The Effect of Contract Work System and Work Motivation on Employee Performance: A Case Study on Employees of Pt. X

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Abstract. In today's globalised world, companies must adapt quickly and improve their performance to remain competitive. Employee performance is critical, especially in the garment industry, where production speed, product quality and operational efficiency are key factors. Human resource management is crucial for organisations, as employees are their most valuable asset. Improving employee performance will help organisations survive in volatile competition. Motivation and the contract work system applied in a company are important things that determine employee performance. This research aims to find out and examine the contract work system, work motivation, and employee performance at PT X and how these factors affect employee performance at PT X. Data from 97 respondents who are contract employees at PT X were collected directly using questionnaires as part of the survey research technique. The Slovin method is a statistical technique for calculating the number of samples required for a survey or research project involving a large population. The results showed that work motivation and contract work system together have a good and considerable influence on the performance of PT.X employees.

Keywords: Contract Labour System, Motivation, Employee Performance.

1   Introduction

In the era of globalisation and increasingly fierce business competition, companies in various sectors must be able to adapt quickly and improve their performance to remain competitive. The ability of the business world to move quickly is shown by the emergence of several new businesses engaged in various industries. Businesses that are already operating are always looking for better positions and circumstances. Such circumstances will trigger intense competition among businesses today. In the context of the garment industry, where production speed, product quality, and operational efficiency are key factors, employee performance has a significant impact on the overall success of the company. PT X, as a company engaged in the garment industry, is inseparable from the challenges of globalisation and increasingly fierce competition. In this case, the company must be able to compete to maintain its business.

One of the most important assets of the company is its employees, who play a crucial role in achieving organisational goals. Organisations must give careful consideration to human resource management because human resources, or employees, are the company's most valuable assets and the driving force behind operations that have emotions, desires, knowledge, drive, and strength. Employees are physical or spiritual (mental)

human employees who are always needed and, as a result, are one of the most valuable resources in cooperative efforts to achieve certain goals (in an organisation) [1].

The ability of labour to manage business operations is quite strong. To be able to deliver the best results, every human resource in the company must realise its full potential. Employers and employees are two entities that depend on each other. Employees and the company will both benefit if they succeed in advancing the business of the company. For employees, success is the opportunity to realise their full potential and the ability to fulfil their basic needs. Success for the company means expanding and improving. It needs to be realised that human presence is the main key to its success in achieving its goals and can even be a determining factor. Therefore, people play a very important role in society as motivators and agents of change.

Resource development for people in organisations is the improvement of processes for their quality or capacity to complete business tasks. If people work well, organisational goals can be achieved as much as possible. Organised and effective guidelines should be sought to elicit high performance from personnel. Internal corporate efforts have been put in place to motivate employees to perform more effectively in line with the organization's objectives.

For the growth of the organisation and for high performance, it is crucial to enhance the work so that each employee has the human resources necessary to successfully generate corporate objectives. The outcome of a worker delivering quality and quantity of work while keeping his commitments and completing the duties assigned to him is what is known as performance [2]. The best performance is that which satisfies organisational standards and aids in the accomplishment of organisational objectives. Agencies (organisations) will be able to survive in an unpredictable climate through improving staff performance.

Companies must be aware of other factors that may have an impact on employee performance. Many things affect performance, such as the calibre and aptitude of the workforce, workplace motivation, auxiliary facilities, and supra-facilities. Matters related to supra facilities include government policies regarding the contract work system (Certain Time Work Agreement/PKWT) as stipulated in Indonesian Law No. 13 of 2003 concerning labor. The contract labour system includes rules, procedures, and expectations that govern the relationship between companies and employees in terms of duties, responsibilities, and incentives. The amount and quality of work completed, however, are also significantly influenced by employee motivation. The force within a person that propels them to take action at work is known as motivation [3]. Motivated employees tend to be more dedicated and productive and contribute positively to the achievement of company goals. Humans are motivated because they are driven by a goal. This goal relates to someone who may assert that if a need is not felt, motivation will not exist.

