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The Influence of Motivation, Talent, Knowledge, and Skills on Consistency, Structure Initiation, Performance of Subordinates and Growth Msmes in Makassar City

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Abstract

This study aims to examine and analyze the influence of motivation, aptitude, knowledge, and skills on consideration, initiation, and the influence of subordinate work performance on the growth of small industrial enterprises. The characteristics of individuals possessed by successful leaders can be known through the approach of traits to the leader which varies. The individual characteristics of the leader in addition to influencing the leadership also influence its subordinates to carry out the work. Leadership is created because of the existence of a lead leader infecting his subordinates. The research method used is a quantitative method with a descriptive approach. The collection data method used is a survey through primary data by questionnaires. The respondent is the leader (company owner) of MSMEs. The analysis data method is using structural equation modeling (SEM) mathematics. The data processing tools are SPSS 25 and AMOS 8. The major result of research are the leadership behavior factors have a direct, positive and significant effect on the performance of subordinates and furthermore the performance of subordinates has a direct, positive and significant effect on the growth of small industrial businesses like MSMEs.

Keywords: Motivation, Leadership, Performance of Subordinate Work , MSMEs

Introduction

If you look at the composition of small industrial businesses in Indonesia, it is dominated by the food, beverage and tobacco industry sub-sectors, and furthermore, the textile, apparel and leather industry sub-sectors (BPS, 2008). This gives a hint, that the government is expected to pay more attention to and support the growth of micro, small and medium enterprises (MSMEs) which are more crisis-resistant manufacturing. In line with that, the growth of micro, small and medium enterprises must be a priority in economic growth both

locally and nationally. Therefore, MSMEs must be disseminated in the community in order to be able to create national economic growth.

Human resources are not only a means of production but also as a driver and determinant of the production process and all organizational activities (Paraswati and Laily, 2018). Therefore, HR has a very large share in the progress or development of an organization (Eka et al., 2022). Thus, that human resources are the most important asset in an organization / company (Sulistiyandari et al., 2017).

To support the ability to manage MSMEs, it is necessary to develop human resources that have high competitive competencies systematically and planned (Gozali et al., 2021), so that they are expected to be able to create more sustainable business performance. However, in reality, the development of the need for quality products is not in line with the availability of reliable human resources, so that it can hinder the growth of micro, small and medium enterprises in Indonesia. The perceived obstacle is the limitation of HR capabilities which often occurs, especially in terms of the number of employees and their quality (Moridu et al., 2022), although it is not an obstacle to development.

In addition to those stated above, the characteristics of individuals possessed by successful leaders can be known through the approach of traits to the leader which often vary. The individual characteristics of the leader in addition to influencing the leadership also influence his subordinates to carry out the work. Leadership is created because of the existence of a leader in directing his subordinates. Characteristic individual leaders who have motivations, talents, knowledge and skills that influence leadership behavior (Rahman et al., 2022). Phenomena that occurred in Makassar that MSMEs showed relatively stable business growth despite the economic crisis and Covid-19. This is what attracts interest in examining whether the stability of the growth of small industrial businesses is also influenced by leadership behavior factors.

Literature Review

Characteristics of Small Industries

A business is an economic unit that carries out activities with the aim of producing products of goods / services to be sold or exchanged for other goods, and there is someone or more who is responsible and has the authority to manage the business. So the business can be in the form of a single company, head office / parent, branch / representative office, production units such as factories, or supporting units, and auxiliary units such as warehouses, marketing offices or offices where other company activities are carried out located separately from the parent office (BPS, 2008: 10). Economic activity is an activity or part of an activity that produces goods/services that are directly or indirectly intended for commercial achievement (BPS, 2008:10) Ojala in Maupa (2004), small business provides several images as follows: A small business is a business where one or two people are needed to make important management decisions; finance, bookkeeping, personnel, purchasing, processing or servicing, marketing, sales, without assistance from internal specialists and with specific knowledge in only one or two functional areas.

