



# THE INFLUENCE OF ABILITY, MOTIVATION, AND OPPORTUNITY (AMO) ON EMPLOYEE PERFORMANCE

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## ABSTRACT

*The purpose of this study was to determine the effect of Ability, Motivation, and Opportunity on employee performance. In this study using saturated sampling because it uses the entire population as a sample. The results of this study are Ability, Motivation, and Opportunity do not have a positive influence on employee performance and will provide benefits for Credit Union Lestari, Credit Union Kasih Sejahtera, and Credit Union Mulia Sejahtera in an effort to improve employee performance. In addition, the results of this study can also be a recommendation for other business fields, especially in small and medium scale regarding strategies that can be used to improve employee performance.*

**Keywords:** Ability, Motivation, Opportunity, and Employee Performance, Credit Union.

## 1. Introduction

Developments in science accompanied by support from technology increase competition between organizations according to Adha et al., (2019). Progress in organizations is seen in the practices and work patterns of high-performing employees who symbolize a high performance system as well (Edgar and Everett, 2021). According to Riniwati (2016), performance is a process of human behavior in doing work that produces a thought to achieve a goal. Armstrong and Brown (2019) performance depends on employee abilities, motivation, and opportunities.

Research by Gracia and Tomas (2016) explains that the Ability, Motivation, and Opportunity (AMO) framework has been widely accepted to explain the relationship between Human Resources (HR) management and performance. According to Blumbreg and Prigle (1982), ability is also understood as physiological and cognitive abilities that enable employees to perform tasks effectively. Furthermore, motivation can be understood as a force that directs, energizes, and sustains behavior (Van Iddkinge et al., 2017) as well as conditions that encourage or cause someone to take an action (Nawawi, 2003). Finally, employment opportunities, according to Blumbreg and Prigle (1982), include environmental factors within the organization.

This finding is different from the research findings of Adha et al., (2019) on employees of the Jember Regency Social Service, which shows that motivation has no effect on employee performance. Meanwhile, research conducted by Adha et al. (2019) said that motivation, leadership, and organizational culture have a positive and significant effect on employee performance at the Jember Regency Social Service. Meanwhile, the work environment has a significant effect on the performance of employees of the Jember Regency Social Service and work culture has a significant effect on employee performance. The description above shows that, although many studies have been conducted, the relationship between Ability, Motivation, and Opportunity (AMO) with employee performance is not yet clear. In these studies there are

findings that show a significant relationship between Ability, Motivation, and Opportunity (AMO) and employee performance, and findings that show an insignificant relationship.

## **2. Literature Review**

### *2.1 Human Resource Management*

Priyono (2010) states that the most important resource element is its human resources. According to Dessler (2013), an organization consists of people with tasks that have been clearly defined in their roles to achieve organizational goals; then, to support this success, it is necessary to plan, manage, and control human resources; and a managerial tool called human resource management (HRM) is also needed. Human resource management functions to ensure employee performance, namely by examining how the quality and quantity achieved by employees in carrying out their duties and responsibilities (Mangkunegara, 2000).

### *2.2 Employee Performance*

According to Byars (2004) performance is the relationship between effort, ability, and task perception. Based on this description, employee performance is a measure to see individuals in achieving the goals of an organization. Siagian (1988) revealed that there are several factors that affect employee performance, namely: aggressiveness, having high creativity, believing in oneself, as well as the ability to control oneself, and innovate.

### *2.3 Ability, Motivation, dan Opportunity (AMO)*

Fu et al., (2013) define ability as knowledge and skills that can later improve the components of Ability, Motivation, and Opportunity (AMO) itself. Based on this explanation, ability is a combination of knowledge and skills possessed by individuals. In short, ability is one of the reinforcers and enhancers in the AMO framework. According to Garcia et al., (2016) motivation can be improved extrinsically and intrinsically. Intrinsic motivation is a desire that comes from oneself, for example, such as interest in doing something. Meanwhile, extrinsic motivation is a desire that comes from outside the individual, such as a reward. The opportunity dimension for job design theory according to Garcia et al. (2016) not only considers an individual but also the work environment with examples of quality environments and teams.

### *2.4 Previous Research and Hypothesis Formulation*

AMO is an interrelated component and has an influence on employee performance. In previous studies there are different results, there are significant and insignificant studies of AMO on employee performance. The following is a description of several scientific articles that show the effect of AMO on employee performance.

