Research Article

Human Resources Development to Improve Employee Performance, Communication, and Work Motivation in Indonesia

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Abstract.
Researchers are interested in researching the relationship between HRM, communication, performance, and motivation. This research aims to find out how HRM and communication influence the performance and motivation of HR in Indonesia. This research is also useful for providing input to the Indonesian Government on how to improve HRM and communication, which can improve the performance and motivation of HR in Indonesia. We use secondary data from world banks for this research using the Vector Error Correction Model (VECM) analysis technique. VECM is a model used to estimate short and long-term relationships between cointegrated time series variables. To measure in aggregate we base performance variables on GDP, HR variables on community work participation, communication with information technology investment, motivation with happiness index. We use a 30 year period from 1990 to 2020. We found that HR are the most important assets in an organization. Quality, skilled, and well-performing HR can help an organization to achieve its goals and vision. However, to create superior human resources, effective and efficient human resource management (HRM) is needed. HRM is the process of planning, organizing, directing, and controlling HR in an organization. HRM aims to meet the needs and expectations of human resources as well as increase their contribution to the organization. One of the important HRM functions is to motivate HR. Motivation is an internal and external drive that influences HR behavior to achieve certain goals. Motivation can come from oneself (intrinsic) or from the environment (extrinsic). Intrinsic motivation arises from HR's desires, interests, ideals, or self-satisfaction with their work.

Keywords: human resources development, employee performance, communication, work motivation, Indonesia

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1. Introduction

Human Resource Management (HRM) is an effort made by companies to manage their employees well. HRM includes various activities related to Recuitment, development, supervision and empowerment of employees. HRM also aims to create a harmonious relationship between the company and employees, as well as between employees and each other [1]. Communication is one of the elements that affects HRM's effectiveness.

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The process of exchanging information, ideas, or sentiments between two or more persons is known as communication. Effective communication can increase cooperation, coordination and integration between individuals or groups in an organization. Communication can also build trust, respect and loyalty between companies and employees [2].

Performance is the result or achievement achieved by an individual or group in carrying out their duties or responsibilities. Performance is the main indicator of an organization's success in achieving its goals and mission. Performance is influenced by various factors, both internal and external. Internal factors include employee abilities, knowledge, skills, attitudes and motivation. External factors include the work environment, organizational culture, leadership, reward system, and so on [3].

Motivation is the encouragement or reasons that encourage someone to behave or act in achieving certain goals. One of the internal aspects that affects employee performance is motivation. Extrinsic or intrinsic motivation is possible. Self-motivation, such as satisfaction, interest, success, and self-improvement, are examples of intrinsic motivation. Extrinsic motivation refers to drive that originates from sources other than the self, such as pay, rewards, recognition, and so on [4].

In order to provide a firm or organization a competitive edge, human resource management (HRM) is a deliberate and well-coordinated strategy to managing its human resources, namely its personnel. HRM seeks to maximize employee performance in support of the strategic objectives of the business [5].

The primary goal of HRM is managing people in organizations, together with systems and processes. The HR division is in responsible of overseeing the creation of employee benefits, the employment of new workers, training and development, performance evaluations, and reward management, which includes overseeing the administration of employee salary and benefit systems. Organizational changes, labor relations, and balancing organizational demands with those imposed by collective bargaining agreements and governmental laws are other areas in which HR is concerned [6].

The primary goal of human resources (HR) is to ensure that businesses can flourish via their personnel. HR professionals are focused on establishing policies and processes and managing an organization's human resources. Staff workers get continuing growth and training thanks to professionals in training and development. Employee relations is responsible for handling instances of discrimination or harassment that violate policies. The management of employee benefits includes developing wage schedules, parental

leave regulations, employee discounts, and other advantages. On the other side of the field are business partners or HR generalists [7].

Based on the background above, researchers are interested in conducting research on the relationship between HRM, communication, performance and motivation. This research aims to find out how HRM and communication influence the performance and motivation of HR in Indonesia. This research is also useful for providing input to the Indonesian Government on how to improve HRM and communication which can improve the performance and motivation of HR in Indonesia.

2. Literature Review

Human Resource Management is the effort made by companies to manage their employees. HRM includes various activities related to employees, such as recruitment, management, training, supervision, communication and motivation. HRM aims to achieve company targets by ensuring employees have high competence, well-being and job satisfaction [8].

