

THE IMPACT OF WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE (CASE STUDY AT PT. BANK ARTHA GRAHA INTERNATIONAL TBK, MANADO BRANCH CALACA)

*DAMPAK LINGKUNGAN KERJA TERHADAP KINERJA KARYAWAN
(STUDI KASUS DI PT BANK ARTHA GRAHA INTERNATIONAL TBK MANADO
CABANG CALACA)*

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ABSTRACT

Human resources is important factor for public organization and private organization because human resource is crucial to realizing the organization's success in achieving the goals. The study aims to reveal the impact of working environment to the employee performance. The study was conducted at PT Bank Artha Graha International Tbk, Manado Branch Calaca. All the bank employees (30 employees) were used as respondents. This research is a causal research and the data are gathered from using questionnaires and used multiple regression analysis. The results show all variable have a significant influence on employee performance simultaneously. However in partially, only the employee welfare has significant influence on employee performance, while the others variables have no significant. The firm should give more attentions to the employees, in order to raise their working motivation in this bank.

Keyword: work environment, employee performance

ABSTRAK

Sumber daya manusia penting faktor untuk sebuah organisasi baik negeri maupun swasta organisasi di dunia karena sumber daya manusia merupakan hal penting untuk menyadari organisasi keberhasilan dalam mencapai tujuan. Penelitian ini bertujuan untuk mengungkap dampak dari lingkungan kerja terhadap kinerja karyawan. Penelitian ini dilaksanakan pada PT Bank Artha Graha International Tbk, Manado, Cabang Calaca. Seluruh karyawan di bank ini yakni 30 karyawan dijadikan sebagai responden. Riset ini menggunakan analisa kuantitatif dengan memakai kuesioner dan analisa regresi ganda. Hasil analisa menunjukkan bahwa hubungan interpersonal, pengawasan, diberikan pembinaan, dan pekerja kesejahteraan memiliki pengaruh yang signifikan pada kinerja karyawan secara bersamaan. Sementara itu, hubungan interpersonal, pengawasan dan, diberikan pembinaan tidak memiliki sebagian berpengaruh terhadap kinerja karyawan. Di sisi lain, kesejahteraan karyawan berpengaruh signifikan terhadap kinerja karyawan. Perusahaan harus memberikan perhatian yang lebih kepada karyawan dalam rangka meningkatkan motivasi kerja karyawan di bank ini.

Kata kunci: lingkungan kerja, kinerja karyawan

1. INTRODUCTION

Research Background

A work environment can be identified as the place that one works, which means the milieu around people. It is the social and professional environment in which a person is supposed to interact with a number of people. The work environment has a significant impact upon employee performance and productivity. By work environment in this case dealing with those processes, systems, structures, tools or conditions in the workplace that impact favorably or unfavorably individual performance. The work environment also includes policies, rules, culture, resources, working relationships, work location, and internal and external environmental factors, all of which influence the ways those employees perform their job functions when the employees physically and emotionally have the desire to work, then their performance outcomes shall be increased. Moreover, they also stated that by having a proper workplace environment, it helps in reducing the number of absenteeism and thus can increase the employees' performance which will lead to the increasing number of productivity at the workplace. In performing work assignments bank employees are required to work hard, meticulous and timely in completing the work. When employees experience an issue in the work environment that will have an impact on the performance of the employee, the employee may not focus on work and when the employee is not the focus of work it will lead to errors and delays in completing work tasks given.

PT Bank Artha Graha International Tbk, Manado Branch Calaca is engaged in banking. In the banking sector there are many competitors therefore the employees should improve their performance in order to compete with other banks and may also be the best bank at Manado in all aspects.

Research Objectives

1. To reveal the impact of interpersonal relationship, supervision, training and development, and employee welfare on employee performance, simultaneously
2. To reveal the impact of interpersonal relationship on employee performance, partially
3. To reveal the impact of supervision on employee performance, partially
4. To reveal the impact of training and development on employee performance, partially
5. To reveal the impact of employee welfare on employee performance, partially

Theories

Employee Performance

Employee performance can be defined as the job related activities of an employee in an organization and how well those activities were executed. Employee performance is a process for establishing a shared workforce understanding about what is to be achieved at an organizations level. Employee performance also can be defined as the outcome and contribution of the employee in an organization to make them attains their goals. Performance is defined as the record of outcomes produced on a specified job function or activity during a specified time period (Sumarauw *et al.*, 2014). Elnaga (2013), says that employee's performance is important for the company to make every effort to help low performers. Performance is classified into five elements: Planning, monitoring, developing, rating and rewarding. In the planning stage, planning means setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals. Monitoring is the phase in which the goals are looked at to see how well one is doing to meet them. Monitoring means that continuously measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals. Ongoing

monitoring provides the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards. During the developing stage an employee is supposed to improve any poor performance that has been seen during the time frame one has been working at the company. During planning and monitoring of work, deficiencies in performance become evident and can be addressed.