Edgar, Blanker and Everett, (2021) conducted a study entitled “The HPWS and AMO: a dynamic study of system and individual level effects” on 250 employees working in the service sector in New Zealand. This study aims to examine the effect of AMO and HPWS on employees. The results of Edgar and Everett's research (2021) show that Ability and Motivation have a significant effect on employee performance, while Opportunity's effect on employee performance is not significant. Researchers have an understanding that ability has the broadest influence so that opportunities are seen as a combination of individual and system characteristics, and make their influence on performance insignificant. Edgar, Zhang and Blaker (2021) conducted a study entitled “Gender and job performance: Linking the high performance work system with the ability-motivation-opportunity framework.” This research was conducted by means of a survey of organizations in New Zealand. This research explores whether context is useful in explaining these findings. In this study, the influence of context on employee behavior was considered at two levels, descriptive (demographic, social, and gender) and analytical (community and national culture). The findings of this study show that employee

demographics based on gender influence the relationship of the variables under study. The effect of ability on performance was significant for men, while opportunity was the strongest predictor of performance for women. This is because men attribute job performance to internal factors while women attribute work outcomes to the external environment in which they work. This is an important finding as it has the potential to contribute to understanding why motivation as an AMO element was not prominent in this study. In addition, this study also considered the influence of the national culture in New Zealand.

Fadli (2020) conducted research with the title “The effect of motivation, ability, and opportunity on employee performance at the Nanga Pinoh Regional General Hospital, Melawi Regency.” This study aims to determine the effect of motivation, ability, and opportunity on employee performance at the Nanga Pinoh Melawi general hospital with 63 respondents and data collection in the form of a questionnaire. The findings show that all AMO variables have a significant influence on performance. This happens because leaders pay attention in the form of rewards, incentives, and factors that shape employee performance.

Based on the three previous studies described above, it can be seen that the influence between Ability, Motivation, and Opportunity on performance is still unclear. In Fadli's research (2020) the effect of AMO on performance is significant. However, research by Edgar and Everett (2021) and Edgar, Zhang and Blaker (2021) concluded that not all AMO dimensions have a significant effect on performance. Although previous research shows inconsistent results on the effect of AMO on improving employee performance, on the basis of theory (Garcia et al., 2016) and Fadli's research (2020) this study still formulates the following hypothesis:

H1a: Ability has a positive effect on employee performance.

H1b: Motivation has a positive effect on employee performance.

H1c: Opportunity has a positive effect on employee performance.

### 3. Research Methods

#### 3.1 Respondent

Population is an area that includes subjects and objects with qualities determined by the researcher and aims to study and conclude the characteristics possessed by subjects and objects (Sugiyono, 2018). The population of this study were employees who worked at Credit Union Lestari as many as 55 employees, Credit Union Kasih Sejahtera as many as 150 employees, and at Credit Mulia Sejahtera as many as 76 employees. The sample is part of all the characteristics possessed by the population (Sugiyono, 2018). In this study using saturated sampling because it uses the entire population as a sample. Saturated sample is a sampling technique when all members of the population are used as samples (Sugiyono, 2018). The sample of this study were employees who worked at Credit Union Lestari as many as 51 employees, Credit Union Kasih Sejahtera as many as 150 employees, and at Credit Mulia Sejahtera as many as 76 employees.

Respondent characteristics are an overview of respondents in this study including gender, education level, age, and tenure. The results of this general description of the respondents can describe the condition of the respondents who were sampled in the study, namely employees at Credit Union Lestari, Credit Union Kasih Sejahtera, and Credit Union Mulia Sejahtera. Based on the research data obtained from 165 respondents related to gender, the data obtained can be presented as follows:

Table 1. Responden

Characteristic		Frequency	Percentage
Gander	Male	88	53,3%

	Female	77	46.7%
	<b>Total</b>	<b>165</b>	<b>100%</b>
<b>Age</b>	19-30 Years Old	63	24,3%
	31-41 Years Old	162	62,5%
	42-53 Years Old	26	10%
	<b>Total</b>	<b>165</b>	<b>100%</b>
<b>Education</b>	Senior High School	77	46,7%
	Diploma	5	3,03%
	Bachelor	82	49,7%
	Master	1	0,6%
	<b>Total</b>	<b>165</b>	<b>100%</b>
<b>Working Period</b>	1-5 Years	41	24,84%
	6-10 Years	88	53,33%
	11-15 Years	23	13,93%
	16-10 Years	9	5,45%
	> 20 Years	4	2,42%
	<b>Total</b>	<b>165</b>	<b>100%</b>

Source: Data processed by researchers, 2024

### 3.2 Instrument

In this study using a Likert scale. The Likert scale is used to measure the perceptions of a person or group regarding social events by looking at their attitudes and opinions (Sugiyono, 2018). The Likert scale is appropriate for use in this study because it can measure the dimensions of this research variable (AMO and employee performance) and the Likert scale provides a subjective assessment. The explanation of the Variable Measurement Scale is Strongly Agree with a score of 5, Agree with a score of 4, Neutral with a score of 3, Disagree with a score of 2, and Strongly Disagree with a score of 1. In this study, data analysis used Smart PLS version 4.1.0.1. All data generated in this study will be carried out with instrument tests such as convergent validity tests, reliability tests, validity and hypothesis testing.