Leadership

Individual characteristics are traits possessed by a person consisting of motivation, talent, knowledge and skills. Looking at the duties and responsibilities as a leader, not everyone can become a successful leader. The individual characteristics of a successful leader can be known through a trait approach. . The nature approach emphasizes the traits in the leader. At first

the thought arose that the leader was born called the heredity approach, then in the next period a new theory emerged that the leader had certain physical characteristics called the physical characteristic theory proposed by W.H. Sheldom (Sutarto, 2006: 38). The nature approach insures that some people are leaders who are naturally endowed with certain traits or traits that others do not possess (Juch, 1994:12). This trait is characterized by its extraordinary ability to achieve success such as energy that never wears, intuition, imagination, fortune-telling power and the power of influencing others. The leadership trait of a person is formulated as a quality of behavior that is consistent in many of his activities. Assuming the theory, all successful leaders have a public private. Yukl (1994:16) describes the influence of nature on leadership behavior.

There are several definitions of leadership including according to Rauch and Behling in Yukl (2009:4), "Leadership is the process of influencing the activities of an organized group to ward goal achievement" and According to (Daniëls et al., 2019), "leadership is the ability of a person to influence others to perform according to the will of the leadership". This means that the role of leaders in an organization is very large, dominant and has a very large influence on the achievement of organizational goals. That is why a leader should have broader and higher knowledge, have good behavior, be able to influence others, have managerial and strategic knowledge, be able to make decisions, have high responsibilities, be able to convey his ideas and policies to employees, and be able to nurture his employees. This shows that the success of an organization is determined by the ability of the leader, but nevertheless not the leadership of everything because it must be supported by employee participation.

Performance

According to (Yanner et al., 2020), performance is the output drive from processes, human or otherwise. Higgins (1984:234), performance is the result of work that can be achieved by a person or group of people in an organization in accordance with their authority and responsibility in order to achieve the goals of the organization concerned legally, not violating the law and in accordance with morals and ethics.

Sugianto (Sugianto et al., 2022), explains that one of the important factors that affect the success of a business organization in the long term is its ability to measure how well its employees are at work and use this information to ensure that the implementation of work has met the quality standards that have been set in the present and always improves in the long term.

Hypothesis Development

Based on the description above, the conceptual framework of this research is compiled as shown in the following figure.

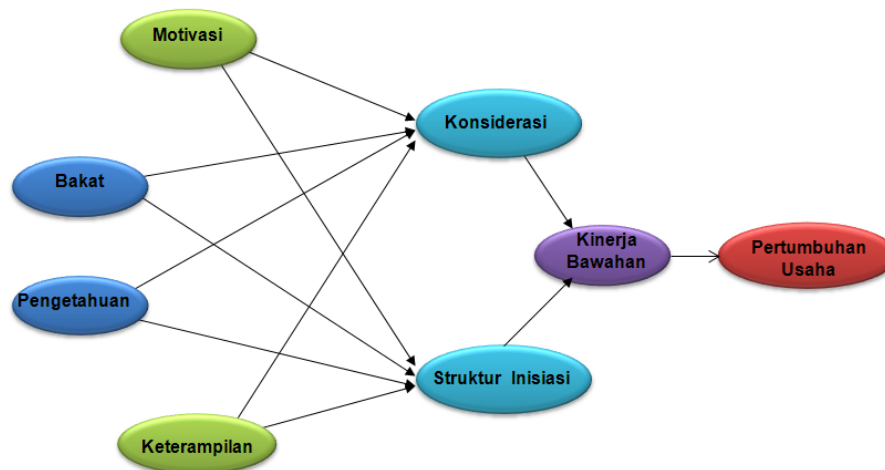


Figure 1. Conceptual Framework

Based on the explanation above, the research hypothesis are:

H1: Motivation, aptitude, knowledge and skills have a direct, positive and significant effect on consideration.

H2: Motivation, aptitude, knowledge and skills have a direct, positive and significant effect on initiation.

H3: Consideration and initiation have a direct, positive and significant effect on the performance of subordinates/employees.

H4: The performance of subordinates/employees has a direct, positive and significant effect on the growth of small industrial businesses.

Methodology of Research

The research method used is a survey through primary data using questionnaires. The respondent is the leader (company owner) of MSMEs. Using structural equation modeling (SEM) mathematics. The data processing tools are SPSS 25 and AMOS 8. The research area is Makassar City and the type of data to be taken is primer data. Primary data is data taken directly by researchers in the field, namely from respondents through questionnaires.