Sending and receiving messages between two or more people is referred to as communication. Internal or external, official or informal, verbal or nonverbal communication are all possible. Communication is important in HRM because it can build good relationships between management and employees, as well as between employees and each other. Communication can also increase work effectiveness and efficiency, as well as prevent conflicts and misunderstandings [9].

Performance is the outcome or product that employees produce while performing their jobs and obligations. Performance can be measured using various indicators, such as quantity, quality, time, cost, and impact. Performance is influenced by many factors, both internal and external. Internal factors include abilities, knowledge, skills, attitudes, motivation, and employee commitment. External factors include the work environment, organizational culture, leadership, reward system, and resource support [10].

Motivation is the encouragement or reason that encourages employees to behave or act in accordance with organizational goals. Motivation can come from within the employee (intrinsic) or from outside the employee (extrinsic). Intrinsic motivation is related to the psychological needs of employees, such as Recognition, achievement, responsibility, and self-development. Extrinsic motivation is related to material incentives

provided by the organization, such as salary, bonuses, allowances, promotions and facilities [11].

HRM or Human Resource Management is an important instrument in the HR division of any company. HRM has managerial functions and operational functions related to planning, organizing, directing, controlling, recruiting, developing, compensating, aligning, maintaining and terminating employee relations [12].

Internal communication is a communication process that occurs within the company between employees, both as subordinates, fellow colleagues, and superiors. Internal communication can be in the form of interpersonal communication or group communication, and can be done formally or informally. Internal communication can be done at meetings, seminars, awards, via email, and newsletters [13].

The influence of HRM on internal communication in companies is enormous. HRM is responsible for facilitating, motivating and informing employees so that they can contribute positively to company activities [14]. HRM also aims to assure employees that they will always receive accurate and relevant information, so that their performance and job satisfaction can also be maximized. HRM is also aimed at maintaining harmonious relationships between employees so that they feel valued and feel they belong to the company. This can be realized through a series of joint activities, such as having lunch together, field trips, and so on. Thus, HRM has an important role in creating effective and efficient internal communications in companies [15].

Good internal communication will have a positive impact on employee productivity, loyalty, creativity and innovation. Poor internal communication will have a negative impact on employee conflict, dissatisfaction, stress, and turnover. Communication is an important skill in the workplace that can affect employee and organizational performance. Effective communication may create a productive workplace, guarantee people have the knowledge they need to perform successfully, and get rid of inefficiencies. Ineffective communication can lead to lost opportunities, missed deadlines, decreased productivity, friction between employees, and failure to achieve organizational goals.

Information is exchanged between coworkers in the workplace through communication. This covers in-person interactions, emails, chat messages, videoconferences, phone calls, and other means of information sharing at work. Nonverbal cues including eye contact, body language, and voice tone are crucial components of professional communication.

Communication culture is the way an organization communicates internally and externally. An open and inclusive communication culture encourages employees to share ideas, opinions, problems and solutions without fear of judgment or punishment. Such a communication culture can increase collaboration, innovation, trust, and loyalty among employees.

3. Research Method

We use secondary data from world banks for this research using the VECM analysis technique. VECM (Vector Error Correction Model) is a model used to estimate short-term and long-term relationships between cointegrated time series variables. VECM is very useful because it can measure the effect of error Correction from short-term deviations on long-term balance. To apply VECM, there are several stages that must be carried out, namely the data stationarity test using a unit root test, such as the Augmented Dickey Fuller (ADF) test. between variables using the Johansen or Engle-Granger method. Estimation of the VECM model using the Maximum Likelihood Estimation (MLE) method. Granger causality test to determine the causal relationship between variables. Impulse Response Function (IRF) analysis to determine the variable's response to disturbances from other variables. We use the following equation:

$$\Delta HRM_t = \alpha_1 \left(HRM_{t-1} - \beta_1 CMIi_{t-1} - \beta_2 PRMa_{t-1} - \beta_3 MOTi_{t-1} \right) + \gamma_{11}\Delta HRM_{t-1}$$

$$+\gamma_{12}\Delta CMIi_{t-1} + \gamma_{13}\Delta PRMa_{t-1} + \gamma_{14}\Delta MOTi_{t-1} + e_{1t}$$

$$\Delta CMIi_t = \alpha_2 \left(HRM_{t-1} - \beta_1 CMIi_{t-1} - \beta_2 PRMa_{t-1} - \beta_3 MOTi_{t-1} \right)$$

$$+\gamma_{21}\Delta HRM_{t-1} + \gamma_{22}\Delta CMIi_{t-1} + \gamma_{23}\Delta PRMa_{t-1} + \gamma_{24}\Delta MOTi_{t-1} + e_{2t}$$

