

THE INFLUENCE OF WORK ENVIRONMENT AND LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE WITH WORK MOTIVATION

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ABSTRACT

This research aims to determine the influence of the work environment and leadership style on employee performance with work motivation as an intervening variable. The data analysis technique used in this research is PLS-SEM analysis. The results of the research are that the work environment has a positive and significant effect on employee performance. Leadership style has a positive and significant effect on employee performance. Work motivation has a positive and significant effect on employee performance. The work environment has a positive and significant effect on work motivation. Leadership style has a positive and significant effect on work motivation. The work environment has a positive and significant effect on employee performance through work motivation as an intervening variable. Leadership style has a positive and significant effect on employee performance through work motivation as an intervening variable.

Keywords: Employee Performance, Leadership Style, Work Environment, Work Motivation

INTRODUCTION

Human resources are very important for organizations, because human resources support the formation and running of organizations in accordance with the goals to be achieved. Without human resources, it will be difficult for an organization to achieve its goals well. Therefore, an organization really needs human resources to create good work efficiency in the organization (Andar, et al., 2022). Organizational performance depends on individual performance or in other words individual performance will provide strength or success over organizational performance. Organizational goals can be achieved through the positive performance of its employees, conversely the organization will face obstacles in achieving goals when the performance of employees is ineffective in the sense of not being able to meet the job demands desired by the organization (Hasibuan & Bahri, 2018). Motivation is a driving force that creates a person's enthusiasm so that they want to work together, work effectively and integrate with all their efforts to achieve positive performance and satisfaction. So motivation questions how to direct the power and potential of subordinates so that they want to work together productively, successfully achieving and realizing predetermined goals (Manuain, 2022). In influencing, motivating, guiding, directing, mobilizing human resources, in creating good performance you need someone

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who has the right leadership (Kustini & Hidayat, 2021). The leadership style is that a leader always tries to adapt to the situation and conditions of the organization, and is flexible in adapting to the maturity of his subordinates and the work environment (Arifin & Rahman, 2022). This is in accordance with current global competitive conditions which are always changing, so we are required to be more adaptive to the environment. Therefore, leaders must be able to use the right leadership style so that employees can immediately improve employee performance. One of the considerations for employee productivity is an appropriate work environment and fair compensation. Compensation is everything an employee receives as remuneration for the employee's work. Compensation issues may be a confusing function of personnel management. Not only because providing compensation is one of the most complex tasks, but also one of the aspects that is meaningful for both employees and the organization (Thalibana, 2022). The existence of compensation in the form of bonuses, prizes and awards will also have a positive impact on employees. Employees will feel motivated and enthusiastic in completing the tasks given and will appear to encourage employees to excel in their performance. Decreased performance and failure to achieve market performance targets is basically caused by conditions within the organization. The situation in the organization can be seen in terms of leadership, organizational environment and motivation given to employees. From the explanation above, the author is interested in conducting research entitled: "The Influence of Work Environment and Leadership Style on Employee Performance with Work Motivation as an Intervening Variable at BPS North Sumatra Province."

METHOD

This research is a type of descriptive research with a quantitative approach. The sample in this study was 80 respondents. The data analysis technique used in this research is PLS-SEM analysis.

RESULTS

The first model or initial model in this research was carried out using all indicators for each construct. The loading factor value of each indicator on each construct is measured using the algorithm in the SmartPLS program, as follows:

Table 1. of Loading Factor Test Results

	x1	x2	x3	y	z
x1.1	0.880				
x1.2	0.893				
x1.3	0.767				
x1.4	0.832				
x1.5	0.921				
x1.6	0.922				
x2.1		0.882			
x2.2		0.822			

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x2.3	0.818
x2.4	0.740
y1	0.854
y2	0.767
y3	0.822
y4	0.876
y5	0.982
y6	0.877
z1	0.905
z2	0.804

Source: Researcher Results 2024

Based on the following table, it is known that many of the variable indicators in this study have an outer loading value > 0.5 . According to Ghozali (2018), an outer loading value between 0.5 and 0.6 is considered sufficient to meet the requirements for convergent validity. This data shows that the indicators are deemed suitable or valid for research use and can be used for further analysis. Internal consistency reliability assessment is carried out on each construct. The composite reliability value of each construct is expected to be at least 0.7. However, in exploratory research, a composite reliability value of > 0.6 is acceptable. The results of the SmartPLS algorithm on the composite reliability of each construct are shown in the table, as follows:

Table 2. Composite Reliability

	Composite Reliability	Average Variance Extracted AVE
Work environment (X1)	0.922	0.732
Leadership style(X2)	0.953	0.688
Employee performance (Y)	0.927	0.766
Work motivation(Z)	0.913	0.798