Motivation and the contract work system applied in a company are important things that determine employee performance. This, among others, can be seen from the results of research conducted by [4] with the title "The Effect of Contract Work Systems and Work Motivation on Employee Performance at Erha Clinic' Company This research aims to determine how job motivation and collective bargaining agreements affect em-

ployee performance at Erha Clinic Company. According to the findings of data analysis, using a contract labour system in line with the terms and agreements between employees and employers is known to have a favourable and substantial impact on employee performance. High levels of employee enthusiasm at work will also boost productivity. Employee performance is impacted by the contract employment structure, but work incentives have a greater influence.

At PT X, there is a need to further improve work motivation so that employees can be more motivated to complete their tasks with enthusiasm. In addition, it may be seen that there is an opportunity for managers to provide clearer guidance to staff members in carrying out their work. This can help employees feel more confident and less discouraged in the face of challenges. Furthermore, there is an opportunity for supervisors to provide further support to subordinates when they face difficulties. In some situations, supervisors may not always provide immediate solutions, but it is still important to provide direction and motivation so that subordinates can achieve good performance. By optimising communication and support, companies can overcome some of the problems that may occur in their operations.

In this context, researchers have conducted a study with the title "The Effect of Contract Work Systems and Work Motivation on Employee Performance: A Case Study on Employees of Pt. X."

This research intends to investigate and analyse the impact of the contract labour structure and employee motivation on productivity at PT X. This study provides answers to several important questions. Some of the key questions answered by this research are: 1) How is the employment contract system implemented at PT. X, and to what extent does it affect employee performance? 2) What is the level of employee motivation at PT. X, and how does it affect their performance?

3) Is there a relationship between the employment contract system and motivation and employee performance at PT. X?

2   Literature Review

2.1   Contract work system

In the Law of the Republic of Indonesia (UU RI) Number 13 Year 2003, "the contract work system is called a Fixed Time Work Agreement (PKWT). Non-permanent workers, or workers who work under contract with the employer (company) and themselves (workers), are workers who have a contract work agreement." A person who performs work or responsibilities on behalf of others in exchange for payment in the form of wages and/or guarantees is considered a worker [5].

In order to carry out a task, the employer must agree to do it within a predetermined period of time [6]. This is important because setting a deadline for a task will increase efficiency and discipline in the workplace. It prevents employees from doing tasks on their own, which reduces procrastination and increases productivity. Time agreements can help reduce conflict and confusion by setting clear expectations for all parties participating in a project or assignment.

The contract work system can implicitly be understood as an agreement in which the contractor commits to carry out certain tasks for the other party carrying out the contract in exchange for payment, and the other party commits to contracting the task to the contractor in exchange for payment [5]. The clarity of the employment contract contained in the employment agreement will help employees understand their responsibilities and those of the company or employer. Thus, a clear and transparent work agreement is also an important factor in creating a harmonious and productive work environment [4].

Indicators of the contract work system there are 4 indicators to measure employee contract work system [7], including:
a.   The existence of work This can relate to how the existence of clear tasks and responsibilities can affect the extent to which employees feel they have direction and purpose in their work.
b.   Under orders. This relates to how proper instruction and direction from superiors can affect employee performance. Clear direction and guidance from superiors can help employees work more efficiently and produce results that meet expectations, thereby improving overall performance.
c.   Wages. This has implications for the financial aspects of employee motivation. Fair and adequate compensation can provide incentives for employees to give their best effort at work.
d.   within the specified time. This relates to how time management and setting deadlines can affect employee productivity and performance.

2.2   Work motivation

Motivation is an impulse that can grow and direct behavior in humans [8]. The important role of employees requires organizations to be able to motivate employees so that companies are able to form employees who have more enthusiasm and innovation. With the motivation of existing employees, company goals can be achieved more easily because employees, with their willingness, will work hard even if they are not supervised by their superiors (Lusri, 2017).

High motivation is needed so that employees work diligently and enthusiastically to produce quality work [9]. Motivation is a form of encouragement that fosters a love of activity so that it can blend, function, and relate to all the efforts it makes to find happiness [10]. Work motivation includes components including direction of behavior, level of effort, and perseverance. Employees who have high motivation at work will be better at work than employees who lack motivation [11].

