverance, full of motivation, enthusiasm, ambitious, keeping the spirit when faced with a problematic life is seen as a figure that has a high Adversity quotient, meanwhile a person who surrenders easily, to fate, and becomes pessimistic and has a tendency to be negative when faced with a difficulty is seen as individual who has low levels of Adversity quotient. Stoltz (2000) in Shen (2014) proposes several factors necessary to change the failure into an opportunity: competitiveness, productivity, creativity, motivation, risk, perseverance, learning, embrace change, and perseverance. Indicators of adversity quotient variables include the ability to control difficulties (control), the ability of individuals to identify the emergence of difficulties (origin), the ability of individuals to face difficulties and not to repeat (reach) and to know the duration of facing adversity (endurance) (CORE). According to Phoolka & Kaur (2012) Adversity Quotient can be used to predict employee performance, motivation, creativity, and productivity of an employee within a company.

Baron and Greenberd in Mardiana (2002), defines stress as emotional and psychological reactions that occur in situations where individual goals get blocked and cannot cope with them. According to Ramzan (2013), work stress affects job satisfaction of an employee that ultimately affects the performance of employees as a whole. From the description above it can be concluded that the occurrence of work stress is due to an imbalance point between employee personality characteristics and characteristics of aspects of work and this can occur in all conditions of work. Indicators of work stress that can be used as a reference to know the stress caused by work, include Roles in the organization, Workload, career development, Relations in Work, and Structure and Climate of Organizations.

Munandar (Munandar, 2009) states that motivation is a process which needs to encourage a person to carry out a series of activities to achieve his goals. While in a large dictionary of Indonesian (KBB) motivation is the impulse that arises in a person consciously or unconsciously to perform an action with a specific purpose. Motivation of work is the incentive and desire that is in man to carry out his job duties well (Umar, 2013). Motivation of work is an impulse that exists within a person to carry out his duties well so that his goals are achieved. Indicators of work motivation in this study uses the theory of Herzberg in Slamet (2007): Relationship with colleagues and superiors, Work environment, Opportunity to increase knowledge and skills and Provision of benefits.

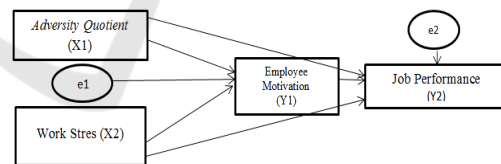


Figure 1: Conceptual model and hypotheses.

2.1 Effect of Adversity Quotient on Employee Performance

AQ is something in addition of IQ and EQ that shares some commonalities with hardiness and resilience. Adversity Quotient is a form of intelligence that backs the success of someone who in this case is a conventional taxi driver in the face of challenges in the event of difficulties such as difficulty to get passengers which is a necessity because the level of income that will be obtained by conventional taxi drivers depends on the number of

passengers they serve. According to Phoolka & Kaur (2012) Adversity Quotient can be used to predict employee performance, motivation, creativity, productivity of an employee within a company.

H1: There is a direct positive effect of adversity quotient on the performance of conventional taxi drivers in Medan City.

H2: There is an indirect positive influence of adversity quotient on the performance of conventional taxi drivers in Medan City.

2.2 Effect of Job Stress on Employee Performance

Situational constraints can affect the performance, satisfaction, and stress experienced by employee. (Lapidus, Roberts, & Chonko, 1997). Based on the research that is conducted by Wani (2013) it is stated that there is a significant influence in work stress on employee work motivation. Research conducted by Awadh et al (2015) shows a result that as much as 44.8% work stress variables can explain the effect on employee performance. Indicators for measuring job stress include organizational roles, workload, career development, relationships in work and organizational structure and climate.

H3. There is a direct positive effect of job stress on the performance of conventional taxi drivers in Medan City.

H4. There is an indirect effect of job stress on the performance of conventional taxi drivers in Medan City.

