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## THE EFFECT OF WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE THROUGH MOTIVATION AND JOB SATISFACTION AS INTERVENING VARIABLES ON PERMANENT EMPLOYEES

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### ABSTRACT

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*The issue is that employees' expectations of the organization in terms of rewards in the form of pay, benefits, and development to keep up with the flow of progress are still insufficient, and employees have a longer extension time. The purpose of this study is to investigate the impact of the work environment on employee performance using motivation and job satisfaction as intervening variables. The Partial Least Square (PLS) method will be used to analyze the data used to test this research. Previous research which has similarities with this study in terms of the number of variables and the presence of intervening variables is one of the basic references. Researchers chose to use the PLS method that the work environment has significant effect on motivation and the hypothesis is accepted, the work environment has a significant effect on job satisfaction and the hypothesis is accepted, motivation has a significant effect on employee performance and the hypothesis is rejected, job satisfaction has not significant effect on employee performance and the hypothesis is rejected, and the work environment has a significant effect on employee performance and the acceptance hypothesis, and through research indirectly results that the work environment has not significant effect on employee performance through*

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*motivation and the hypothesis is rejected, and the work environment has not significant effect on employee performance through employee satisfaction and the hypothesis is rejected, is expected to have a dominant influence so that every employee has the awareness to cultivate a good attitude in the work environment. According to the research, substantial motivation is required, such as providing staff promotions, to boost employee happiness and performance in the organization.*

**KEYWORDS**

Work Environment, Employee Performance, Motivation, Job Satisfaction



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**INTRODUCTION**

PT. ASABRI (Persero) has a work environment that is not yet current and still appears old-fashioned, with cubical workstations that are stiff and a lack of open space that causes employees to become easily bored to work there. The work environment is the social, physical, and psychological life in the firm that impacts the activities and productivity of employees, and it is an important aspect that can raise or reduce employee performance in addition to the environment in which people work. As a result, one of the factors influencing employee productivity and morale is the work environment (Owoyele, 2017).

Indicators of an employee's level of performance can be used to reflect the success of human resource development in a corporation (Bilan et al., 2020). Performance is an essential component of every organization, in this case the Company (Mikalef et al., 2019). In English, performance refers to a work achievement that an employee has actually achieved while carrying out his obligations (Razak et al., 2018). In the context of performance management, is a work achievement based on the quantity and quality achieved in carrying out an employee's activities and responsibilities. As a result, in this scenario, the causality between human resources is that employees have a strong link with performance.

Improving the quality of the work environment on the performance of employees owned by PT. Asabri is better, the factors that affect employee performance are motivation and job satisfaction. Having the drive to continue to provide the best for the company will create a good opportunity for the company to move forward. Employees in every company have a desire to advance in a position that now wants to be better in every aspect. A promotion is a process of increasing the position or position held by employees, by carrying out promotional activities on a regular basis to employees who have the potential to provide good motivation. The existence of periodic promotions will affect the increase in salary, status, responsibilities, and rights granted. At PT ASABRI (Persero) has problems related to promotional activities for employees, so there are many possibilities that the

motivation of employees decreases. The problems faced by employees such as promotions that are carried out for too long can make employees less productive in doing work.

A good firm management will enhance work motivation for its employees in order to establish a positive work environment for employees in order to provide employee comfort and security in the company, and a rise in employee performance can be shown through employee job satisfaction surveys. The organization performs an Employee Satisfaction Survey as part of the assessment and measuring process. Companies should conduct employee satisfaction surveys. Employees play a significant part in a company's Human Resources (HR) because their development affects the company's development. As a result, organizations should perform employee satisfaction surveys on a regular basis to determine their degree of satisfaction in the workplace. Employee satisfaction has a significant impact on work productivity.

Employee satisfaction surveys, often known as internal customer satisfaction surveys, will examine satisfaction with one aspect of a service supplied by another. For example, suppose you work in the marketing department. You want to launch a promotion, but you can't since the finance department never distributes funds.

According to the final report of the PT. ASABRI (Persero) 2018 employee satisfaction survey, the value of Employee Satisfaction was classified as the smallest, amounting to 74.18 percent, while the other two measurements reached more than 80 percent, to be precise Job Satisfaction 81 percent and PT ASABRI (Persero) Values 81.88 percent. And both of these ideals are perfectly acceptable. The high difference in values between Employee Satisfaction Values and Job Satisfaction indicates that employees' attitudes at work, whether alone or in a team, are deemed positive, including the ability to solve problems and the application of the values espoused by PT ASABRI (Persero).

