

## **The Effect of Division of Labor and Employee Authority on Employee Performance**

### **CV. Karya Mega Mandiri Binjai**

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#### *Abstract*

*This study aims to determine whether the division of labor and employee authority has a significant positive effect, partially or simultaneously, on employee performance at CV. Karya Mega Mandiri Binjai. The research was conducted with a questionnaire distributed to 65 samples who were employees of CV. Karya Mega Mandiri Binjai. This type of research is associative research, namely research that aims to determine whether there is an influence of the independent variable on the dependent variable. Data analysis techniques were used in this study using multiple linear regression analysis techniques. The results obtained from this study indicate that the division of labor and employee authority have a significant positive effect partially or simultaneously on employee performance at CV. Karya Mega Mandiri Binjai.*

**Keywords:** *Division of Labor, Employee Authority, Employee Performance*

### **1. INTRODUCTION**

Human resources are one of the most important factors that cannot be separated from an organization, including both agencies and companies. Human resources are also the key factor that determines the development of the company. In essence, human resources are the humans/employees employed in an organization as movers, thinkers, and planners to achieve the organization's goals, Hasibuan (2016:9). In organizations, managing employees is difficult and complex because they have thoughts, feelings, status, desires, and backgrounds within the company. Good employee performance will directly affect company performance. To accomplish this, the company must be able to empower its employees to continue to want to learn and try new things, as well as explore all of their potential abilities. This will ultimately have a positive impact on the company's progress because the company's ability to survive in a competitive market is determined by the competence of its human resources.

Gibson, Donnely, and Ivancevich reveal that the two organizing decisions that most affect performance are division of labor and delegation of authority (1996: 244). In good management, there must be an appropriate division of labor, strict delegation of authority, and good employee performance results in order to achieve company goals. Siswanto (2006:23) states that "the existence of a good division of labor according to its authority in an organization can provide an explanation for employees to be able to carry out their duties properly, in accordance with their responsibilities, so as to improve effective performance results for the company." Organizational goals will certainly not be achieved if the performance of members or employees is not optimal. CV. Karya Mega Mandiri is one of the industries located in Binjai City, North Sumatra Province, which until now has been engaged in producing doors made of furniture/wood. Employee performance in the company is still less effective because the work results are not optimal for achieving company goals, both in terms of quantity and quality of the performance results. The

impact is that a lot of work is still delayed, so the boss feels dissatisfied with the results of the work to achieve organizational goals. Because this problem is very important for the implementation of activities to achieve company goals, the authors are interested in researching it under the title "**The Effect of Division of Work and Employee Authority on Employee Performance at CV. Karya Mega Mandiri.**"

## **2. LITERATURE REVIEW**

According to Manullang (2005: 73), in organizations, division of labor is a must, and absolutely without it, the possibility of overlap is very large. The division of labor will ultimately result in departments and job descriptions from each department to the smallest units in the organization (organizational structure) describing the duties and functions of each unit in the organization and the relationship and authority of each organizational unit.

Wibowo (2010: 40) defines division of labor as the grouping of types of work that have similar and similar activities into one group of work fields. For example, sales, billing, and promotional activities can be grouped into one, namely the marketing field. The activities of purchasing materials, supervising the production process, and packaging can be grouped in the production field. Because a person's ability to do all types of work is limited, division of labor occurs. Therefore, the division of labor means that activities involved in doing work must be determined and grouped so that they are more effective in achieving the goals of the company. Grouped to be more effective in achieving organizational goals. With the division of labor, people can increase their skills in handling tasks because each task is in a specific field. A good division of labor is the key to organizing work, especially in providing guarantees for the stability, smoothness, and efficiency of work. Conversely, if the division of labor is carried out carelessly, meaning that it does not adjust a person's ability to the field of work, it will have an unfavorable effect and can even lead to failure in doing his job. Thus, the division of labor needs to be carried out carefully and with full consideration.

Robbins & Judge (2008: 219) state that authority is the inherent right in a managerial position to give orders and to expect that those orders are obeyed. To facilitate coordination, each managerial position is usually given a certain level of authority to fulfill its responsibilities.

According to Daft (2006: 8), employee authority is the formal and legal right of a manager to make decisions, issue orders, and allocate resources in order to achieve the expected results of the organization. Each employee is equipped with the authority to do work, and each authority is attached to or followed by responsibility. Authority and responsibility must be balanced.