Work Environment

Work environment is the sum of the interrelationship that exists within the employees and between the employees and the environment in which the employees work. Brenner (2004) was of the opinion that “the ability to share knowledge throughout organizations depends on how the work environment is designed to enable organizations to utilize work environment as if it were an asset. This helps organizations to improve effectiveness and allow employees to benefit from collective knowledge”. In addition, Brenner (2004) argued that work environment designed to suit employee’s satisfaction and free flow of exchange of ideas is a better medium of motivating employees towards higher productivity. Work environment when appropriately designed, motivates employees toward higher productivity. Work environment includes some factors, which either contributes positively or negatively to achieving maximum employee productivity. The effectiveness of a job design cannot be measure without the knowledge of the working environment in which the design is place it is part of total picture. The positively or negatively factors contributes to employee productivity are: temperature, humidity and air flow, noise, lighting, employee personal aspects, contaminants and hazards in the working environment, types of sub environment. Work environment includes some factors, which either contributes positively or negatively to achieving maximum employee productivity (Elywood, 1999).

Interpersonal Relationship

Interpersonal relationships are social associations, connections, or affiliations between two or more people. They include friendships, family, romantic relationships, professional relationships, neighbors and members of associations, clubs or church groups. Interpersonal relationships are studied in a variety of social science disciplines such as psychology, sociology, anthropology and social work (Gregory, 2009). Interpersonal relationship that is form at work served as a critical role in both the work success and career progress. Positive interpersonal relationships will allow effective communication and understanding among employees. Relating to the “boss” is one of the most important relationships that employee will establish as they begin the career, and with each new position they take in the future. Be sure what employee do and how they perform supports the direction of their management team. Remember, the employee cannot become a good leader until they learn how to become a good assistant. Show the managers/co-workers that they are a “team player.” Here are a few methods that employee can use to help make their manager (and co-workers) aware that they are dependable and confident in their abilities: (1) Show respect, (2) Give the best, (3) Be honest, (4) Keep lines of communication open, (5) Maintain boundaries, (6) Be positive. (7) Manage the emotions, and (8) Be open to feedback.

Supervision

Supervision is a cohesive concept that logically articulates a commonly accepted professional standard that depersonalizes an issue and stimulates a professional process. Consistent use of package cultivates an organizational culture that promotes a standard of excellence, cultural competence, and highest quality service (Delano and Shah, 2006). Supervision is an intervention that is provided by a senior member of a profession to a junior member or members of that same profession. Supervision serves an educative and supportive function. It is an opportunity to raise professional issues and gain further expertise. Supervision allows an individual to learn from their own experiences in working with consumers, review and debrief approaches to recovery-oriented

support practices, and ensure that service delivery is following best practice standards. The supervisor must have skills to facilitate regular and systematic supervision. Supervision can be facilitated by an individual, in a group setting or in a triad, with an additional facilitator, to suit the size and culture of the organization. Group supervision may be a more feasible option for smaller or rural organizations.

Training and Development

According to Swanson (1995) training and development is the process of systematically developing expertise in individual for the purpose of improving performance. Training is required to cover essential work-related skills, techniques and knowledge. The most effective way to develop people is instead to enable learning and personal development. Training and learning development usually includes aspects such as ethics and morality, attitude and behavior, leadership and determination, as well as skills and knowledge. It is considered as the process of upgrading the knowledge, developing skills, bringing about attitude and behavioral changes and improving the ability of the trainee to perform tasks effectively and efficiently in organizations (Wills, 1994; Palo *et al.*, 2003; Robert *et al.*, 2004). Similarly, Stewart (1996), combines the two concepts of training and development gives an organization function which has the outcome of ensuring that the contribution of individuals and groups in achieving the organizational objectives through the development of appropriate knowledge, skills and attitude of the employees (Mansor, Abu, Kamil and Nasir, 2014). Kleiman (2000) described that the essentials parts of a worthy employee training program are constructed on orientation, management skills, and operational skills of employees. These theories are the groundwork of any employee development program. Janet Kottke (1999) described that employee development programs must be comprises with core proficiencies, appropriate structure through which organizations develop their businesses at corporate level. The basic function of the theory is to gain knowledge, cooperation, inventive thinking and resolving problem (Kottke, 1999). Fundamental goals of several employee development programs are to deliver the mission of the organization and support workers to learn the culture of the organization as stated by (Gerbman, 2000) on Jehanzeb, (2012).