2.3 Effect of Employee Motivation on Job Performance

Munandar (2009) states that motivation is a process by which there is a need to encourage a person to carry out a series of activities to achieve the goals. While in a large dictionary of Indonesian (KBBI) motivation is the impulse that arises in a person consciously or unconsciously to perform an action with a specific purpose. Motivation of work is the incentive and desire that is in man to carry out his duties well (Umar, 2013). Motivation of work is an impulse that exists within a person to carry out his duties well so that his goals are achieved. Indicators of employee motivation in this study uses the theory of Herzberg in Slamet (2007): Relationship with colleagues and manager, Work environment, Opportunity to increase knowledge and skills and Provision of benefits.

H5: There is a direct positive effect of employee motivation on the performance of conventional taxi drivers in Medan City.

2.4 Methodology

The research uses questionnaire (quantitative research) in order to measure the influence of adversity quotient, job stress, employee motivation and job performance. The questionnaire is from (Phoolka&Kaur,2012) in regard to the statements used in the adversity quotient measurement. Questionnaires benefited from the studies of (Lapidus, Roberts, & Chonko, 1997) in regard to the statements are used in job stress measurement. Questionnaires benefited from the studies of (Onanda,2015) in regard to the statements are used in the employee motivation measurement. And Questionnaire benefited from the studies of (Ali Ahmad & Tang, 2017) in regard to the statements are used in job performance measurement. Adversity quotient is measured with 12 statements, job stress with 14 statements, employee motivation with 12 statement. and job performance with 15 statements. A five-point Likert-type scale is used for all statements in this section.

2.4.1 Data Collection and Sample

The present study is carried out on taxi driver in Medan. Questionnaires are delivered to 4 taxi companies in Medan with sample size of 265 Respondents selected with convenience sampling.

2.4.2 Data Screening and Analysis

Path Analysis (Path Analysis) (Sugiyono ,2007) show the development of linear regression analysis. Regression analysis is a special form of path analysis. Path analysis is used to illustrate and test the model of relationship on the variables in the form of cause and effect. The path model is a diagram of independent, intermediate and dependent variables. Pattern relationship is shown by using arrows. Single arrows show a causal relationship between exogenous variables or intermediaries with one or more dependent variables. The arrows also connect the error (variable residue) with all endogenous variables respectively.

There are two dependent variables in the model: Y1 and Y2. Consequently, there are two dependent equations: Equation 1 showing the overall Work Motivation (Y1) relationship with two variables (X1, X2), and the second two equations showing the

performance relationship (Y2) with three variables (X1, X2, Y1).

Regression Equation:
 $Y1 = b1X1 + b2X2 + e1$
 $Y2 = b1X1 + b2X2 + b3Y1 + e2$

Remarks:

Y1 = dependent variable (employee motivation)
 Y2 = dependent variable (performance of conventional taxi driver)

b1 = regression coefficient of adversity quotient

b2 = regression coefficient of work stres

X1 = independent variable (adversity quotient)

X2 = independent variable (work stres)

e = Factors beyond Effect generated from the above path model can be written as follows:

a. Direct Effect

i. effect of adversity quotient on job performance

$X1 \rightarrow Y2 = \rho_{y2x1}$

ii. effect of adversity quotient on employee motivation

$X1 \rightarrow Y1 = \rho_{y1x1}$

iii. effect of work stres on job performance

$X2 \rightarrow Y2 = \rho_{y2x2}$

iv. effect of eork stres on employee omtivation

$X2 \rightarrow Y1 = \rho_{y1x2}$

b. Indirect Effect

i. The effect of adversity quotient variable on performance through employee motivation

$X1 \rightarrow Y1 \rightarrow Y2 = (\rho_{y2x1}) \times (\rho_{y2y1})$

ii. The effect of work stress variable on performance through employee motivation

$X2 \rightarrow Y1 \rightarrow Y2 = (\rho_{y2x2}) \times (\rho_{y2y1})$

c. Total Effect

i. The influence of adversity quotient variable on performa employee motivation

$X1 \rightarrow Y1 \rightarrow Y2 = \rho_{y2x1} + (\rho_{y2x1}) \times (\rho_{y2y1})$

ii. The effect of work stress variable on performance through employee motivation

$X2 \rightarrow Y1 \rightarrow Y2 = \rho_{y2x2} + (\rho_{y2x2}) \times (\rho_{y2y1})$

3 RESULT AND ANALYSIS

3.1 Reliability and Validity

First, this research applies item analysis to measure the relevance of each questionnaire item. The results show that the research variables (i.e. adversity quotient, job stress employee motivation, and job performance) are appropriate. Second, exploratory factor analysis is employed and questionnaire items which have not reached the standard for factor selection are deleted.