In this study, the exogenous latent variables were motivation, talent, knowledge and leadership skills while the endogenous latent variables were the consideration, initiation structure, subordinate performance and growth of small industrial enterprises. Of the four endogenous variables, there are 3 intervening (intermediate variables), namely consideration, initiation structure and subordinate performance. This research instrument uses questionnaires as a data collection tool. This research instrument is addressed to the head / owner of the company.

Data processing and result analysis consists of descriptive analysis, measurement model testing (Instrument validity test, Goodness of Fit, and constructability, normality and outliers), overall model testing, structural model testing and intervariable influence analysis. There are 3 programs used in data processing and analysis of results, namely the Excell, SPSS 25 and AMOS 8 programs.

Research Results and Discussions

The location of the company can affect the company's business. Companies located in the city of Makassar have a greater possibility to grow than companies in the regions. Company age

can determine the growth rate of business. From the description of the relationship between business age and business growth shows that from 2017 to 2021, the higher the business age tends to be the lower the growth rate of labor, assets, sales and profits so that overall the higher the business age tends to be the lower the growth rate.

The definition of a wage system with leadership behavior suggests that the value of the conciliation is higher than the value of the initiation structure of both the wholesale wage system and the daily wage system. In the daily system, it turns out that the value of consideration remains higher than the initiation structure which is thought to be caused by Indonesian culture that upholds human dignity and dignity as well as a high family spirit. The large number of workers can affect business growth. Companies that have a small workforce allow their growth to be greater than companies that have a large number of workers.

The large number of assets can affect business growth. Companies that have few assets allow for greater growth than companies with many assets. The number of sales can affect the amount of profit that can be used to increase company assets. So the number of sales can affect business growth. A company that has a lot of sales allows its growth to be greater than a company that has few sales. A company whose many advantages allow for greater growth than a company with little profit. In total, in terms of nominal money, there was an increase in assets, sales and profits, but in terms of the exchange rate of goods, there was a decrease. This indicates that the value of assets, sales and profits in 2017 is higher than in 2021.

The profile of the company's leadership that is not included in the variable indicators is something that needs to be described because it can affect assessment and achievement. The description of the company's leadership profile includes gender, age and level of education as stated in the following description. The growth in the number of workers, assets and sales of male-led companies is higher than that of female-led ones. This is due to the characteristics of work in small manufacturing industries more in line with the conditions of men. The profit growth of women-led businesses is higher than that of male-led ones. This is because women are more economical and selective in spending money than men.

At the age of about 40 years old has excellent physical and mental abilities to be successful in managing a business. Age who are too young under 30 years old have strong energy but unstable minds and over 50 years old thoughts are stable but energy is reduced so that the age of the leader can affect business growth. Knowledge obtained through formal education can be used to manage companies so that the level of formal education can affect business growth.

The average value of motivation is high, caused because business leaders as well as owners (owners) of the company require great will and responsibility. The average score of talents is also high. Moderate average knowledge score, low leadership, management and organizational knowledge of business leaders is caused by the average level of junior high school education and lack of leadership, management and organizational training.

Although knowledge is not much needed for small business leaders. Overall, the average value of skill variables is high, The high level of skill compared to the level of knowledge of business leaders indicates that leadership skills are more needed than theoretical knowledge in small industries. The Si1, Si2 and Si3 indicators have a high average value while the Si4 indicator and Si5 have a medium average value. The average value of the variables of the initiation structure is high. The overall average value of subordinate performance variables is high. Shows that the performance of subordinates of small manufacturing industry businesses is relatively high. The average value of the business growth variable is Low. Indicates that the growth of small industrial enterprises is low on average.

Testing of measurement models is carried out using Confirmatory Factor Analysis of each variable (construct) and its indicators. In this test there are 2 tests that are carried out simultaneously, namely the *goodness of fit test and the validity test*

Table 1

The goodness of fit test and the validity test

No	VARIABLE MEASUREMENT MODEL TESTING	UJI GOODNES OF FIT	VALIDITY TEST	
			VALID	AVERAGE
1	Motivation	Fit	M6, M7, M8 and M9	3.80 (high)
2	Talent	Fit	B3, B4, B5,B7, and B8	3,628 (height)
3	Knowledge	Fit	P2, P4, P5 and P6	2.25 (low).
4	Skills	Fit	K3, K4, K5 and K6	3,507 (high).
5	Konsiderasi	Fit	Ko2, Ko3, Ko4 and Ko5	3.67 (high).
6	Initiation Structure	Fit	Si1, Si2, Si3 and Si4	3.58 (high).
7	Performance of Subordinates	Fit	Kb3 and Kb4	3.98 (high).
8	Business Growth	Fit	Road, Pua, Puj dan Puk	2,397 (low).