2.3   Work motivation indicators

There are 4 indicators to measure employee work motivation [4], including:
a.   Good employee behavior at work explains how employees interact with tasks and coworkers and the extent of the quality and quantity of work produced.

b. Employees enjoy working. This refers to the level of satisfaction and happiness that employees feel when carrying out their tasks, which can affect productivity and work quality.

c. Morale. Describes the level of enthusiasm and passion employees have for performing their tasks. The higher the morale, the more likely employees are to overcome challenges and contribute actively.

d. Responsibility for assigned work Responsibility for assigned work measures the extent to which employees feel responsible for the results of their work. This includes adherence to deadlines, dedication to delivering the best results, and a sense of ownership of the work performed.

Two types of work motivation can be simply identified as follows, based on the various theoretical formulations above:

a. Internal motivation An understanding of the meaning, benefits, or importance of the task being performed is the source of such motivation, which comes from within the worker as a person.

b. External motivation This motivation serves as an external catalyst for an individual's work, arising from a situation that necessitates the individual to perform their responsibilities with utmost efficiency. For example, having a high work commitment because of a high salary or income, an honorable position or authority, or other factors such as praise or punishment

2.4   Employee performance

Performance is what happens when an employee meets the expectations placed on him by providing both quality and quantity of work [12]. Performance is defined as the output of work that a person or group of people within a company may produce in accordance with their individual authority and responsibilities in order to fulfil the requirements of corporate objectives in a way that is morally upstanding and in accordance with the law [5]. Employee performance may be seen as a technique for determining a person's aptitude for completing the duties allocated at work.

The quantity and calibre of the things produced are what determine an employee's performance [13]. Each employee carries out his duties in accordance with the accompanying job description and his respective responsibilities. Fulfillment of organizational goals can be achieved through improved employee performance, as evidenced by achievements at work [14]. The organization will benefit from improved staff performance. Productivity, quality of work, efficiency, compliance with laws and company policies, and participation in their business goals and plans are some of the ways to assess this.

2.5   Performance indicators

There are 5 indicators to measure employee performance [15], including:

a. Quality. This refers to the extent to which employees are able to produce work or products that meet established standards or specifications.

b. Quantity. This measures how much an employee can produce in terms of work or product.
c. Timeliness. This refers to the employee's ability to complete tasks or obligations according to a predetermined schedule or deadline.
d. Effectiveness. measures the employee's ability to achieve the results or goals that have been set.
e. Independence. This relates to a person's capacity and disposition to operate independently without constant   guidance   or supervision. Work commitment. This measures an employee's attitude, dedication, and adherence to job duties, responsibilities, and goals.

Hypothesis

Effect of employment contract system on employee performance

The contract work system is a form of work arrangement in which a worker or working party with an employer (usually a company or individual) agrees to certain terms and conditions in a written contract before they start working (Yustisia, 2016). It is evident from the findings of studies done by [16] and [13], that the contract labour system significantly affects employee performance. However, contract employees may feel more motivated to do a good job because their contract ends. They tend to feel the need to prove themselves and meet expectations within the contract period.

H1 : The employment contract system implemented at PT X has a significant positive effect on employee performance.

Effect of work motivation on employee performance

With the motivation of existing employees, company goals can be achieved more easily because employees, with their willingness, will work hard even if they are not supervised by their superiors [17]. Based on the results of research conducted by [4] and Rahma [18], it shows that motivated employees tend to be more productive in their work. They have the drive and enthusiasm to complete tasks well, resulting in higher results in less time.

H2: The level of employee motivation at PT X has a significant positive influence on employee performance.

Is there a relationship between the employment contract system and motivation to employee performance at PT X?

Employee motivation and the employment contract system's impacts on performance may both operate concurrently and interact with one another. These two variables interact and may have an impact on both employee output and outcomes. The findings of study done by [19] that demonstrates how the work contract system and work motivation concurrently effect employee performance improvement provide evidence

for this. Employees are more driven to enhance their performance when there is a clear work agreement.