Employee Welfare

According to Todd (1933), employee welfare means anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not necessity of the industrial. Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind/forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families (Laurent and Benon, 2012).

Research Hypotheses

- H₁: There are significant impact of interpersonal relationship, supervision, training and development, and employee welfare on employee performance simultaneously.
- H₂: There is significant impact of interpersonal relationship on employee performance partially.
- H₃: There is significant impact of supervision on employee performance partially.
- H₄: There is significant impact of training and development on employee performance partially.
- H₅: There is significant impact of employee welfare on employee performance partially.

2. RESEARCH METHODS

Type of Research

This research is causal research with quantitative approach. This research is conducted to analyze the impact of work environment on employee performance.

Place and Time of Research

This research is conducted in PT Bank Artha Graha International Tbk Manado Branch Calaca from July 2015.

Research Framework

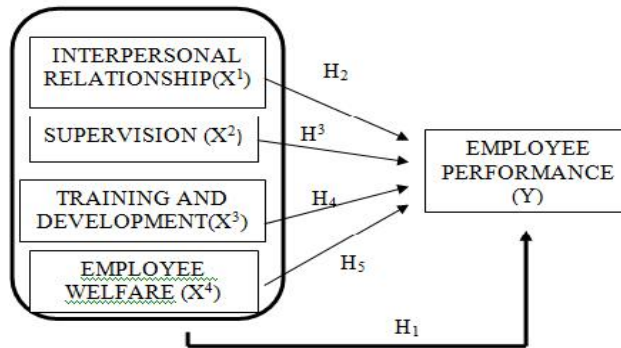


Figure 1. Research Framework
Source: Data processed (2015)

Population and Sample

Population is the entire group of people, events or things of interest that the researcher wishes to investigate. (Sekaran and Bougie, 2009). The population in this research is the employees in PT. Bank Artha Graha International Tbk Manado Branch Calaca, totaling 30 employees. According to Sekaran and Bougie (2009), sample is a subset of a population that comprises some members selected from it. The sampling method that is use is saturated sampling technique. Saturated sampling technique is determining all the number of population as respondents. It's occurred because the population in a small number. All of employees of Bank Artha Graha Manado, Branch Calaca are the respondents.

Data Collection Method

In this research the primary data that will to distribute the questionnaire in order to find the impact of work environment on employee performance at PT. Bank Artha Graha Internationanl Tbk.

Data Analysis Method

Validity and Reliability Test

To analyze the validity of questionnaire, Pearson Product Moment is used. An instrument measure valid if that instrument measures what should be measured. Sekaran and Bougie (2010) reliability is a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in instrument

Multiple Regression Analysis Model

Multiple regression analysis is similar to the simple regression analysis but it uses more than one independent variable to explain variance in the dependent variable (Sekaran and Bougie, 2010). The starting point of multiple regression analysis is the conceptual model and the hypotheses derived from that model that the researcher has developed in an earlier stage of the research process. (Sekaran and Bougie, 2010). The formula of multiple regression models in this research is shown as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Explanation:

- Y = employee performance
- X₁ = interpersonal relationship
- X₂ = supervision
- b₁, b₂, b₃, b₄ = the regression coefficient of each variable
- X₃ = training and development
- X₄ = employee welfare
- a = constant
- e = error