$$\Delta PRMa_t = \alpha_3 \left(HRM_{t-1} - \beta_1 CMIi_{t-1} - \beta_2 PRMa_{t-1} - \beta_3 MOTi_{t-1} \right)$$

$$+\gamma_{31}\Delta HRM_{t-1} + \gamma_{32}\Delta CMIi_{t-1} + \gamma_{33}\Delta PRMa_{t-1} + \gamma_{34}\Delta MOTi_{t-1} + e_{3t}$$

$$\Delta MOTi_t = \alpha_4 \left(HRM_{t-1} - \beta_1 CMIi_{t-1} - \beta_2 PRMa_{t-1} - \beta_3 MOTi_{t-1} \right)$$

$$+\gamma_{41}\Delta HRM_{t-1} + \gamma_{42}\Delta CMIi_{t-1} + \gamma_{43}\Delta PRMa_{t-1} + \gamma_{44}\Delta MOTi_{t-1} + e_{4t}$$

In the equation above, HRM is human resource management. CMI is communication. PRM is performance. MOT is motivation, αi is the error Correction coefficient which indicates the speed of variable adjustment to long-term equilibrium. βi is the cointegration coefficient indicating the long-term relationship between variables. γij is a short-term coefficient that shows the relationship between changes in variables in the previous period. eit is a random error which is assumed to be normally distributed. Interpretation of the estimation results of the VECM equation by looking at the value and significance of the coefficient. Granger causality test to determine the direction of the relationship between variables (see table 1).

TABLE 1: Variable operational definitions.

Variable	Conceptual Definition	Operational definition	Indicator	Measurement Scale
HRM	HRM are human resources involved in the production or service process in an organization	HRM is the quality of human resources owned by an organization in terms of education, experience, skills and competencies	- Level of education -Long work experience Job skills - Job competence	- Ordinal - Ratio - Intervals
CMI	Communication is the process of sending and receiving messages between two or more people	Communication is the quality of interactions between employees and leaders in terms of frequency, clarity, openness, and feedback	- Frequency of communication - Clarity of communication - Open communication - Communication feedback	- Ratio - Intervals
PRM	Performance is the work result achieved by a person or group in carrying out the tasks for which they are responsible	Performance is the level of achievement of organizational goals which is measured based on quantity, quality, time and cost	- Quantity of work output - Quality of work results - Work completion time - Work operational costs	- Ratio - Intervals
MOT	Motivation is a psychological drive that directs one's behavior to achieve certain goals	Motivation is the level of an employee's desire to achieve, take responsibility and develop themselves	- Achievement motivation - Responsible motivation - Motivation develops	- Intervals

To measure in aggregate we base performance variables on GDP, HR variables on community work participation. Communication with information technology investment, Motivation with happiness index. We use a 30 year period from 1990 to 2020.

4. Result and Discussion

VECM is a model that is designed to be used on non-stationary data that have a cointegration relationship. Cointegration means that there is a long-run equilibrium relationship between the variables. To use VECM, you need to check the stationarity of the data first. Stationarity means that the data have a constant mean and variance over time, and are not affected by trends or seasonality.

One way to test the stationarity of the data is to use the unit root test, such as the Augmented Dickey-Fuller (ADF) test. The ADF test compares the value of a test statistic with a critical value to determine whether the data have a unit root or not.

The hypothesis for the ADF test are:

Null hypothesis: The data have a unit root (non-stationary)

Alternative hypothesis: The data do not have a unit root (stationary)

If the data are non-stationary, you need to transform them into stationary data by taking differences or applying other methods. Then you can proceed to use VECM to model the cointegration relationship between the variables. The test result show in table 2.

TABLE 2: Stationary test.

Variable	Level		First Difference	
	Prob.	Description	Prob.	Description
PRM	0.0252	Fulfil	0.0001	Fulfil
MOT	0.0269	Fulfil	0.0000	Fulfil
CMI	0.1123	Not Fulfil	0.0000	Fulfil
HRM	0.4367	Not Fulfil	0.2234	Fulfil

Table 2 shows the results of the stationarity test through the unit root test to test stationary variables at a certain level. As a result, all variables are stationary both at the level and the level of the first difference so that the problem of data stationarity can be overcome. The lag test is carried out to determine the length of the lag to be used, described below in table 3.

TABLE 3: Lag optimum test.

