

Research Article

The Effect of Work Environment, Work Motivation, And Quality of Work Life on Employee Performance And Its Implications on Performance of Staffing And Human Resource Development Agency In The Districts of Aceh Jaya, Aceh Barat, Nagan Raya, Province of Aceh, Indonesia

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Abstract: This research aimed to analyze the effect of work environment, work motivation, and quality of work life on employee performance and their impact on organizational performance. The sampling technique used was census, with the size of respondents as many 116 employees of Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya). Data analysis technique used was Structural Equation Model. The results showed that work environment, work motivation, and quality of work life have a significant effect on employee performance; work motivation and employee performance have a significant effect on organizational performance, while work environment and quality of work life have no significant effect on organizational performance; work environment, work motivation, and quality of work life indirectly have a significant effect on organizational performance through employee performance.

Keywords: Work Environment, Work Motivation, Quality of Work Life, Employee Performance, and Organizational Performance

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INTRODUCTION

The success of an organization depends on the role of employees in the organization. Every employee is required to have good performance so that the goals set by the organization can be achieved, high employee performance will support organizational productivity so that it will have an impact on overall organizational performance. The performance of a government organization can be seen based on Government Agency Performance Reports which are instruments used by government agencies to account for the success and failure of the implementation of organizational activities consisting of various components: performance planning, measurement performance, and reporting performance.

Based on the performance report of Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) in 2016, overall it can be concluded that the performance of each agency can be said to be not maximum, so that this indicates that the performance of employees contained in these agencies can also be said to be not optimal enough.

Employee performance is a very important factor for the progress of an organization, because basically organizational performance can be said as a whole of the performance of employees in an organization. In other words, employee performance is one indicator that describes the performance of an organization (Zhang, 2012).

Efforts that can be made by the organization to improve the performance of its employees include through the fulfillment of the needs of employees with the application of quality of work life (Sheel *et al.*, 2012). The performance of an employee is very dependent on the quality of work life he has, with the good quality of work life an employee tends to carry out his work earnestly (Beh & Rose, 2007). The quality of work life is also seen as being able to increase the role and contribution among employees towards the results of organizational achievement (Halim & Nugroho, 2017).

In addition to the quality of work life, work motivation can also affect the performance of an

employee. Maduka & Okafor (2014) suggested that organizations that do not motivate their employees cannot reach their goals optimally and cannot run efficiently. Armstrong & Taylor (2014) also said that work motivation possessed by employees has a positive impact on organizational performance. In addition, work motivation is also a trigger for employees to produce good performance, and vice versa, lack of work motivation can also affect employee performance even though the employee has high potential (Pinder, 2014).

Other factors that can affect an employee's performance are the work environment. A good work environment will improve the performance of employees, while a work environment that is not good will reduce the performance of employees and indirectly also reduce organizational performance (Taiwo, 2010). The work environment is a facility for employees in carrying out an activity in order to create performance that is in line with organizational expectations (Biggio & Cortese, 2013). Each organization must provide a good work environment for its employees, so that employees can work in accordance with the wishes of the organization in an effort to achieve organizational goals (Chandrasekar, 2011).

Based on the results of the initial survey conducted on Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) employees, it was concluded that the work environment, work motivation, and quality of work life owned by Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) employees can be said to be good enough. If the work environment, work motivation, and quality of work life are good, employee performance should also be better so that the performance of the organization will also be maximized. However, based on the performance report of Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) in 2016, it was known that the performance of Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) could be said to be not optimal.

Based on this phenomenon, its necessary to conduct further research in order to explain how much effect the work environment, work motivation, and quality of work life on employee performance can be implied by Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) in achieving their vision and mission defined organization.

LITERATURE REVIEW

Organizational Performance

According to Pitt & Tucker (2008), organizational performance is an important sign of an organization that shows how well the activity in a

process or the output of a process to achieve certain goals. Organizational performance consists of the actual results of an organization that are measured against the goals and objectives set (Richard *et al.*, 2009).

Based on the Regulation of the Minister of Administrative Reform and Bureaucratic Reform of the Republic of Indonesia Number 17 of 2017 concerning Guidelines for Assessment of Performance of Public Service Providers, the performance of an organization can be measured using the following six indicators: service policy, professionalism of human resources, facilities and infrastructure, information systems service, consultation and complaint, and service innovation.

Employee Performance

According to Robbins & Judge (2013), it is an optimal achievement in accordance with the potential of an employee, this illustrates the extent to which the employee's activity is in carrying out the task and trying to achieve the stated goals. Employee performance can also be defined as the quantity and quality produced by an employee in carrying out his work (Luthans, 2011). According to Bernardin & Russel (2012), employee performance can be measured using the following six indicators: quality of work, quantity of work, timeliness, work effectiveness, unattended, and cooperation.