Source : Result of data processing (2021)

Variable indicators of motivation, talent, knowledge, skills, consideration, initiation structure and performance of subordinates that are beyond normal limits are M6, P2 and Si4. Specifically for the Put, Pua and Puj indicators for business growth variables have the largest cr value is 8,928 far from the normality limit and indeed do not have to be normally distributed because the variation in business growth data is indeed very large and spread so that the population distribution is suspected to be not normally distributed, therefore the distribution of the sample of business growth indicators does not have to be normally distributed so that it can be used in subsequent analysis even though it is Statistics are not good. Test the outliers using the Zscore value as shown in appendix 15. The data is said to be outliers if Zscores ≤ -4 or Zscores ≥ 4 . From the Zscore value in appendix 15 shows that the minimum value is -3.17 and the maximum value is 4.033 so that no data is outliers so this data is suitable for subsequent analysis.

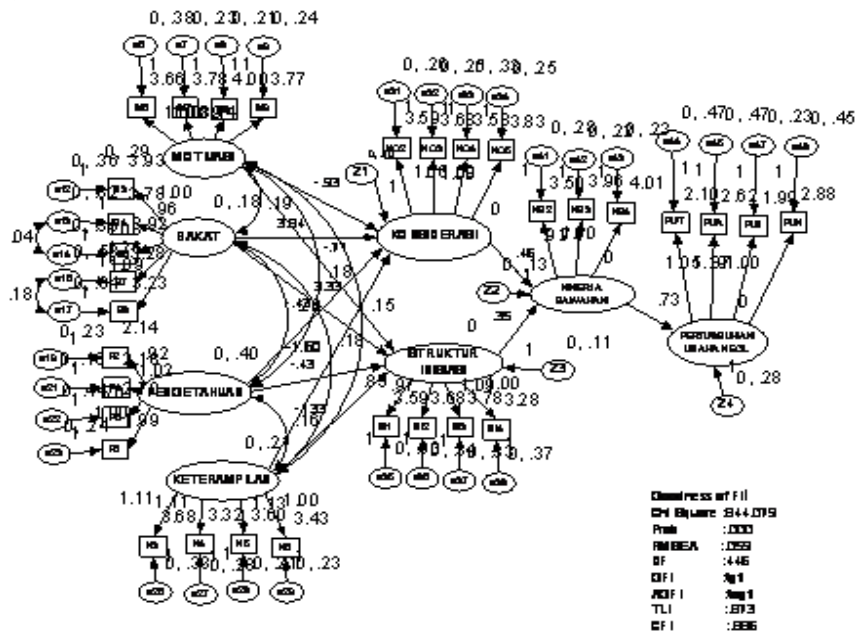


Figure 2. Testing the Influence of Motivation, Talent, Knowledge and Skills Factors on Consideration, Initiation Structure, Subordinate Performance and Business Growth with Early Stage Confirmatory Factor Analysis.

Shows that the result value is far from *being cut off* in the early stage of testing. This means that the model is not yet appropriate for use so that index modifications are carried out until a fit model is obtained (final stage testing results). A picture of the overall model of the final stage can be seen in figure 3. The results of the late-stage *goodness of fit* test can be seen in the following table:

Table 2
The *goodness of fit* for the end-stage overall model

Criterion	Cut off	Result	Information
Chi-Square	Expected to be small	401,457	Fit
Significance Probability	$\geq 0,05$	0,118	Fit
Relative Chi-Square	$\leq 2,00$		Fit
RMSEA	$\leq 0,08$	0,018	Fit
TLI	$\geq 0,95$	0,987	Fit
CFI	$\geq 0,95$	0,991	Fit
Information			Fit

Source : Result of data processing (2021)

The table above, shows that the result value has met the cut off so that the model is fit for use in the next analysis.