H3 : The employment contract system and work motivation have a positive influence simultaneously on employee performance.
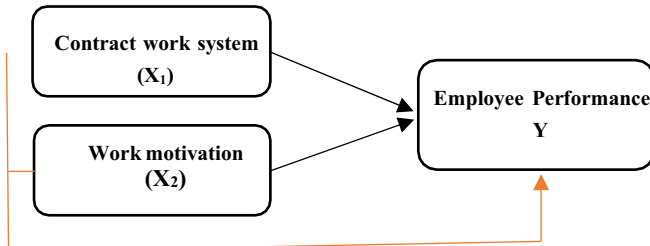

Fig. 1.

3   Research Methods

This research adopts a descriptive approach and applies quantitative methods as a research approach. Quantitative methods are used to investigate a portion of a specific population in the context of PT X employees. This research was conducted at the company, which has employees from various backgrounds and fields of work. All of PT. X's workers, a total of around 2,911 individuals, make up the population of this research. Using a Google Forms-distributed online survey, data was gathered. The authors used the Slovin approach to figure out how many samples they needed. The Slovin method is a method for choosing a random sample from a big population that may accurately reflect that population without include every single person in the sample. The researcher will need to interview 97 PT.X workers, according to this figure.

In the context of this research, the author utilizes Statistical Package for Social Science (SPSS) software to conduct data analysis. In addition, SPSS also has a crucial role in processing qualitative data obtained from interviews using open-mode questionnaires with informants. This data was used as support in a more thorough analysis. The author used the Microsoft Excel programme to examine descriptive variables in qualitative data processing. In order to develop equations that would explain the relationship between the independent and dependent variables, regression analysis was performed.

4   Results and Discussion

4.1   Respondent Characteristics

In this study, the research participants are individuals from various divisions within PT X who will answer a number of questions in the questionnaire. A total of 98 team members have participated in filling out this questionnaire. They were selected based on several variables, such as gender, age, and length of employment in the company. Information about the respondents from PT X can be found in the table provided below.

Table 1. Respondent Characteristics

No	Characteristics	Respondents	Frequency	Percentage (%)
1	Gender	Male	28	28.57%
		Female	70	71.43%
	Total		98	100.00%
2	Age	18-23 years	48	48.98%
		24-30 years	33	33.67%
		31-36 years	6	6.12%
		37-45 years	8	8.16%
		46 > years	3	3.06%
	Total		98	100.00%
3	Length of Service	< one year	22	22.45%
		1-3 years	41	41.84%
		10 > years	5	5.10%
		4-6 years	22	22.45%
		7-9 years	8	8.16%
	Total		98	100.00%

Source: Primary Data PT X 2023

Based on the data provided in the table above, it is evident that there is a prevalence of female employees compared to male employees among the respondents in this study. This observation can be attributed to PT. X's tendency to have a greater reliance on female labor. This may be influenced by the fact that the qualities of tidiness and thoroughness in carrying out tasks are more commonly found in the work performed by the female workforce.

In terms of the age range of team members at PT. X, it can be observed that most of them are within the age range of 18– 23 years old. This reflects the fact that the company has more young employees. At this age stage, the company expects that employees have high motivation and the potential to improve the company's quality and productivity by carrying out daily tasks.

Then, based on the length of employment at PT. X, most respondents are those who have worked for 1-3 years. This indicates that the company tends to have many employees with relatively short work experience. Thus, it can be assumed that PT. X may

have a fairly active new employee recruitment policy or employ many workers with an initial level of experience, which may be related to the company's growth and development strategy. However, if employees have good performance and low absenteeism, the company will increase their employment contract to a period of 3 years.

4.2   Validity and reliability tests Validity Test

A method for determining how trustworthy a questionnaire is for gathering data is to conduct a validity test. With the use of SPSS 26 software, the validity test in this instance was carried out using Pearson's bivariate correlation approach. The validity of the questionnaire's questions was evaluated using a comparison between the rcount value and the rtable value at the 5% significance level. If the count number was higher than the table value, the questionnaire's questions were deemed genuine. Items, on the other hand, were regarded as invalid if the count value was lower than the RT value. A table containing pertinent information was utilised to recap the validity test's results.