Quality of Work Life

It describes a process of how an organization responds to the needs of employees by developing a mechanism so that employees have the opportunity to make decisions to design their needs within the scope of work (Robbins & Judge, 2013). Cascio (2013) states that there are two ways to explain it; (1) it is seen as a set of employee perceptions of security at work, job satisfaction, and conditions to grow and develop as humans, (2) it is also perceived as a set of goals to be achieved through organizational policies such as: working conditions safe, work involvement, career development policies, fair compensation and others. According to Beh & Rose (2007), the quality of work life can be measured using the following eight indicators: capacity building, workplace security, career opportunities, inter-employee communication, easy work procedures, satisfaction with salaries, appropriate salary, and performance allowances.

Work Motivation

The motivation has the meaning of psychological meaning which refers to a person's internal mental state which is related to direction, perseverance, intensity and behavior, as well as managerial meaning related to the activity of leaders to encourage others to produce desired results by the organization in accordance with the relationship between motivation, ability and performance (Tosi & Pilati, 2011). According to Rusu & Avasilcai (2013), it

is an internal force to achieve a certain goal and to satisfy unmet needs. In line with this opinion, Robbins & Judge (2013) argued that it is a willingness to try as optimally as possible in achieving organizational goals that are influenced by the ability of businesses to satisfy some individual needs. According to Frengki *et al.*, (2017), it can be measured using the following six indicators: responsibility, feedback, work routines, task completion, being the best, and risk considerations.

Work Environment

The environment is the institutions or forces outside that have the potential to affect organizational performance, the environment is formulated into two, namely general and special environmental environments. The general environment is everything outside the organization that has the potential to influence the organization. While the special environment is part of the environment that is directly related to the achievement of the goals of an

organization (Robbins & Judge, 2013). According to Schultz (2015), it is a condition related to the characteristics of the workplace towards the behavior and attitudes of employees where its related to the occurrence of psychological changes in certain circumstances that must be considered by the organization. The work environment can be said as a place for employees to carry out activities that can influence their work (Pawirosumarto *et al.*, 2017). According to Pawirosumarto *et al.*, (2017), it can be measured using the following six indicators: a supportive work situation, conducive working conditions, harmonious relations between employees, good work colleagues, complete work facilities, and modern work equipment.

Research Hypotheses

The theoretical framework in this research can be seen in the figure 1 as follows:

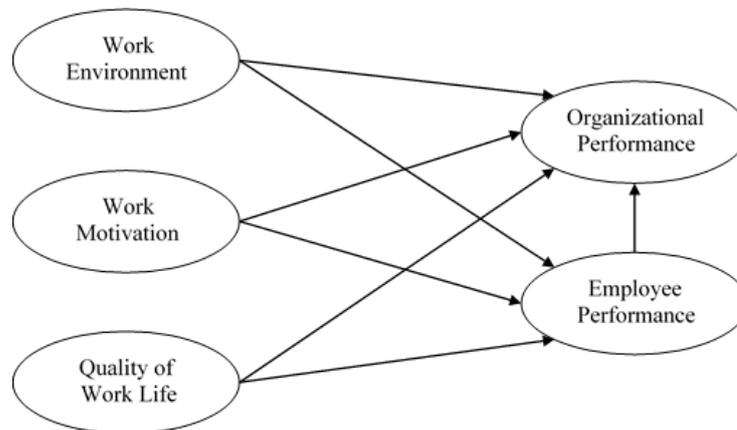


Figure 1: Research Framework

Based on the research framework above, it can be formulated the research hypotheses as “ *Work environment, work motivation, quality of work life have an influence on organizational performance either directly or indirectly through employee performance* ”

RESEARCH METHODOLOGY

Respondents in this research were all employee of Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat,

Nagan Raya), amounting to 116 employees who were determined using a census. Data collection in research using questionnaires, while data analysis techniques used are Structural Equation Model with Smart PLS version 3 software.

RESULTS AND DISCUSSIONS

Results (outer model)

The results of the outer model in this research can be seen in the following figure 2:

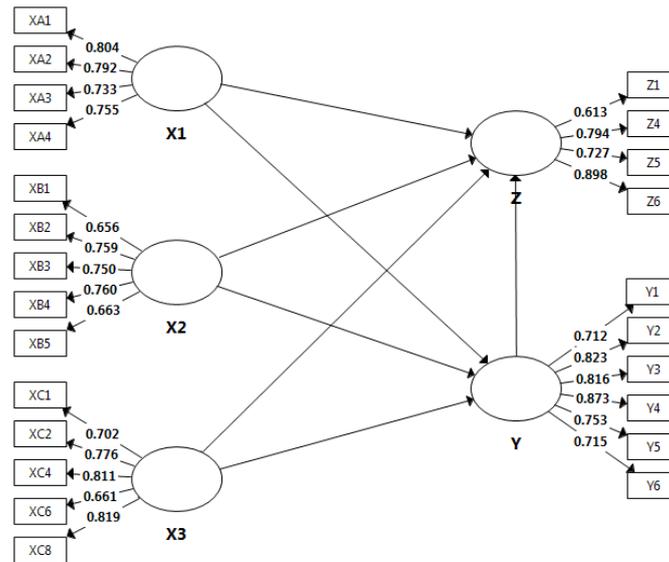


Figure 2: Outer Model

Based on that figure, it is known that the indicator loading of all latent variables have an indicator loading value > (0.60) so that the indicators of each latent variable can be declared valid. After the

indicator loading has been > 0.60 then the assessment criteria (model fit index) can then be seen in the following table:

Variabel	AVE	Reliability	R ²	Q ²	SRMR	NFI	RMS_theta
X1 Work Environment	0,595	0,854					
X2 Work Motivation	0,517	0,842					
X3 Quality of Work Life	0,572	0,869			0,092	0,599	0,180
Y Employee Performance	0,615	0,905	0,602	0,342			
Z Organizational Performance	0,585	0,847	0,678	0,361			

Based on that table, it is known that the values of the model assessment criteria are as follows; AVE > (0.05), Composite Reliability > (0.7), R² > (0.25), Q² > (0.02), SRMR < (0.10), NFI < (1), and RMS_theta < (0.12). Thus, the research model has met the minimum

assessment criteria required so that the model in this research can be said to be fit.

RESULTS (INNER MODEL)

The results of the inner model in this research can be seen in the following table:

Table-1. Inner model

Direct Effect	ρ	p-value
X1 → Y	0,259	0,000
X2 → Y	0,322	0,001
X3 → Y	0,328	0,000
X1 → Z	0,033	0,640
X2 → Z	0,335	0,000
X3 → Z	0,103	0,191
Y → Z	0,498	0,000
Indirect Effect	ρ	p-value
X1 → Y → Z	0,129	0,002
X2 → Y → Z	0,160	0,003
X3 → Y → Z	0,163	0,002

Based on the results of the research, the information received or not the hypotheses formulated can be seen in the following table:

Table-2. Hypothesis

Hypothesis		
H1	Work environment has an effect on employee performance	accepted
H2	Work motivation has an effect on employee performance	accepted
H3	Quality of work life has an effect on employee performance	accepted
H4	Work environment has an effect on organizational performance	not accepted
H5	Work motivation has an effect on organizational performance	accepted
H6	Quality of work life has an effect on organizational performance	not accepted
H7	Employee performance has an effect on organizational performance	accepted
H8	Work environment has an effect on organizational performance through employee performance	accepted
H9	Work motivation has an effect on organizational performance through employee performance	accepted
H10	Quality of work life has an effect on organizational performance through employee performance	accepted

DISCUSSIONS

The Effect of Work Environment on Employee Performance

Based on the results of hypothesis testing, it is known that the work environment has a significant effect on employee performance, it clearly can be seen from the path coefficient of 0,259 with a significant value of 0,000 ($<0,05$), the results indicate that the work environment contained in an organization can increase employee performance by 25,9%. These results conclude that with a supportive work situation, conducive working conditions, harmonious relationships between members of organizations, and good colleagues, the performance produced by employees in the Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) will also be better.

The Effect of Work Motivation on Employee Performance

Based on the results of testing the hypothesis, it is known that the work motivation has a significant effect on employee performance, it clearly can be seen from the path coefficient of 0,322 with a significant value of 0,001 ($<0,05$), the results indicate that the work motivation possessed by an employee can increase employee performance by 32,2%. These results concluded that with the responsibilities of an employee, appropriate feedback, work routines that must be carried out, completion of tasks that must be hastened, and the desire to be the best among others, the performance produced by employees in the Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) will also be better.

The Effect of Quality of Work Life on Employee Performance

Based on the results of hypothesis testing, it is known that the quality of work life has a significant effect on employee performance, it clearly can be seen from the path coefficient of 0,328 with a

significant value of 0,000 ($<0,05$), the results indicate that the quality of work life owned by an employee can increase employee performance by 32,8%. These results conclude that with the capacity development provided by the organization, security in the workplace, good communication between employees, satisfied with the salary earned, and adequate performance allowances, the performance produced by employees in the Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) will also be better.

The Effect of Work Environment on Organizational Performance

Based on the results of hypothesis testing, it is known that the work environment has no significant effect on organizational performance, it clearly can be seen from the path coefficient of 0,033 with a significant value of 0,640 ($> 0,05$), the results indicate that the work environment contained in an organization is only able to increase organizational performance by 3,3%. Based on the results of this research, it is assumed that the ergonomics applied in Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) can be said to be not effective enough, it is seen from the indicators (supportive work situation, conducive working conditions, harmonious relationships between employees, as well as good coworkers) do not have a significant contribution in increasing organizational performance.