Thus, the motivation and work environment factors influence employee performance whether it runs effectively, efficiently, and competitively and can be seen from job satisfaction as a measure for companies to determine next steps (Kuranchie-Mensah & Amponsah-Tawiah, 2016). The condition of employees can be seen from employee job satisfaction that comes from motivational factors and the work environment, if the company has employees who have good conditions and are in a healthy environment, it can improve employee performance, if the actual conditions are not good, in terms of motivation and The work environment will certainly affect the decline in the performance of company employees.

Observing the existing exposure, the author will examine whether the company's management improves employee performance by increasing motivation and providing a good work environment for employees at work in order to provide optimal service and good employee satisfaction. By providing motivation and an optimal work environment will it be able to improve the performance of PT ASABRI (Persero) employees in carrying out their functions and responsibilities as well as the measurement results of performance satisfaction have good results. Then the author will examine more deeply about "The Influence of the Work

Environment on Employee Performance Through Motivation and Job Satisfaction as Intervening Variables for Permanent Employees at Staff Level at the Head Office PT ASABRI (Persero)". Permanent employees at the staff level of PT ASABRI (Persero) have an important role for their personal development because employee growth affects the development of the company (Astrida et al., 2018). The company's steps are determined to develop employee behavior so that employee performance becomes more effective, efficient, and competitive which will be related to HR management in the company.

## RESEARCH METHOD

Employees at State-Owned Enterprises (BUMN) Social Insurance Deposits, namely PT ASABRI (Persero) Head Office located at ASABRI Building Jl. Major General Sutoyo No. 11 RT.03/RW.09, Cawang, Kec. Kramat Jati, East Jakarta City, comprise the population of this study. The researcher restricts the sample population to permanent employees at the staff level at the PT ASABRI (Persero) Head Office, with as many as 17 Work Units (Divisions) and a total of 219 employees. Ghozali (in Rinaldi & Santoso, 2018) suggests that the sample size estimation method using Maximum Likelihood (MC) uses a sample of 100 to 200. Maximum Likelihood requires a minimum of 5 respondents for each observed variable in the model, whereas WLS requires a minimum of 10 respondents for each observed variable. The number of indicators in this study is 201 (question items), and using the maximum likelihood estimate, the required sample size is at least  $42 \times 5 = 210$  respondents. In this study, Nonprobability Sampling with Purposive Sampling was used as the sampling technique. Purposive sampling requires researchers to develop criteria that are tailored to the research objectives (Mohd-Azlan et al., 2022). The following criteria were established for the research sample: 1) The sample consisted of Telecommunication X employees; 2) The sample included both permanent and non-permanent Telecommunication X employees.

## RESULT AND DISCUSSION

### 4.1 Validity Test Results

The validity test has a purpose to determine the accuracy of each item or item (Erlangga, 2022). As an experiment on the instrument test, the instrument test is the parameter of all variables in the study using a questionnaire or questionnaire, conveying to the respondent in order to testify to the feelings and assumptions experienced, but on a small scale (Mize & Manago, 2022). The instrument test must prioritize the principles, among others, namely valid and reliable.

In testing the instrument, some of the data used in the validity test were 30 respondents who were samples from the research population (Miner et al., 2012). This concept is supported by the opinion (Effendi & Singarimbun, 1995) assuming that the minimum number of questionnaire trials is 30 respondents. With a minimum number of 30 people, the distribution of values will be closer to the normal curve (Rahman et al., 2020). The samples used in this instrument test are customers at PT. ASABRI (Persero) a total of 30 respondents (Ikbal et al., 2020).

After that the data is processed using SmartPLS 3.0. The calculation of the validity test is based on a comparison between r-count and r-table, in this research instrument test compares the value of r-count with r-table for a significance level of 5% of degree of freedom (df) = n-2. If r count > r table then the question or indicator is declared valid, and vice versa if r count < r table then the question of an indicator is declared invalid (Watung & Ilat, 2016). In this study, it was found that the r-table was 0.361 with 30 respondents. The results of the validity of the variables that have been processed using SmartPLS 3.0 can be shown in table 4.1 as follows:

**Table 1. Validity Test Results**

	Employee Performance	Job Satisfaction	Motivation	Work Enviroment
<b>JSX1</b>		<b>0.882</b>		
<b>JSX10</b>		<b>0.848</b>		
<b>JSX11</b>		<b>0.871</b>		
<b>JSX12</b>		<b>0.887</b>		
<b>JSX2</b>		<b>0.890</b>		
<b>JSX3</b>		<b>0.869</b>		
<b>JSX4</b>		<b>0.871</b>		
<b>JSX5</b>		<b>0.883</b>		
<b>JSX6</b>		<b>0.853</b>		
<b>JSX7</b>		<b>0.856</b>		
<b>JSX8</b>		<b>0.877</b>		
<b>JSX9</b>		<b>0.874</b>		
<b>KX1</b>	<b>0.884</b>			

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<b>KX2</b>	<b>0.845</b>
<b>KX3</b>	<b>0.876</b>
<b>KX4</b>	<b>0.837</b>
<b>KX5</b>	<b>0.858</b>
<b>KX6</b>	<b>0.882</b>
<b>KX7</b>	<b>0.876</b>
<b>KX8</b>	<b>0.866</b>
<b>MX1</b>	<b>0.886</b>
<b>MX2</b>	<b>0.868</b>
<b>MX3</b>	<b>0.889</b>
<b>MX4</b>	<b>0.888</b>
<b>MX5</b>	<b>0.874</b>
<b>MX6</b>	<b>0.879</b>
<b>MX7</b>	<b>0.880</b>
<b>MX8</b>	<b>0.873</b>
<b>WX1</b>	<b>0.731</b>
<b>WX2</b>	<b>0.814</b>
<b>WX3</b>	<b>0.870</b>
<b>WX4</b>	<b>0.868</b>
<b>WX5</b>	<b>0.829</b>

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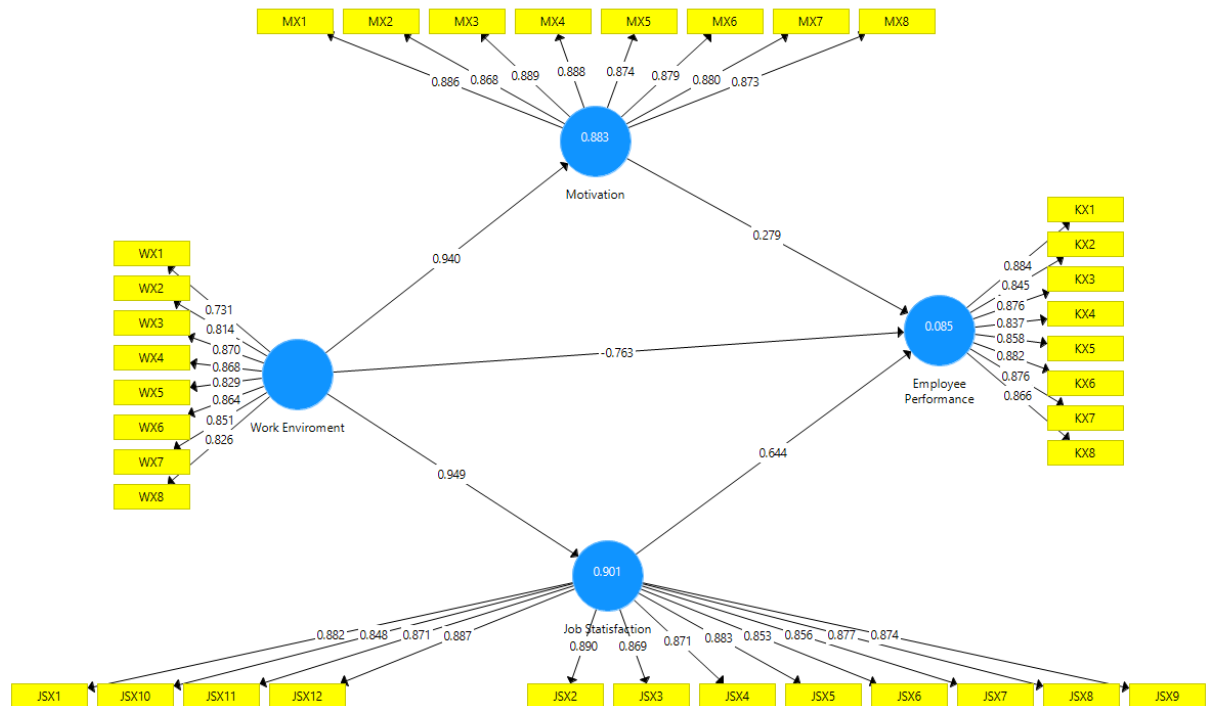
<b>WX6</b>	<b>0.864</b>
<b>WX7</b>	<b>0.851</b>
<b>WX8</b>	<b>0.826</b>