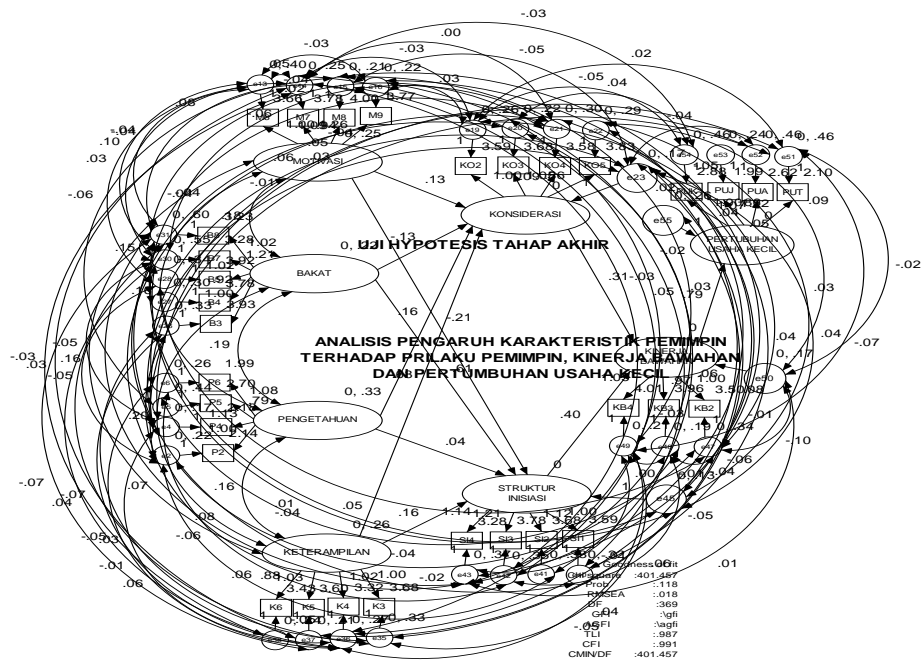


Figure 3. Testing the Influence of Motivation, Aptitude, Knowledge and Skills Factors on Consideration, Initiation Structure, Subordinate Performance and Small Industry Business Growth with Final Stage Confirmatory Factor Analysis.

Table 3
Results of the significance test of the relationship between variables

No	Free Variables	Non-free variables	(λ)	CR	P
1	Motivation	Konsiderasi	0,130	0,862	0,389
2	Motivation	Initiation Structure	-0,214	-1,417	0,156
3	Talent	Konsiderasi	-0,133	-0,324	0,746
4	Talent	Initiation Structure	0,608	1,607	0,108
5	Knowledge	Konsiderasi	0,159	1,231	0,218
6	Knowledge	Initiation Structure	0,044	0,432	0,666
7	Skills	Konsiderasi	0,684	2,463	0,014
8	Skills	Initiation Structure	0,157	0,694	0,488
9	Konsiderasi	Performance of subordinates	0,309	4,246	***
10	Initiation Structure	Performance of Subordinates	0,401	3,947	***
11	Performance of Subordinates	Business Growth	0,787	5,671	***

Source : Result of data processing (2021)