3. RESULTS AND DISCUSSION

Validity Test Result

Table 1. Validity Test Result

No	Variables / Indicators	Pearson Correlation	r table	No	Variables / Indicators	Pearson Correlation	r table
	Employee Performance				Training and Development		
1	1	0.465	0.3610	1	1	0.378	0.3610
2	2	0.663	0.3610	2	2	0.563	0.3610
3	3	0.366	0.3610	3	3	0.501	0.3610
4	4	0.645	0.3610	4	4	0.459	0.3610
5	5	0.442	0.3610	5	5	0.450	0.3610
6	6	0.613	0.3610	6	6	0.375	0.3610
	Interpersonal Relationship				Employee Welfare		
1	1	0.363	0.3610	1	1	0.589	0.3610
2	2	0.469	0.3610	2	2	0.492	0.3610
3	3	0.383	0.3610	3	3	0.585	0.3610
4	4	0.415	0.3610	4	4	0.602	0.3610
5	5	0.653	0.3610	5	5	0.618	0.3610
6	6	0.414	0.3610	6	6	0.569	0.3610
	Supervision						
1	1	0.494	0.3610				
2	2	0.535	0.3610				
3	3	0.429	0.3610				
4	4	0.365	0.3610				
5	5	0.524	0.3610				
6	6	0.440	0.3610				

Source: Data Processed, 2015

Reliability Test Result

Table 2. Reliability Test Result

Reliability Statistics

Cronbach's Alpha	N of Items
.747	30

Source: SPSS Output, 2015.

Cronbach's Alpha of 30 items in this research is 0.747. From the theory stated before, if the value of Cronbach Alpha is more than 0.6 then it is reliable.

Multiple Regression Test Results

The analysis result of multiple regression models using SPSS statistic. 21 are the multiple regression formula, which displayed in Table 3.

Table 3. Multiple Regression Result

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	5.489	6.576		.835	.412
1 Interpersonal Relationship	.026	.201	.021	.128	.889
Supervision	.263	.426	.211	.617	.543
Training And Development	.033	.451	.026	.073	.942
Employee Welfare	.415	.179	.438	2.314	.029

a. Dependent Variable: employee performance

Source: Data Processed, 2015

Based on Table 3, the result of multiple regression analysis can be concluded:
The equation of this research is:

$$Y = 5.489 + 0.026(X_1) + 0.263(X_2) + 0.033(X_3) + 0.415(X_4) + e$$

1. Constant value of 3.409 means that if all the independent variables in this research: interpersonal relationship, supervision, training and development, and employee welfare have a influence on employee performance
2. The value coefficients of interpersonal relationship is 0.026 which means that if the leadership style is increasing with the assumption of other variables are constant, the employee performance will be increase.
3. The value coefficients of supervision is 0.263 which means that if the motivation is increasing with the assumption of other variables are constant, the employee performance will be increase.
4. The value coefficients of training and development is 0.033 which means that if the work discipline is increasing with the assumption of other variables are constant, the employee performance will be increase.
5. The value coefficients of employee welfare is 0.415 which means that if the work discipline is increasing with the assumption of other variables are constant, the employee performance will be increase.

Hypotheses Testing
F-Test

Table 4. F-test result

ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.447	4	10.362	3.320	.026 ^b
	Residual	78.019	25	3.121		
	Total	119.467	29			

a. Dependent Variable: employee performance

b. Predictors: (Constant), employee welfare, supervision, interpersonal relationship, training and development

Source: Data Processed, 2015

Table 4 shows F_{count} is 3.320 with level of significance 0.026. By using the level of significant of 0.05 ($\alpha = 0.05$) and the value of $T_{table} = 1.697$, it can be concluded that $F_{count} = 3.320 > F_{table} = 1.697$. The table also shows that the significant value is $0.026 < 0.05$. It means that interpersonal relationship (X_1), supervision (X_2), training and development (X_3) and employee welfare (X_4) on employee performance (Y) is very significant. Thus, in this test H_0 is rejected and H_a is accepted meaning that the independent variables simultaneously influence the dependent variable significantly.