According to Sedarmayanti (2011: 260) performance is a translation of "work," which means the work of a worker, a management process, or an organization as a whole, where the results of the work must be able to show concrete evidence and can be measured (compared to predetermined standards). According to Wibowo (2010: 7) performance is about doing work and the results achieved from that work. Organizational goals will certainly not be achieved if the performance of members or employees is not optimal. According to Mangkunegara (2009) in Pasolong, (2010: 179) performance is the result of the quality and quantity of work achieved by a person in carrying out his functions in accordance with the responsibilities given to him.

### 3. RESEARCH METHOD

This type of research is associative, according to Sugiyono (2012: 11), determine whether there is or is not an influence or relationship between the independent variable and the dependent variable, and if there is, how strong the influence or relationship is and whether or not the effect of the relationship is meaningful. The independent variables in this study are Division of Labor (X1) and Employee Authority (X2), the dependent variable in this study is Employee Performance (Y).

The population in this study were all employees at CV. Karya Mega Mandiri, totaling 77 people. According to Sugiyono (2012: 389), Population is a generalization area consisting of objects or subjects that have certain quantities and characteristics set by researchers to study and then draw conclusions. This study's sample included up to 65 respondents from CV. Karya Mega Mandiri. The sampling technique in this study was carried out using the Proportionate Stratified Random Sampling technique. According to Sugiyono (2012: 58) this technique is used when the population has members / elements that are not homogeneous and stratified proportionally. Data collection techniques in this study used observation and questionnaires. Hypothesis testing in this study uses the coefficient of determination, f test, and t test.

### 4. RESULTS AND ANALYSIS

#### Coefficient of Determination

The coefficient of determination is useful for measuring the model's ability to explain variations in the dependent variable. The coefficient of determination ranges from 0 to 1.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,748 <sup>a</sup>	,560	,546	2,015

Source:SPSS data processing

Based on the calculation of the coefficient of determination, it can be seen that the Adjusted R Square value obtained is 0.546. This figure shows that 54.6%. employee performance (dependent variable) can be explained by the variable factors of division of labor and employee authority. The remaining 45.4% is influenced by other factors not explained in this study.

#### Simultaneous Test (F Test)

The F test is conducted to test whether all independent variables intended in the model, namely Division of Work (X1) and Employee Authority (X2) simultaneously have a significant positive effect on the dependent variable, namely Performance (Y).

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	320,703	2	160,352	39,475	,000 <sup>b</sup>
	Residual	251,850	62	4,062		
	Total	572,554	64			

Source: SPSS data processing

Based on the table above, it is known that the F value has a positive value of 39.475 and is significant, with a Sig. value of 0.000 smaller than the significant level of 0.05. So it can be assumed that the two independent variables in the form of division of labor and employee authority simultaneously have a positive and significant influence on the dependent variable, namely employee performance at CV. Karya Mega Mandiri Binjai.

**Partial Test (t Test)**

The t test is conducted to test whether an independent variable intended in the model in the form of Division of Labor (X1) and Employee Authority (X2) individually has a significant positive effect on the dependent variable, namely Performance (Y).

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3,768	3,475		1,085	,282
1 x1_pembagianke rja	,238	,117	,222	2,040	,046
x2_wewenangker ja	,672	,124	,588	5,411	,021

Source: SPSS data processing

According to the table above, the variable relating to labor division has a significant effect on employee performance, as indicated by the sig. value of 0.046, which is less than the significant level of 0.05. So it can be concluded that individually, the division of labor has a significant positive effect on employee performance at CV. Karya Mega Mandiri Binjai. Meanwhile, the employee authority variable also has a significant effect on employee performance as indicated by the Sig. value of 0.021, where the value is lower than the significant level of 0.05. So it can be concluded that individually employee authority has a significant positive effect on employee performance at CV. Karya Mega Mandiri Binjai.

**The Impact of Work Division and Authority on Performance**

The results of the study for the Division of Labor (X1) and Employee Authority (X2) variables had a positive effect. As a result, it is stated that the hypothesis, namely that the Division of Labor (X1) and Employee Authority (X2) have a significant positive effect on Employee Performance (Y) CV, is accepted. So it is stated that the hypothesis is accepted, namely that the Division of Labor (X1) and Employee Authority (X2) has a significant positive effect on Employee Performance (Y) CV. Karya Mega Mandiri Binjai. This shows that if the division of labor and employee authority are good, employee performance will also be good..

**5. CONCLUSION**

From the results of the presentation and discussion of the data above, the conclusions of the research results are:

- 1) Division of labor has a significant positive effect on employee performance at CV. Karya Mega Mandiri Binjai.

- 2) Employee authority has a significant positive effect on employee performance at CV. Karya Mega Mandiri Binjai.
- 3) Division of labor and employee authority have a significant positive effect on employee performance at CV. Karya Mega Mandiri Binjai.

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