3.2 Multiple Regression Analysis

The multiple-regression analysis for adversity quotient and job stres on employee motivation; and adversity quotient, job stres and employee motivation on job performance, are shown in Table I. The b values for adversity quotient and job stres on job performance are 0.267 and 0.335, respectively. The β values for adversity quotient, job stres and employee motivation on job performance are 0.363 and 0.530, respectively. The β values for adversity quotient, job stres and employee performance on job performance are 0.250, 0.326, and 0.058, respectively. The variables show a positive significant relation between adversity quotient and job stres. And only employee motivation shows a positive but not significant relation . The adjusted R² are 0.213, and 0.165, respectively. The explained variation for all variables are not high. Therefore, it means that adversity quotient and job stres will not have significant effects on job performance; adversity quotient, job stres and employee motivation will not not have significant effects on job performance either.

Table I: The Multiple Regression Analysis.

Variable	β	SE	Beta	t-Value	P-Value
Employee Motivation					
Adversity Quotient	0.301	0.049	0.357	6.139	0.000
Work Stres	0.157	0.056	0.162	2.788	0.006
R ²	0.165				
Job Performance					
Adversity Quotient	0.250	0.053	0.282	4.685	0.000
Work Stres	0.326	0.058	0.320	5.608	0.000
Employee Motivation	0.058	0.064	0.055	0.904	0.367
R ²	0.222				

Based on the Table I The model is $Y1 = 30,7878 + 0,301 X1 + 0,175 X2$ (where y is employee motivation, X1 is adversity quotient, X2 is job stres). Adversity quotient shows a positive significant relation. And job stres shows a positive but not significant relation. The adjusted R² is 0.165 and the explained variation for all variables is not high. Therefore, it means that adversity quotient and job stres will have a positive and not significant effects on job performance.

The second model is $Y2 = 57,381 + 0,250 X1 + 0,326 X2 + 0,058Y1 + e2$. (where y is job performance, X1 is adversity quotient, X2 is job stres and Y1 is employee motivation). Adversity quotient and work stres show a positive significant relation. And employee motivation shows a positive but not significant relation. The adjusted R² is 0.222

and the explained variation for all variables is not high. Therefore, it means that adversity quotient and job stress and employee motivation will have a positive and not significant effects on job performance.

3.3 Testing the Intervening Effects of Employee Motivation

The multiple-regression analysis for adversity quotient, work stress and employee motivation on job performance is shown in Table I. As indicated in these tables, the β value, Beta value, t-value and all other values achieve a positive level. Based on Tables I, it is found that the standardized coefficient of adversity quotient, work stress and employee motivation on job performance is 0.282, 0.320 and 0.055. The path coefficient for employee motivation on job performance decreases from 0.058 to 0.055, showing that employee motivation is an intervening variable on job performance. Furthermore, this implies that the influence of adversity quotient and work stress on job performance during the process will partially affect employee motivation and then in turn, will affect the job performance.

3.4 Path Analysis

Path analysis (PATH Analysis) in this research can be described as in the following figures:

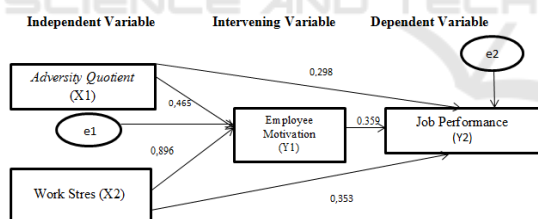


Figure 2: Path Analysis Result.

The direct, indirect and total effect can be seen in Table 2 below:

Table 2: Direct, Indirect, Total Effect.