T-Test

Table 5. t-test result

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.489	6.576		.835	.412
	Interpersonal Relationship	.026	.201	.021	.128	.889
	Supervision	.263	.426	.211	.617	.543
	Training And Development	.033	.451	.026	.073	.942
	Employee Welfare	.415	.179	.438	2.314	.029

a. Dependent Variable: employee performance

Source: Data Processed, 2015

1. Table 5 shows that t_{count} for (X_1) interpersonal relationship is 0.128. Value on t_{table} used for comparison is found at the level of significance of 0.05, which is at the confidence level of 95% and the value of $t_{table} = 1.697$. The result for (X_1) interpersonal relationship is $t_{count} = 0.128 < t_{table} = 1.697$ meaning that H_0 is accepted and H_a is rejected. The result of this test can be used to declare that (X_1) interpersonal relationship, does not have significant partial influence on (Y) employee performance.
2. Table 5 shows that t_{count} for (X_2) supervision is 0.617. Value on t_{table} used for comparison is found at the level of significance of 0.05, which is at the confidence level of 95% and the value of $t_{table} = 1.697$. The result for (X_2) supervision is $t_{count} = 0.464 < t_{table} = 1.697$ meaning that H_0 is accepted and H_a is rejected. The result of this test can be used to declare that (X_2) supervision does not have significant partial influence on (Y) employee performance.
3. Table 5 shows that t_{count} for (X_3) training and development is 0.073. Value on t_{table} used for comparison is found at the level of significance of 0.05, which is at the confidence level of 95% and the value of $t_{table} = 1.697$. The result for (X_3) training and development is $t_{count} = 0.073 < t_{table} = 1.697$ meaning that H_0 is accepted and H_a is rejected. The result

of this test can be used to declare that (X_3) training and development does not have significant partial influence on (Y) employee performance.

4. Table 5 shows that t_{count} for (X_4) employee welfare is 2.314. Value on t_{table} used for comparison is found at the level of significance of 0.05, which is at the confidence level of 95% and the value of $t_{table} = 1.697$. The result for (X_4) employee welfare is $t_{count} = 2.314 > t_{table} = 1.697$ meaning that H_0 is rejected and H_a is accepted. The result of this test can be used to declare that (X_4) employee welfare partially influence on (Y) employee performance significantly.

Discussion

All independent variables (X_1) interpersonal relationship, (X_2) supervision, (X_3) training and development and (X_4) employee welfare have simultaneously influence on dependent variable (Y) employee performance in PT. Bank Artha Graha International Tbk Manado Branch Calaca. The interpersonal relationship has not a significant influence partially on employee performance. When the employees were working they stay focused on their work and not leave behind of problems that emerged between their fellow employees. The supervision has not a significant influence partially on employee performance. When the employees of Bank Artha Graha International Tbk. Manado Branch Calaca working they has mastered their work hence they are not that need help from the boss or their fellow employees. The training and development has not a significant influence partially on employee performance. Because not all the employee that has become permanent workers in PT. Bank Artha Graha International Tbk. Branch Manado have follow the training made by the company. Employee welfare has a significant influence partially on employee performance. This result statistically proves that employee welfare (X_4) has positive influence on employee performance (Y) partially. Because when the company promise something and praise their performance, it will make employees pleased and they will be motivated to work better for obtaining something that has been promised when their performance increase and also get the credit from the boss.

4. CONCLUSIONS AND RECOMMENDATION

Based on the result of analysis and the discussion in the previous chapter, the conclusions drawn from this research are as follows:

1. Interpersonal relationship, Supervision, Training and development, and Employee welfare simultaneously influence the employee performance in PT. Bank Artha Graha International Tbk, Manado Branch Calaca.
2. Interpersonal Relationship with the indicator emotional stability, agreeableness, and personality does not have significant influence on employee performance in PT. Bank Artha Graha International Tbk, Manado Branch Calaca.
3. Supervision with the indicator monitoring, complaints, and hearing does not have significant influence on employee performance in PT. Bank Artha Graha International Tbk, Manado Branch Calaca.
4. Training and development with the indicator coaching, mentoring, and learning does not have significant influence on employee performance in PT. Bank Artha Graha International Tbk, Manado Branch Calaca.
5. Employee welfare with the indicator employee assessment, health and fitness management, and reward has significant influence on employee performance in PT. Bank Artha Graha International Tbk, Manado Branch Calaca.

Based on the result and the conclusion, the research recommendations are as follows:

1. The employees should establish a good relationship over workers on the working site, so there will be no misunderstanding and discordance among them at work. Because when

all the employees maintain good relationship among them, the atmosphere at work will be more comfortable.

2. The employees that already complete their work should help their fellow workers that have an unresolved job in order to finish it on time.
3. When the company hires new employees, they should participate in a training session before they start working on the company.
4. The firm should give more bonus as well as the boss should be able to give more praise to employees, in order to make the entire employee gain more motivation in working at Bank Artha Graha.

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