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IMPACT OF WORK FROM HOME POLICY IN THE BANKING SECTOR ON EMPLOYEE PERFORMANCE AND MOTIVATION

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Abstract: The pandemic that is still continuing has made several business actors carry out various kinds of policy innovations so that their business continues to run, one of which is the implementation of Work From Home as one of the solutions. This is no exception in the banking sector whose services have switched to online, making employees change their habits at work who used to do their work offline now have to work at home to provide maximum service to the community. In addition to measuring the impact of Work From Home on employee performance, the research also examines the extent of employee motivation when they carry out Work From Home regulations in their offices. The research uses quantitative research methods which are also supported by various supporting literature reviews. The analysis tool in this study uses path analysis with SmartPLS 3.0 software. Respondents in this study were banking sector employees in the East Java region. The results showed that Work From Home has an effect on performance and Work Form Home is significant to worker motivation. Research is also supported by data based on viewer that has been done.

Keywords: Work From Home, Employee Motivation, Work Performance

1. Introduction

The current pandemic has affected various sectors, including education, economy, tourism, and government. This has prompted the government to make policies so that these various sectors can continue to run. One of them is the Work From Home policy enacted by the government which is finally also implemented by various companies to anticipate so that the company's business and economy continue to run.

WFH has become an increasingly common practice and is an important dimension of future working practices (Bai, et al., 2020). The concept of workplace is shifting from the idea of physical location to WFH or telecommuting, another commonly used language is online, where employees do not need to travel to the workplace but can be carried out at home or in various places where they are (Shareena & Shahid, 2020). For most businesses, this drastic shift to WFH as a new experiment represents a very different wayof working (Kramer & Kramer, 2020). Face-to-face meetings and going to meetings havebeen replaced by video chats, especially in the era of the Covid-19 pandemic (Wood, 2020).

The WFH policy implemented to stop the spread of Covid-19 has many consequences in the aftermath. The global pandemic is changing entire systems within organizations that affect office culture dynamics (Lane et al., 2020). The Covid-19 pandemic has forced organizations to change their status quo functionally, leading to a new norm of working from home (Kniffin, 2021).

There is a constant need for every organization to pay attention to maintaining and

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improving productivity, especially in the era of uncertainty caused by the Covid-19 pandemic (Jääskeläinen, 2010). Productivity is often considered a critical component of organizational performance (Smith & Garner, 2007). Productivity increases and overall efficiency of the organization, which balances organizational performance (Bloom, et al., 2006). As many organizations, especially in the pandemic era, are forced to adopt Work From Home, it is imperative to find out whether working from home affects performance (Kniffin, 2021; Thorstensson, 2020).

The impact of WFH is not only on performance but also on self-motivation. The results of research conducted by Nicholson & Baruch (1997) show that in terms of individual qualities perceived by employees, self-motivation is the most needed thing in doing work from home above other factors such as the ability to work alone, perseverance, and the ability to self-organize. This is also because the characteristics of work from home require self-motivated people who want to participate in the program and who have good time management and organizational skills (Turban & Wang, 1995). The management of Work From Home arrangements will also make employees feel indebted to the organization, resulting in employees feeling obliged to increase work motivation (Caillier, 2012). One of the research results also mentioned that workers who often work from (4 or 5 days per week) have higher motivation to perform public services than workers who do not work from home (Caillier, 2016).

Based on the phenomenon that has been conveyed, this research will conduct a study related to the impact of the Work From Home policy, as far as WFH can play a major role in employee performance and employee motivation. Because this policy modelhas been very popular when we entered the pandemic, it is hoped that research will be able to provide answers to this.

2. Research Method

Data Collection and Data Processing Methods

The data collection techniques used in this study were questionnaires and documentation. The following is an explanation of each data collection technique used:

- 1. In this study, the data collection instrument used was a questionnaire. The questionnaire is an efficient data collection mechanism if the researcher knows exactly what is needed and how to measure the research variables (Sekaran, 2006). The questionnaire was distributed to respondents who were in accordance with the characteristics of the sample that had been determined. Researchers also explained to respondents how to fill out the questionnaire so that there was no misunderstanding of the questions given.
- 2. Documentation is a data collection technique carried out by tracing information related to variables from notes, books, magazines, journals, and websites on relevant topics to obtain data and literature that can support this research.

Variable Measurement Technique

The coding process is very important to facilitate the analysis of the meaningfulness and influence of each variable, for this reason the respondent's answer data in the form of actions and opinions is coded using a Likert scale (score 1 - 5). The Likert scale is a scaleformed to explain how strongly the subject agrees or disagrees with a 5 (five) point question (Sekaran, 2006). This is done because the analysis and testing of hypotheses using statistical tools, the research data in the form of actions, opinions or sentences mustbe quantified by coding with numbers.