	Effect		
	Direct	Indirect	Total
X1 on Y1 (p1)	0.465		
X2 on Y1 (p2)	0.896		
Y1 on Y2 (p5)	0.359		
X1 on Y2 (p3)	0.298	0.166935	0.464935
X2 on Y2 (p4)	0.353	0.321664	0.674664

Based on calculations on Table 2, the calculation of indirect effect is obtained from multiplication of

direct performance coefficient AQ to employee motivation, with influence of employee motivation to performance $(0,465 \times 0,359) = 0,166935$. The same calculation is also for work stress variable. The total effect is gained by summing up the direct and indirect effects. Based on the results it is seen that the values of both direct and indirect impact of adversity quotient and work stress on job performance, adversity quotient and work stress possess significant influence on job performance. Therefore, if a company would like to enhance job performance, it has not only to improve the employee motivation but also to manage the adversity quotient and work stress for employee so that it is possible to effectively enhance overall performance.

3.5 Discussion and Implication

The results of this study indicate that adversity quotient and work stress are significantly affect the employee motivation and job performance. According to the result of the multiple regression analysis (Table I), there is a significant positive effect between adversity quotient and work stress with employee motivation and job performance. Moreover, the factors of adversity quotient show a significantly positive affect with employee motivation and job performance. This means that if the adversity quotient and work stress are superior, it can significantly enhance employee motivation and organizational performance. This study further shows that the β value of adversity quotient is more than the work stress, particularly shown in Table I. This implies that the adversity quotient can effectively enhance employee motivation and job performance compared to work stress. Thus there should be an endeavor to attract and encourage their employees to participate in facing the adversity situation and work stress situation, as well as enhance their employee motivation and job performance, particularly adversity quotient. For example, AQ can be useful to predict performance, motivation, empowerment, creativity, productivity, learning, energy, hope, happiness, vitality, emotional health, physical health, persistence, resilience, attitude, longevity and response to change. (Phoolka&Kaur,2012). Furthermore, a firm should allow their employees to have the ability to face the adversity situation, solve problems, and to have the ability to face the work stress situation.

Based on the results of the path analysis, it is found that adversity quotient and work stress possess direct influence to enhance job performance; moreover, employee motivation is also indirectly

interrelated in terms of enhancing job performance. This shows that a taxi driver possesses better management in the adversity quotient and work stress. Dr. Stoltz in (Phoolka&Kaur,2012) shows that team conducting research with sales employees of SBC Telecommunication finds that sales persons with high AQ scores sells more than those with low AQ. In another study conducted at Deloitte and Touche, the team finds that AQ of top performers exceeds the AQ of low performers by 17 points which indicate AQ can be a measure of employee performance. By giving AQ training to the employees, AQ of the employees can be improved. Companies like SunTrust measures the AQ of every applicant before hiring him/her.

4 CONCLUSION

Despite of the belief that adversity quotient and work stress decrease the job performance and employee motivation increases job performance, researchers have attempted very little theoretical work on the development of relationships among adversity quotient, work stress, employee motivation, and job performance. As such, this study investigates the affect among adversity quotient, work stress, employee motivation and job performance. The results indicate that employee motivation is not an important intervening variable on employee (in this research a taxi driver). A research done in Malaysia recommends that there is a need for employers to restructure the methodology for training employees on soft-skills (Ibrahim, Boerhannoeddin, & Kazeem Kayode, 2017).

Another research related to job performance states that High commitment HR practices are related to employee performance through the mediating effect of perceived organizational support, a fulfilled psychological contract and job security, as key features of the employment relationship, and job satisfaction (Latorre et al., 2016). Another variable that affects job performance is customer orientation (Boles, Babin, Brashear, & Brooks, 2001). Job performance is a behaviour that is consistent with organizational objectives and is generally assessed on the basis of employees' achievement of these objectives. Participative leadership, instrumental leadership, satisfaction with supervisor, turnover intentions, and work effort are variables that affect job performance (Mulki, Caemmerer, & Heggde, 2015).

This research applies a convenience sampling method and obtains enough number of respondents.

Therefore, it is suggested that future researchers should apply another sampling method to collect more responses to increase the generalizability. On the other hand, a regression analysis method is applied to simplify the research framework and to investigate the affects among adversity quotient, work stress, employee motivation and job performance. Hence, it might be more difficult to explain the overall model of this research. It is suggested that future researchers should apply the structural equation model to further verify the model in order to simplify the elaboration of the research structure.

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