The Effect of Work Motivation on Organizational Performance

Based on the results of hypothesis testing, it is known that the work motivation has a significant effect on organizational performance, it clearly can be seen from the path coefficient of 0,335 with a significant value of 0,000 ($<0,05$), the results indicate that the work motivation possessed by an employee can increase organizational performance by 33,5%. These results concluded that with the responsibilities of an employee, appropriate feedback, work routines that must be done,

completion of tasks that must be hastened, and the desire to be the best among others, the performance produced by Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) will also be better.

The Effect of Quality of Work Life on Organizational Performance

Based on the results of hypothesis testing, its known that the quality of work life has no significant effect on organizational performance, its clearly can be seen from the path coefficient of 0,103 with a significant value of 0,191 ($> 0,05$), the results indicate that the quality of work life is owned by an employee only able can increase organizational performance by 10,3%. These results of this research are in accordance with the frame of mind described earlier. According to Cascio (2013), an organization that improves the quality of work life of its employees can evoke the spirit of employee work in carrying out tasks so that organizational goals can be achieved.

The Effect of Employee Performance on Organizational Performance

Based on the results of hypothesis testing, its known that employee performance has a significant effect on organizational performance, its clearly can be seen from the path coefficient of 0,498 with a significant value of 0,000 ($< 0,05$), the results indicate that the performance of an employee can increase organizational performance by 49, 8%. These results conclude that with good work quality, adequate work quantity, timeliness in carrying out tasks, high work effectiveness, without escorts from superiors, and cooperation between employees, the performance produced by Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) will also be better.

The Effect of Work Environment on Organizational Performance through Employee Performance

Based on the results of hypothesis testing, its known that the work environment indirectly has a significant effect on organizational performance through employee performance, its clearly can be seen from the path coefficient of 0,129 with a significant value of 0,002 ($< 0,05$). These results conclude that with a supportive work situation, conducive working conditions, harmonious relationships between members of organizations, and good colleagues, the performance produced by employees in the Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) will also be better, so that it can also increasing organizational performance by 12,9%. Based on the results of hypothesis testing, its known that employee performance in this research acts as a perfect mediator between the effect of work environment on organizational performance, its because the work environment has no significant effect on

organizational performance directly, but the work environment has a significant indirect effect on organizational performance through employee performance.

The Effect of Work Motivation on Organizational Performance through Employee Performance

Based on the results of hypothesis testing, its known that the work motivation indirectly has a significant effect on organizational performance through employee performance, its clearly can be seen from the path coefficient of 0,160 with a significant value of 0,003 ($< 0,05$). The results concluded that with the responsibilities of an employee, appropriate feedback, work routines that must be carried out, completion of tasks that must be hastened, and the desire to be the best among others, the performance produced by employees in the Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) will also be better, so that it can also increasing organizational performance by 16%. Based on the results of hypothesis testing, its known that employee performance in this research acts as a partial mediator between the effect of work motivation on organizational performance, its because the work motivation has a significant effect on organizational performance both directly and indirectly through employee performance.

The Effect of Quality of Work Life on Organizational Performance through Employee Performance

Based on the results of testing the hypothesis, its known that the quality of work life indirectly has a significant effect on organizational performance through employee performance, its clearly can be seen from the path coefficient of 0,163 with a significant value of 0,002 ($< 0,05$). These results conclude that with the development of capacity provided by the organization, security in the workplace, good communication between employees, satisfied with the salary earned, and adequate performance allowances, the performance produced by employees in the Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) will also be better, so that it can also increasing organizational performance by 16,3%. Based on the results of hypothesis testing, its known that employee performance in this research acts as a perfect mediator between the effect of quality of work life on organizational performance, its because the quality of work life has no significant effect on organizational performance directly, but the quality of work life has a significant effect indirectly to organizational performance through employee performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Work environment, work motivation, and quality of work life affect employee performance; Work environment and quality of work does not affect organizational performance, while work motivation and employee performance affect organizational performance; Work environment, work motivation, and quality of work affect organizational performance through employee performance.

Recommendations

1. Work environment, work motivation, and quality of work life contained in Staffing and Human Resource Development Agency District (Aceh Jaya, Aceh Barat, Nagan Raya) should be maintained well continuously so that the performance produced by employees will also be optimal which will also have a positive impact on overall organizational performance.
2. For the next researchers may employ both qualitative and quantitative type of research. It may employ a deep interview and Focus Discussion Group techniques combined with a closed ended questionnaire.

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