Data Analysis Method

This study uses a data analysis method using SmartPLS 3 software which is run by computer media. Partial Least Square (PLS) is a variant-based Structural Equation Model (SEM) analysis that can simultaneously test the measurement model and test the structural model. The

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measurement model is used for validity and reliability tests, while the structural model is used for causality testing (hypothesis testing with prediction models). Furthermore, Ghozali (2015) explains that PLS is an analytical method that is soft modeling because it does not assume data must be measured on a certain scale, which means that the number of samples can be small (under 100 samples).

There are several reasons that cause PLS to be used in a study. In this study, these reasons are: First, PLS can accommodate both formative and reflective indicators. Second, PLS can be used to analyze theories that are still said to be weak, because PLS can be used for prediction, the prediction referred to here is the prediction of the relationship between constructs. Third, PLS allows the algorithm to use Ordinary Least Square (OLS) series analysis so that the efficiency of the calculation algorithm is obtained (Ghozali, 2015). Fourth, in the PLS approach it is assumed that all variance measures can be used to explain.

Inferential Statistical Analysis

Inferential statistical analysis is used to test hypotheses and produce a feasible model (fit). The data analysis method used Structural Equation Model (SEM) with the Variance Based SEM approach or better known as Partial Least Square (PLS). The PLS software used for data analysis uses SmartPLS 3. Analysis in PLS is carried out in three stages, namely:

- 1. Outer Model Analysis (Measurement Model)
 - Outer model analysis is carried out to ensure that the measurements used are suitable for measurement or valid and reliable. Outer model analysis specifies the relationship between latent variables and their indicators, or in other words, the outer model defines how each indicator relates to its latent variable.
- 2. Inner Model Analysis (Structural Model)
 - Inner model analysis or structural model analysis is carried out to ensure that the structural model built is robust and accurate. This analysis shows the relationship between variables in accordance with theoretical studies and previous research results.
- 3. Hypothesis Testing
 - Hypothesis testing is carried out to determine whether each hypothesis proposed in this study can be accepted / supported or not.
- 4. Mediation Test
 - The mediation test is conducted to determine whether the mediating variable in a study provides a mediating role or not in the model being built. The mediation testuses the Sobel Test, then proceeds to determine the nature of the mediation of each of these variables if the two variables are proven to be mediating variables.

3. Result And Discussion

Result

This research uses a quantitative approach method using a questionnaire as data collection. This study involved 100 respondents, with the following characteristics of therespondents:

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Table 1. Respondent Characteristics

Details	Item Frequency		%
Gender	Female	55	55
Gender	Male	45	45
	20-25	22	22.3
	26 - 30	12	12.5
A go (voorg)	31 - 35	20	20
Age (years)	36 - 40	24	24.3
	41 - 45	12	12.5
	> 46	10	8.4
Status	Married	38	38
Status	Single	62	62
	<1 year	9	9
Length	1-2 years	24	24
of	3-4 years	32	32
Service	5-6 years	15	15
	> 6 years	20	20
	High school	1	1
Education	Diploma	5	5
	Bachelor	80	80
	Master	14	14

The results of validity testing in this study are shown in table 2 below:

Table 2. Convergent Validity Testing

Indicator	Item	Outer loading	Description
Work From Home	X1.1		Valid
	X1.2		Valid
	X1.3		Valid
	X1.4		Valid
	X1.5		Valid
	X1.6		Valid
	X1.7		Valid
	X1.8		Valid
	X1.9		Valid
Work Motivation	Y1.1		Valid
	Y1.2		Valid
	Y1.3		Valid

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	Y1.4	Valid
	Y1.5	Valid
	Y1.6	Valid
Employee Performance	Y2.1	Valid
	Y2.2	Valid
	Y2.3	Valid
	Y2.4	Valid
	Y2.5	Valid
	Y2.6	Valid
	Y2.7	Valid
	Y2.8	Valid

Source: Primary data processed, 2020

Based on the results of convergent validity testing in table 1, the outer loading results of each variable have a value of more than 0.5. If the outer loading value is more than 0.5, it shows valid results. As for reliability testing, it is shown in table 3 below:

Table 3. Testing AVE, Cronbach's Alpha, and Composite Reliability

	0	1 /	-	•
Variables	AVE	Cronbach's Alpha	Composite Reliability	Description
Work From Home	0.594	0.887	0.911	Reliable
Work Motivation	0.705	0.916	0.935	Reliable
Employee Performance	0.519	0.867	0.895	Reliable

Source: Primary data processed, 2020

Based on table 3, the AVE value for each variable has a value of more than 0.5 and meets the requirements. The Cronbach's Alpha value of each variable also has a value greater than 0.7 so that all constructs of these variables are said to be reliable (Ghozali & Latan, 2015). The Composite Reliability results of each variable also have a value greater than 0.7 so that they are declared reliable. The results of the direct effect analysis test are described in Figure 1 below:

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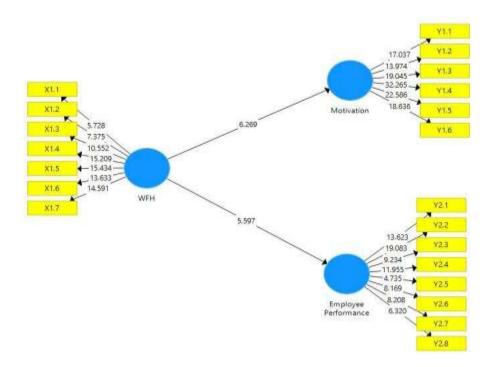


Figure 1. Results of direct effect analysis

The following direct effect statistical test results are presented in table 4 below:

Table 4. Results of Direct Effect Analysis

20010 10 2100 012 21 000 211000 1111011 525					
Н	Free Variable	Dependent Variable	t Statistic	p-value	Ket.
1	Work From Home	Work motivation	6.269	0.000	Significant
2	Work From Home	Employee performance	5.597	0.000	Significant

Source: Primary data processed, 2020

Discussion

The results of the analysis of the direct effect between Work From Home on work motivation and Work From Home on employee performance are described in table 4 above. The t-statistic result of the effect of Work From Home on work motivation is 6.269 with a p-value of 0.000. T-statistic value> 1.96 with p-value <0.05, the effect of Work From Home on work motivation is significant so that hypothesis 1 is accepted. The same results are also shown in the effect of Work From Home on employee performance. Basedon the t-statistic value of more than 1.96, namely 5.597 and a p-value of less than 0.05, namely 0.000 so that Work From Home on employee performance has a significant effectso that hypothesis 2 is accepted.

Work From Home (WFH) is one of the impacts of the covid-19 pandemic that has occurred recently. If in normal conditions, work is carried out at the workplace and carries out routine daily activities, it is different in the current conditions. Work From Home is implemented to minimize direct contact and transmission of covid-19. The results showed an influence between Work From Home on work motivation. With the application of Work From Home to workers, it

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will increase work motivation. Work From Home or working from home is something new that some people do. This will cause high curiosity and enthusiasm especially when someone is too bored to work in the workplace as it should be. By doing work, someone will feel relaxed at work and will be motivated at work. In addition, the existence of government policies, especially in Indonesia, namely Large-Scale Social Restrictions (PSBB) implemented in Indonesia, has made several agencies and companies provide alternatives to working from home in order to break the covid-19 chain.

Rupietta and Backman's research (2017) explains that workers who are given the flexibility to work at home will tend to have high motivation in completing their work because the comfortable atmosphere they have when they are at home makes workers able to complete their work properly and in accordance with time. Working from home allows employees to work during their most productive hours, even at night or on weekends. In contrast, while in the office, employees need to adjust to common workinghours and common breaks, even though it is not their choice of scheduling work time (Bailyn, 1988). Working from home provides an opportunity to work in a quieter atmosphere at home whenever an employee needs this quiet to complete certain work tasks (Bloom, et al. 2015). The results of research by Pristiyono et al. (2020) explained the significant impact between Work From Home on work motivation. The existence of policy from the government and high awareness of the conditions currently experienced by the whole world so that employees understand this to continue working from home.

The next test results show that there is an influence between Work From Home on employee performance. So far, it is undeniable that WFO or work from office causes boredom at work, so it requires a new atmosphere. Work From Home (WFH) creates a new atmosphere in work habits so that workers have high enthusiasm for work even though this WFH arises due to pandemic conditions. Liang et al (2015) found an increase in performance when implementing a work from home policy, although not during a pandemic. Purwanto et al. (2020) mentioned the positive impact when there is a policy to work from home, such as more flexibility at work, a reduction in transportation costs resulting in increased work productivity and increased job satisfaction. Working from home is a new thing for employees who are used to working in the office so it is a challenge for employees to create flexible but still conducive work. Rokhani (2020) found an influence between Work From Home on performance. There are policies from the government and related agencies, so employees understand and comply with these policies.

4. Conclusion

Based on the results of research and discussion, the conclusions of this study are the existence of a Work From Home policy can increase work motivation. By working from home it becomes more flexible and is a new thing so that it has enthusiasmand enthusiasm at work. Work From Home can also improve employee performance. There are several positive impacts that are felt so that it will increase work productivity and increase job satisfaction. The existence of a Work From Home policy from each agency needs to be addressed wisely and continue to work conductively. Future research can add other variables related to the impact of the Work From Home policy, such as jobsatisfaction, work life balance, work family conflict.

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