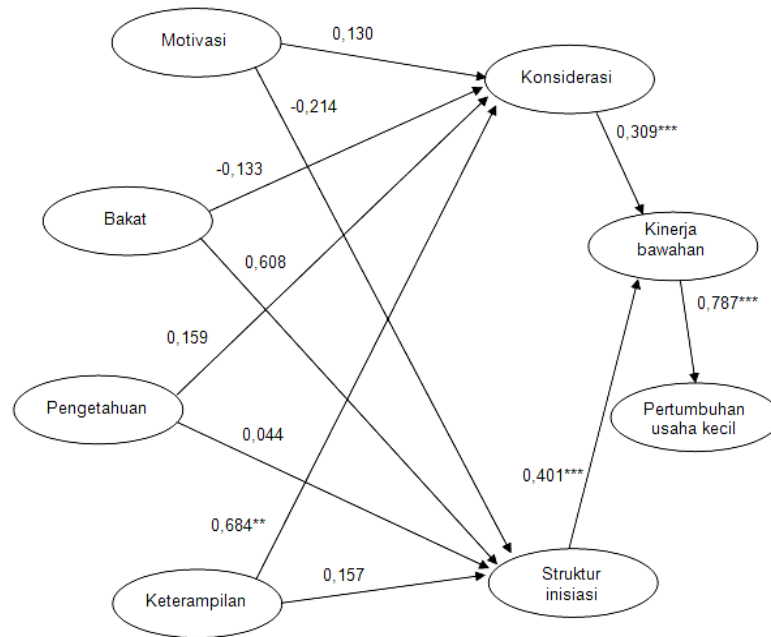


Figure 4. Influence of Motivation, Talent, Knowledge and Skills Factors on Consideration, Initiation Structure, Performance of Subordinates and Growth of Small Industry Businesses

Table 4
Direct Influence

Free Variables	Non-free variables			
	Konsiderasi	Initiation structure	Performance of subordinates	Business growth
Motivation	0,130	-0,214	-	-
Talent	-0,133	0,608	-	-
Knowledge	0,159	0,044	-	-
Skills	0,684	0,157	-	-
Konsiderasi	-	-	0,309	-
Initiation Structure	-	-	0,401	-
Performance of Subordinates	-	-	-	0,787

Source : Result of data processing (2021)

Based on table 4 above, there are three important things that need to be explained, namely that the direct contribution of motivation to the initiation structure shows the direction of a negative coefficient, which means that the more work motivation increases, it will weaken the initiation structure. Likewise, talent has a negative or negative influence on consideration, which means that the more increased work talent, the lower the consideration. Meanwhile, the contribution of subordinate performance has a positive and high influence on the growth of MSME businesses in Makassar City is 0.787 or 78.70%.

Table 5

Indirect influences

Free Variables	Non-free variables			
	Konsiderasi	Initiation structure	Performance of subordinates	Business growth
Motivation	-	-	-0,046	-0,036
Talent	-	-	0,202	0,159
Knowledge	-	-	0,067	0,053
Skills	-	-	0,274	0,216
Konsiderasi	-	-	-	0,243
Initiation Structure	-	-	-	0,315
Performance of Subordinates	-	-	-	-

Source : Result of data processing (2021)

Based on table 5 above, it can be explained that there is a conflicting or negative direction between work motivation and business growth through performance. Meanwhile, the highest contribution of non-direct influence is skills on business growth through the performance of subordinates of 0.216 or 21.60%.

Table 6

Total Influences

Free Variables	Non-free variables			
	Konsiderasi	Initiation structure	Performance of subordinates	Business growth
Motivation	0,130	-0,214	-0,046	-0,036
Talent	-0,133	0,608	0,202	0,159
Knowledge	0,159	0,044	0,067	0,053
Skills	0,684	0,157	0,274	0,216
Konsiderasi	-	-	0,309	0,243
Initiation Structure	-	-	0,401	0,315
Performance of Subordinates	-	-	-	0,787

Source : Result of data processing (2021)

Based on table 6 above, it can be explained that the contribution with the lowest negative direction is the influence between motivation on business growth through the initiation structure and subordinate performance , which is -0.036. Meanwhile, the highest contribution with a positive direction is the inization structure towards business growth through subordinate performance, which is 0.315 or 31.50%.

Conclusions and Limitations

Based on the results of data processing and discussion, the general conclusion of this study is that leadership behavior factors have a direct, positive and significant effect on

the performance of subordinates and furthermore the performance of subordinates has a direct, positive and significant effect on the growth of small industrial businesses (generally accepted hypothesis). Furthermore, a special (partial) conclusion is obtained as follows:

1. Motivation, talent, knowledge, and proficiency have a positive direct effect on consideration behavior.
2. Motivation, aptitude, knowledge, and proficiency have a positive direct effect on initiation behavior.
3. Consideration and initiation have a positive direct effect on the performance of subordinates.
4. The performance of subordinates has a positive direct effect on the growth of small industrial businesses.

The limitation in this study is the small number of participants (respondents) and not randomly selected. This can interfere with the internal validity of the research. Future research development is indispensable, with a greater number of participants and adding psychological factors in decision-making that are expected to affect the determination of the performance of subordinates.

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