Table 2. Results of the Validity Test of the Contract Work System Variable (X1)

No Item	rhitung	rtabel 5% (98)	Description
1	0.757	0.202	Valid
2	0.834	0.202	Valid
3	0.812	0.202	Valid
4	0.820	0.202	Valid
5	0.734	0.202	Valid
6	0.827	0.202	Valid
7	0.789	0.202	Valid
8	0.767	0.202	Valid

Source: SPSS 26 for Windows, 2023

Table 3. Results of the Motivation Variable Validity Test (X2)

No Item	rhitung	rtabel 5% (98)	Description
1	0.792	0.202	Valid
2	0.865	0.202	Valid
3	0.813	0.202	Valid
4	0.877	0.202	Valid
5	0.862	0.202	Valid
6	0.773	0.202	Valid
7	0.782	0.202	Valid
8	0.830	0.202	Valid

Source: SPSS 26 for Windows, 2023

Table 4. Employee Performance Variable Validity TestResults (Y)

No Item	rhitung	rtabel 5% (98)	Description
1	0.740	0.202	Valid
2	0.838	0.202	Valid

3	0.831	0.202	Valid
4	0.806	0.202	Valid
5	0.827	0.202	Valid
6	0.770	0.202	Valid
7	0.698	0.202	Valid
8	0.779	0.202	Valid

Source: SPSS 26 for Windows, 2023

The results of the validity test calculations, shown in the tables above, show that all rcount> r table values are significant at the 5% significance level. Thus, it can be said that all items of this research questionnaire can be used as research instruments because they are all valid.

4.3   Reliability Test

A reliability test is an important step to assess whether the research questionnaire used to collect data on research variables has an adequate level of reliability. The reliability test process uses the alpha formula, and the significance assessment is carried out at the $\alpha = 0.05$ level. The instrument is considered reliable if the alpha value exceeds the specified rtable limit, which is 0.202.

Table 5. Reliability Test Results

Variabel	Perbandingan Cronbach's Alpha			
	rhitung	rtabel 5% (99)	a=70%	Description
ContractLabour System (X1)	0.914	0.202	0.70	Reliabel
Motivation (X2)	0.932	0.202	0.70	Reliabel
Employee Performance (Y)	0.909	0.202	0.70	Reliabel

Source: SPSS 26 for Windows, 2023

Based on the results of the dependability variable calculation, the count values are as follows: X1 is 0.914, X2 is 0.932, and Y is 0.909. The r table value used is 0.202, witha sample size of n = 98 and a confidence level of 95%. According to the reliability test criteria, all data items in the questionnaire for variables X1, X2, and Y are considered reliable if the rcount > the r table value. The calculation results show that X1 = 0.914 > 0.202, X2 = 0.932 > 0.202, and variable Y = 0.909 > 0.202. Thus, the reliability calculation result for variable X1 (Contract Work System) is 0.914, for variable X2 is 0.932, and for variable Y is 0.909. All of thesevalues exceed the

established reliability threshold of 0.70 or are within the range of 0.80–1.00. In other words, the level ofreliability of the questionnaires for variables X1, X2, and Y can be considered very high.

4.4   Classical Assumption Test

Classical assumption testing is carried out to identify whether the regression model constructed conforms to the basic assumptions that are important in inferential statistics. The three classic assumptions commonly tested in regression analysis are residual normality, multicolonierity, and heteroscedasticity.

Normality Test

Probability Plot Normality Test
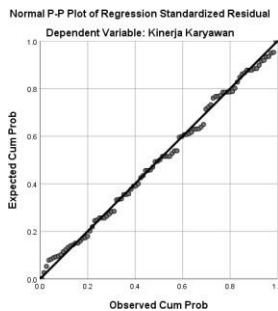
Fig. 2. P-Plot Normality

The regression model is regarded as being regularly distributed if the actual data points on the graph show a diagonal line pattern [20]. Given that the points are equally spaced around the diagonal line and coincide with the line pattern in the preceding image, the residual points in the regression model seem to have a normal distribution.

Kolmogorov Smirnov Test

Tabel 2. *Kolmogorov Smirnov Residual Test*

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		98
Normal Parametersa,b	Mean	.0000000
	Std. Deviation	3.40646758
Most Extreme	Absolute	.046
Differences	Positive	.043
	Negative	-.046
Test Statistic		.046
Asymp. Sig. (2-tailed)		.200c,d

Given that the significance value for the aforementioned Kolmogorov-Smirnov residual normality test is 0.200>0.05, it is clear that the residual value is normally distributed.