**Table 2. Work Environment Variable Validity Test Results**

	<b>Outer Loading</b>	<b>Kesimpulan</b>
<b>WX1</b>	<b>0.731</b>	Valid
<b>WX2</b>	<b>0.814</b>	Valid
<b>WX3</b>	<b>0.870</b>	Valid
<b>WX4</b>	<b>0.868</b>	Valid
<b>WX5</b>	<b>0.829</b>	Valid
<b>WX6</b>	<b>0.864</b>	Valid
<b>WX7</b>	<b>0.851</b>	Valid
<b>WX8</b>	<b>0.826</b>	Valid

The validity test results revealed that some of the r-count values r-table (0.361). This demonstrates that some work environment variable items have been declared invalid (Ramli, 2019). As a result, in order to support the accuracy of the instrument test, several aspects of indicators that are not valid must be eliminated.

The validity test results revealed that some of the r-count values r-table (0.361). This demonstrates that some work environment variable items have been declared invalid (Flora, 2020). As a result, in order to support the accuracy of the instrument test, several aspects of indicators that are not valid must be eliminated (Pakurár et al., 2019).



#### 4.2 Reality Test (Composite Reliability)

Cronbach's Alpha test is used to measure the internal consistency reliability of multiple item scales with the provision that the value must be > 0.70. Reliability assessment can also be done by observing Composite Reliability which is a statistical technique to test the real value of the variable provided that the reliability value of Composite Reliability is always higher than the Cronbach's Alpha value as follows.

SmartPLS output results for composite reliability values can be shown in the following table:

**Table 3. Convergent Validity**

	Cronbach's Alpha	Composite Reliability
<b>Work Enviroment</b>	0.952	0.960
<b>Motivation</b>	0.971	0.974
<b>Job Satisfaction</b>	0.958	0.965
<b>Employee Performance</b>	0.936	0.948



### 4.3 Intervening Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
<b>Work Environment -&gt; Motivation</b>	0.940	0.940	0.011	85.814	0.000
<b>Work Environment -&gt; Job Satisfaction</b>	0.949	0.949	0.009	108.675	0.000
<b>Motivation -&gt; Employee Performance</b>	0.279	0.289	0.349	0.799	0.424
<b>Job Satisfaction -&gt; Employee Performance</b>	0.644	0.670	0.371	1.733	0.083
<b>Work Environment -&gt; Employee Performance</b>	-0.763	-0.789	0.307	2.489	0.013

#### 4.3.1 Direct Effect

##### **Work Environment -> Motivation**

The original sample value is 0.940 and the t-statistic is 85.814. This result is stated to be a significant t-statistic, because  $>1.96$  with a p-value below 0.05 or 5%, which is indicated by a P-Value 0.000 value less than 0.05, meaning that the relationship has a significant effect.

The work environment has a positive and significant effect on motivation.

##### **Work Environment -> Job Satisfaction**

The original sample value is 0.949 and the t-statistic is 108.675. This result is stated to be a significant t-statistic, because  $>1.96$  with a p-value below 0.05 or 5%, which is indicated by a P-Value 0.000 value less than 0.05, meaning that the relationship has a significant effect.

The work environment has a positive and significant effect on job satisfaction.

##### **Motivation -> Employee Performance**

The original sample value is 0.279 and the t-statistic is 0.799. This result is stated that the t-statistic is not significant, because  $<1.96$  with a p-value above 0.05 or 5% which is indicated by a P-Value value of 0.424 more than 0.05 meaning the relationship is not significant.

Motivation has a positive and not significant effect on employee performance

##### **Job Satisfaction -> Employee Performance**

The original sample value is 0.644 and the t-statistic is 1.733. This result is stated that the t-statistic is not significant, because  $<1.96$  with a p-value above 0.05 or 5%, which is indicated by a P-Value value of 0.083 more than 0.05, meaning that the relationship is not significant.

Job satisfaction has a positive and not significant effect on employee performance.

### Work Environment -> Employee Performance

The original sample value is -0.763 and the t-statistic is 2.489. This result is stated that the t-statistic is significant, because  $>1.96$  with a p-value below 0.05 or 5%, which is indicated by a P-Value value of 0.013 which is smaller than 0.05, meaning that the relationship has a significant effect.

The work environment has a positive and significant effect on employee performance.

