

SUMMARY

ARIANE OKTAVIANI PUTRI. Factor Analysis of Employee Motivation towards 5S Culture and 5S Performance at PT Indo Kordsa Tbk. Supervised by AJI HERMAWAN and AIDA VITAYALA S. HUBEIS.

A lean manufacturing system can reduce costs, waste, product defects; increase productivity and simultaneously improve quality. One of the tools in implementing a lean manufacturing process is the five S (5S) system. The 5S system is a system of elimination, tidiness, cleanliness, continuous standardization and habitual behavior. The 5S system not only enhances the work environment but also to ensure compliance with the overall process standards and improve continuous improvement. Implementing the 5S system requires employee motivation so that the application of 5S becomes effective and sustainable. The application of the 5S system will fail if employee motivation is lacking. The implementation of the 5S system cannot succeed if it is not supported by full involvement, hard work and dedication of employees. Therefore, companies need to know what factors influence employee motivation in implementing 5S systems in the workplace.

The study used stratified random sampling data collection technique. The results of the research using Structural Equation Modeling for data processing show that there is a direct or positive influence between employee motivation on the 5S system culture. This can explain that employee motivation has a positive effect on the culture of the 5S system. Employee motivation has a positive effect on 5S system performance but the relationship is not significant. The 5S system culture variable towards the 5S system performance variable shows a non-significant effect. The variable parameter estimation value from the results of the Confirmatory Factor Analysis test shows that the highest employee motivation is on the Improve variable indicator which is considered to have a direct effect. These results indicate that the employee's needs for career development and information are met in the company. The highest value of the 5S culture variable parameter estimation is in the "Cleanliness" variable indicator which is considered to have a direct effect.

The results of the "Cleanliness" variable indicator indicate that PT Indo Kordsa Tbk employees have achieved cleaning and maintenance steps on goods and work areas compared to other 5S system steps. Through Pearson Correlation analysis, this study also shows that the tenure of employees has a significant relationship with the culture of 5S systems and the department also has a significant relationship with 5S system performance.

Keywords: employee motivation, five S culture, five S performance, Pearson correlation, structural equation modeling