Multicolinearity Test

Table 6. Multicolinerity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Sistem Kerja Kontrak (X1)	0.377	2.650
Motivasi (X2)	0.377	2.650

Sumber: Olah data SPSS 26 for Windows, 2023

Based on the data that has been displayed, the regression model does not show any multicollinearity problems. This is evident from the fact that each variable's tolerance value is more than 0.1 and its VIF value is less than 10. No multicollinearity exists, hence the regression model that has been created may be used moving forward and examined more thoroughly.

Heteroscedasticity Test

If the Sig. 2-tailed value is more than 0.05, the conclusion does not exhibit heteroscedasticity; conversely, if the Sig. 2- tailed value is less than 0.05, the conclusion exhibits heteroscedasticity.

Table 7. Glejser Heteroscedasticity Test

Unstandardized Coefficients		Standard-ized		

		Std.	Coeffi-cients		
Model	B	Error	Beta	t	Sig.
1 (Constant)	4.086	1.119		3.651	.000
Contract Labour System	-.104	.055	-.308	-.888	.062
Motivation	.055	.056	.160	.979	.330

Source: SPSS 26 for Windows, 2023

In the Glejser heteroscedasticity test, it was found that thesignificance value for both variables, namely the contract work system (X1) was 0.062 > 0.05 and motivation (X2) was 0.330 > 0.05. These results indicate that in the context of the regression model being tested, there are no symptoms of heteroscedasticity. In other words, the residual variance in theregression model does not significantly change with changesin the contract work system variable (X1) or the motivation variable (X2), indicating that this research can provide a stronger basis for inference, prediction, and conclusion fromthe regression model constructed, or, in other words, the regression results will be more stable and can be interpreted more clearly.

Multiple Linear Regression Analysis

Table 8. Multiple Linear Regression Analysis Test Results

Coefficientsa					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
(Constant)	9.400	1.832		5.132	.000
Sistem Kerja Kontrak	.204	.090	.239	2.258	.026
Motivasi	.498	.092	.572	5.410	.000

Sumber : Olah data SPSS 26 for Windows, 2023

The results of the analysis using multiple regression equations are shown in the table above with the accompanying explanations: Y = 9,400 + 0.204 X1 + 0.498 X2. This findingsuggests that when both the contract work system (X1) and motivation (X2) values are equal to 0, employee performancewill have a positive value of 9,400.

Increased usage of the contract work system is associated with higher employee productivity, as shown by the positive regression coefficient of 0.204 between the contract work system variable (X1) and employee performance (Y). Employee performance (Y) is positively impacted by the motivation variable's regression coefficient, which is at 0.498 (X2) and shows that motivation boosts productivity. Therefore, PT X's employee performance may be enhanced by altering the contract work arrangement and offering the appropriate incentives.

T-Test

The results of hypothesis testing with statistical tests (t-test) are as follows:

Table 9. Partial Test Results (t-test)

Free Variable	t.hitung	>or<	t.tabel	Significance	Description
Contract Work System (X1)	2.258	>	1.985	0.026	Influentia l & Significant
Motivati on (X2)	5.410	>	1.985	0.000	Influentia l & Significant

Source: SPSS 26 for Windows, 2023

The information in the table above indicates that the contract work system has a beneficial and significant influence on employee performance. Based on the table's findings, which reveal that the contract work system has a tcount of 2.258> t table 1.985 and a significance value of 0.0260.05, H0 is either accepted or rejected, showing that it only partially and substantially affects employee performance. The results of this calculation are corroborated by study(Retnosari et al., 2016), which shows that the regression coefficient value of +0.526 suggests a positive direction[5]. The hypothesis is believed to be correct since the t value is 7.324>t table 1.65993. The results show that the branch's contract work system (X1) has a positive and significant influence on employee performance (Y1) at the PT Charoen Pokphand Indonesia Salatiga Branch.