### 4.3.2 Indirect Effect

**Table 5. Indirect Effect**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
<b>Work Environment -&gt; Motivation -&gt; Employee Performance</b>	0.262	0.272	0.329	0.796	<b>0.427</b>
<b>Work Environment -&gt; Job Satisfaction -&gt; Employee Performance</b>	0.611	0.636	0.353	1.729	<b>0.084</b>

### Work Environment -> Motivation -> Employee Performance

The original sample value is 0.262 and the t-statistic is 0.796. This result is stated that the t-statistic is not significant, because  $<1.96$  with a p-value above 0.05 or 5% which is indicated by a P-Value value of 0.427 more than 0.05 meaning that the relationship is not significant.

The work environment has a positive and not significant effect on employee performance through motivation

### Work Environment -> Job Satisfaction -> Employee Performance

The original sample value is 0.611 and the t-statistic is 1.729. This result is stated that the t-statistic is not significant, because  $<1.96$  with a p-value above 0.05 or 5% which is indicated by a P-Value value of 0.084 more than 0.05 means that the relationship is not significant.

The work environment has a positive and not significant effect on employee performance through job satisfaction (Pawirosumarto et al., 2017).

## CONCLUSION

Based on the findings of the research and discussion, the following conclusions can be drawn. Based on the results of research through hypothesis testing, it can be explained that the work environment has a significant direct effect on motivation and it can be concluded that the work environment has a significant effect on employee motivation and the first hypothesis is accepted. Based on the results of research through hypothesis testing, it can be explained that the work environment has a significant direct effect on job satisfaction and it can be concluded that the work environment has a significant influence on job satisfaction

and the second hypothesis is accepted. Based on the results of research through hypothesis testing, it can be explained that motivation has a direct but not significant effect on employee performance and it can be concluded that work motivation has an effect but is not significant on the performance of employees and the third hypothesis is rejected. Based on the results of research through hypothesis testing, it can be explained that job satisfaction has a direct but not significant effect on employee performance and it can be concluded that job satisfaction has an insignificant effect on the performance of employees and the fourth hypothesis is rejected. Based on the results of research through hypothesis testing, it can be explained that the work environment has a direct effect on employee performance and it can be concluded that the work environment has a significant impact on employee performance and the fifth hypothesis is accepted. Based on the results of research through hypothesis testing, it can be explained that the work environment has an indirect but not significant effect on employee performance through motivation and it can be concluded that the work environment has an effect but is not significant on employee performance through motivation and the sixth hypothesis is rejected. Based on the results of research through hypothesis testing, it can be explained that the work environment indirectly has a positive but not significant effect on employee performance through job satisfaction and it can be concluded that the work environment has an effect but is not significant on employee performance through employee satisfaction and the seventh hypothesis is rejected.

The result of the research showed that, it can be explained that the work environment has a positive effect on motivation. Good employee relations with co-workers, enable employees to work better with the recognition of colleagues in the work environment as motivation for PT Asabri (Persero) employees. The work environment has a positive effect on job satisfaction. The work environment has a good relationship between fellow employees and superiors, which has an impact on employee satisfaction. PT Asabri (Persero) has a harmonious atmosphere in carrying out responsibilities for the tasks received. PT ASABRI (Persero). Motivation has a positive effect on employee performance. This can be influenced by permanent employees at the staff level which has the potential to do difficult jobs in order to obtain high positions so that employees have high motivation and do not affect employee performance. Job satisfaction has a positive effect on employee performance. Analyzing the situation of employees, it can be seen that every employee in the company has a good bond with all co-workers who help and support each other. Judging from this by the employee satisfaction with the bonds of fellow co-workers who help each other so that it does not affect employee performance. The work environment has a positive effect on employee performance. Comfortable and clean workplace facilities and buildings can make employees feel that this can support the quality of the work they do so that employee performance can be influenced by a good work environment.

The work environment has a positive effect on employee performance through motivation. Based on the results of hypothesis testing, the coefficient value of the indirect influence of the work environment on employee performance is lower than the coefficient value of the direct influence of the work environment on

employee performance. The work environment has a positive effect on employee performance through job satisfaction. Based on the results of hypothesis testing, the coefficient value of the indirect influence of the work environment on employee performance is lower than the coefficient value of the direct influence of the work environment on employee performance. Based on the analysis of the results of research in the field, the company is expected to improve ventilation and lighting conditions in the employee's work environment. improve promotion of employees who are competent and able to complete difficult jobs to build employee motivation, build bonds between employees to achieve job satisfaction for employees, and improve time discipline in employee working hours to develop company employee performance.

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