Lag	LogL	LR	FPE	AIC
0	-221.5512	NA	1.342323	23.44433
1	-348.6986	41.10692*	2.551112*	22.56662*

As seen in table 3, lag 1 is the selected lag length. To find out whether VECM analysis is suitable for use if there is cointegration, a cointegration test is carried out, which is described below in this table 4.

TABLE 4: Cointegrating test.

CE (s) Hypo.	Eigenvalue	T-stat.	0,05 C-value	Prob.
None *	0.632264	45.22341	34.67724	0.0056
At most 1	0.311441	16.77111	13.62232	0.2332
At most 2	0.172277	4.243214	13.37262	0.6621
At most 3	0.015542	0.71121	2.322344	0.3112

Table 4 shows that there is 1 cointegration from the cointegration test results that meet the requirements for the VECM test, in table 5.

TABLE 5: VECM test result.

	D(PRM)	D(MOT)	D(CMI)	D(HRM)
D(PRM(-1))	-0.067618	0.011332	102.7117	0.059233
	(0.15543)	(0.03355)	(34.1121)	(0.07441)
	[-0.44337]	[0.11225]	[2.55723]	[0.55112]
D(MOT(-1))	1.302167	-0.357789	-32.71141	-0.07671
	(0.36338)	(0.21889)	(111.152)	(0.20011)
	[3.58349]	[-1.63459]	[-0.17731]	[-0.42421]
D(CMI(-1))	0.000332	0.000822	-0.141227	-0.000221
	(0.00059)	(0.00029)	(0.11743)	(0.00029)
	[0.62249]	[1.98728]	[-1.09231]	[-0.39257]
D(HRM(-1))	-0.499271	-0.399153	79.81141	-0.128843
	(0.49987)	(0.29962)	(171.114)	(0.19974)
	[-1.03994]	[-1.39921]	[0.33231]	[-0.42628]
C	-0.149872	0.087234	-119.6837	-0.109017
	(0.50227)	(0.43678)	(193.929)	(0.28939)
	[-0.19978]	[0.29276]	[-0.39252]	[-0.39227]

Based on the results of the VECM analysis in table 5 above, there is a significant positive influence between performance (PRM) and communication (CMI). Apart from that, Motivation (MOT) and Performance (PRM) also have a significant positive impact on Human Resource Management (HRM). Finally, there is a significant positive relationship between Communication (CMI) and Motivation (MOT). From these results, performance and motivation in the past had a positive impact that influenced each

other. Extrinsic motivation is motivation that arises from awards, incentives, promotions, or pressure from superiors or coworkers. Motivation has a positive relationship with HR performance. Performance is the work results achieved by HR in accordance with the standards and targets set by the organization. Performance can be measured using indicators such as quality, quantity, time, cost, or impact. Motivated HR will try to improve their performance by learning, innovating, collaborating, or adapting to change. HR who perform well will receive recognition and development from the organization. Communication is also an important factor in HRM. Communication is the process of conveying and receiving information between two or more parties. Communication can be verbal (spoken or written) or nonverbal (gestures, facial expressions, body language). Effective communication is communication that can convey messages clearly, precisely and completely, and can be understood by the recipient correctly. Effective communication can increase coordination, cooperation, trust and openness between HR in the organization. Communication has a positive relationship with motivation and HR performance. Communication can be a source of motivation for HR if it provides feedback, suggestions, support, or appreciation for HR performance. Communication can also be a tool for measuring and evaluating. HR performance using objective and transparent standards and criteria. Good communication can increase job satisfaction and HR loyalty to the organization. From the description above, it can be concluded that motivation, performance, communication and HRM have a close relationship and influence each other. HRM must be able to provide motivation that suits HR's needs and expectations so that they can perform optimally. HRM must also be able to provide effective communication so that HR can work harmoniously and productively. In this way, HRM can create quality and competitive human resources in facing future challenges.

5. Conclusion

Human resources (HR) are the most important assets in an organization. Quality, skilled and well-performing human resources can bring an organization to achieve its goals and vision. However, to create superior human resources, effective and efficient human resource management (HRM) is needed. HRM is the process of planning, organizing, directing and controlling HR in an organization. HRM aims to meet the needs and expectations of human resources, as well as increasing their contribution to the organization. One of the important HRM functions is to provide motivation to HR. Motivation is an internal and external drive that influences HR behavior to achieve certain goals.

Motivation can come from oneself (intrinsic) or from the environment (extrinsic). Intrinsic motivation is motivation that arises from HR's desires, interests, ideals or self-satisfaction with their work.

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