The findings in the table above show that work motivation has a favourable and substantial influence on employee performance. H0 is rejected or accepted based on the findings of the table, which demonstrate that work motivation has a t count of 5.410>t table 1.985 and a significance value of 0.000, showing that work motivation only partially and substantially influences employee performance. The findings of the t test on the impact of job motivation on employee performance were 2.040 with a significant value of 0.046, and the difference between the two was 2.00575 and 0.05 [18], according to research by Rahma Oktaviani Dewi (2021). This study confirms the conclusions of Rahma Oktaviani Dewi. As a result, the hypothesis (H2) is accepted, showing that performance is significantly influenced by employee motivation at work.

F-Test

The results of hypothesis testing using the F statistical test(F-test) can be seen in the following table.

Table 10. Simultaneous Test Results (F-test)

ANOVAa

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1684.012	2	842.006	71.065	.000b
Residual	1125.590	95	11.848		
Total	2809.602	97			

Source: SPSS 26 for Windowsdata processing 2023

variable (X1) together have a substantial impact on the employee performance variable (Y). Therefore, it is decided to accept Ha instead of rejecting H0.

Test Coefficient of Determination (R Square)

Table 11. Results of the Determination Coefficient Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.774a	.599	.591	3.442

Source: SPSS 26 for Windows, 2023

The R square value is 0.599, which means that 59.9% of the employee performance variable (Y) is controlled by the contract work system variable (X1) and motivation variable (X2) at the same time, and 40.1% is influenced by other factors not examined in this study, as can be seen from the result above.

5   Discussion

The findings of the tests show conclusively that the motivation of employees at PT X and the contract work structure both have a significant impact on how well they perform. The implications of these results for human resource management and business strategy may be explored in more detail in this context.

The fact that the contract labour system has a favourable and considerable impact on employee performance demonstrates the need of carefully crafting and administering employment agreements. Companies need to ensure that work requirements and expectations in the employment contract are clear and in line with employee needs. Effective implementation of the contract labour system also requires careful monitoring of the

performance of employees working under this system. This can help companies identify potential problems and take the necessary remedial action.

On the other hand, the beneficial and important impact of employee motivation on performance emphasises the significance of motivation management in the workplace. Companies can develop strategies specifically designed to increase employee motivation, such as providing appropriate incentives, providing relevant training and development, and creating a corporate culture that supports morale. High motivation can help maintain productivity, reduce turnover rates, and increase employee satisfaction.

Management at PT X may take proactive steps to enhance the quality of work and the accomplishment of corporate objectives by realising that the contract labour system and motivation have a substantial influence on staff performance. These two factors are not only important in improving operational efficiency but also in creating a positive work environment and maintaining healthy working relationships between the company and employees.

6   Conclusion

Based on the results of the study and discussion in the preceding part, it is possible to make the following conclusions:

1. The results indicate that the contract employment system seems to have a favourable and considerable impact on employee performance. The results of the table show that the contract work system variable has a significant impact on improving employee performance or productivity, with a t count of 2.258> t table 1.985 and a significance value of 0.0260.05. Therefore, H0 is either accepted or refused.

2. According to the data in the table above, employee performance is positively and significantly impacted by job motivation. Based on the results of the table, which show that the t count of work motivation is 5.410>t table 1.985 and a significance value of 0.000, H0 is rejected or accepted, indicating that work motivation only somewhat and significantly influences employee performance.

3. The findings of the diasas statistical calculation demonstrate that the motivational factors and the contract work arrangement together have a significant impact on the productivity of PT X personnel.

SUGGESTIONS

As for some suggestions that the author can convey from the results of the study, namely:

1. PT.X has to think about increasing the usage of the contract work system in the business given the system's favourable and considerable impact on employee performance. Overall performance and productivity among employees may be increased in this way.

2. Since work motivation is proven to have a positive and significant influence on employee performance, organisations should pay special attention to improving employee motivation. This may include the development of motivational programmes,

recognition of achievements, and appropriate rewards. In addition, managers and leaders need to be trained in how to identify and motivate employees, as this training can help them be more effective in supporting and directing their teams. Thus, investment in employee motivation and managerial training can have a positive impact on overall organisational performance.

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