Table 2. Measurement Tools

Variable	Item	Loading Factor	$\alpha$	AVE	Composite Reliability
Ability	A1	0.866	0.931	0.784	0.948
	A2	0.855			

	A3	0.900			
	A4	0.894			
	A5	0.912			
Motivation	M1	0.856	0.938	0.824	0.950
	M2	0.877			
	M3	0.888			
	M4	0.764			
	M5	0.887			
	M6	0.868			
	M7	0.836			
Opportunity	O1	0.873	0.964	0.731	0.969
	O2	0.867			
	O3	0.806			
	O4	0.886			
	O5	0.862			
	O6	0.868			
	O7	0.857			
	O8	0.881			
	O9	0.847			
	O10	0.875			
	O11	0.843			
	O12	0.699			
Employee Performance	KK1	0.893	0.957	0.720	0.966
	KK2	0.917			
	KK3	0.922			
	KK4	0.912			
	KK5	0.934			
	KK6	0.866			

Source: Data processed by researchers, 2024

#### 4. Research Findings and Discussion

##### 4.1 Discriminant Validity

This measurement is carried out to ensure that each latent variable is different from other variables. Discriminant Validity is assessed based on cross loading measurements with their constructs or by comparing the roots of the AVE.

Table 3. Measurement Tools

Variable	Ability	Motivation	Opportunity	Employee Performance
Ability	<b>0.886</b>			
Motivation	0.752	<b>0.855</b>		
Opportunity	0.762	0.842	<b>0.849</b>	
Employee Performance	0.714	0.733	0.792	<b>0.908</b>

Source: Data processed by researchers, 2024

#### 4.2 Hypothesis Testing

The path significance test is used to determine how much influence the exogenous variables have on the endogenous variables. This test uses the bootstrapping procedure. Bootstrapping is a procedure used to generate a T-statistic to see the significance of the inner model and outer model.

After finishing calculating the T-statistic, the Path Coefficient appears. The T-statistic value can be said to be significant if it is greater than 1.96. Furthermore, for the original sample value if it is more than 0, the direction of influence is positive and if it is less than 0, the direction of influence is negative. The test values are shown in Table 4:

Table 4. Hypothesis Testing

Hypothesis	Original Sample	Std Dev	T-Statistic	P-values	Hypothesis Test Results
H1: A → EP	0.093	0.063	1.468	0.142	Not Accepted
H2: M → EP	0.147	0.083	1.759	0.079	Not Accepted
H3: O → EP	0.060	0.111	0.541	0.589	Not Accepted

Source: Data processed by researchers, 2024

The results of the first test, namely the effect of ability on employee performance, show a coefficient value of 0.093, a p-value of  $0.142 > 0.05$  and a t-statistic of  $1.468 < 1.960$ . The second test result, namely the effect of motivation on employee performance, shows a coefficient value of 0.147, a p-value of  $0.079 > 0.05$  and a t-statistic of  $1.759 < 1.960$ . The third test result, namely the effect of opportunity on employee performance, shows a coefficient value of 0.060, a p-value of  $0.589 > 0.05$  and a t-statistic of  $0.541 < 1.960$ . These results indicate that ability, motivation, and opportunity have no positive effect on employee performance.

### 5. Conclusion

Based on the research, ability, motivation, and opportunity did not directly and significantly affect the performance of credit union employees. This is contrary to the general expectation that these three factors have a positive influence on performance. This research has several important implications for credit union management. First, the emphasis in employee development should not only be on improving capabilities and providing opportunities, but also on developing intrinsic motivation and creating a conducive work environment. Second, the employee performance appraisal system needs to consider other factors beyond ability, motivation, and opportunity, such as leadership, organizational culture, and work stress. Limitations in this study such as a small sample and focus on three types of credit unions.

Therefore, further research is needed with a larger. By understanding these factors, credit union managers can develop more effective strategies to improve employee performance and achieve organizational goals.

Research on the influence of ability, motivation, and opportunity on employee performance in credit unions has significant managerial implications. The findings of this study can help Credit Union leaders to make better decisions about recruitment, selection, motivation, and employee development. This research is also relevant to the theme “Human Resources Management and Leadership” as it provides insights into how credit unions can effectively manage their human resources to improve employee performance. By applying the findings of this research, credit unions can create a positive and supportive work environment that will encourage employees to give their best performance.

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