Source: Researcher Results 2024

Based on the following table, it shows that in the good enough category each construct has met the outer model reliability assessment criteria with a composite reliability value > 0.7 . Thus, the outer model analysis continues to the outer model validity stage. The validity of the outer model is carried out using convergent validity and discriminant validity. The convergent validity assessment is carried out by looking at the average variance extracted (AVE) value for each construct, stating that the AVE value for each good construct is at least > 0.5 . The results of the R-Square (R²) value for the variable based on the measurement results are shown in. Table, as follows:

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Table 3. R Square

	R Square
Employee performance (Y)	0.921
Work motivation (Z)	0.893

Source: Researcher Results 2024

Based on the following table, it is known that the R Square value for the employee performance variable is 0.923, this means that the percentage influence of the work environment and leadership style on employee performance is 92.3%, while the remaining 7.7% is influenced by other variables not examined in this research. The R Square value for the work motivation variable is 0.899, this means that the percentage influence of the work environment and leadership style on work motivation is 89.9%, while the remaining 11.1% is influenced by other variables not examined in this research. Hypothesis testing was carried out using the T-statistics test (t-test) with a significance level of 5%. It is said to be significant if the T-statistics value is > 1.66 . If in this test a p-value < 0.05 is obtained, it means the test is significant, and conversely if the p-value is > 0.05 , it means it is not significant. The results of the direct influence test for each variable can be seen in the table, as follows:

Table 4. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Sig./Not Sig.
X1 - > Y	0.833	0.877	0.023	10.125	0.001	Sig.
X1 - > Z	0.732	0.736	0.045	5.933	0.002	Sig.
X2 - > Y	0.722	0.745	0.104	5.714	0.033	Sig.
X2 - > Z	0.988	0.999	0.082	15.048	0.003	Sig.
Z -> Y	0.443	0.424	0.083	5.565	0.004	Sig.

Source: Researcher Results 2024

Based on this table, the work environment has a positive and significant effect on employee performance. Leadership style has a positive and significant effect on employee performance. Work motivation has a positive and significant effect on employee performance. The work environment has a positive and significant effect on work motivation. Leadership style has a positive and significant effect on work motivation. The results of the indirect influence test for each variable can be seen in the table, as follows:

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Table 5. Indirect Influence

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Sig./N ot Sig.
X1 -> Y -> Z	0.672	0.675	0.175	10.123	0.000	Sig.
X2 -> Y -> Z	0.763	0.777	0.254	6.933	0.000	Sig.

Source: Researcher Results 2024

Based on this table, the work environment has a positive and significant effect on employee performance through work motivation as an intervening variable. Leadership style has a positive and significant effect on employee performance through work motivation as an intervening variable.

DISCUSSION

The Influence of the Work Environment on Performance

The work environment has a positive effect on employee performance. This proves that the higher the level of work environment at BPS North Sumatra, the higher the performance of employees at the BPS North Sumatra office. According to Gibson (2019) performance refers to the level of success in carrying out tasks and the ability to achieve predetermined goals. According to Bernardin (2020), the dimensions of employee performance are as follows: first is Quality, second is Quantity, third is Punctuality, fourth is Effectiveness, fifth is Independence and last is Work Commitment

The Influence of Leadership Style on Performance

Leadership style has a positive effect on employee performance. This proves that the higher the leadership style at BPS North Sumatra, the higher the performance of employees at the BPS North Sumatra office. According to Souisa et al., (2023) states that leadership style is the standard of behavior that a person uses when that person tries to influence the behavior of others as desired. In organizations, the right leadership style is needed to create enjoyable performance and improve employee performance so that it is expected to produce high productivity.

The Influence of Work Motivation on Performance

Work motivation has a positive effect on employee performance. This proves that the higher the work motivation at BPS North Sumatra, the higher the performance of employees at the BPS North Sumatra office. According to Rivai (2018) motivation is a series of attitudes and values that influence individuals to achieve certain things in accordance with individual goals. The dimensions of work motivation according to Nawawi (2017) are Intrinsic Motivation and Extrinsic Motivation.

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The Influence of the Work Environment on Performance Through Work Motivation

Work motivation mediates the influence of the work environment on employee performance. This proves that work motivation can improve the work environment on the performance of employees in the North Sumatra BPS office. According to Sunyoto (2018) the work environment is a very important component in employees carrying out work activities. By paying attention to a good work environment or creating working conditions that can provide motivation to work, it will have an influence on employee enthusiasm or enthusiasm for working. The definition of the work environment here is everything that is around the worker and that can influence him in carrying out the tasks assigned, for example cleanliness, music, lighting and so on. According to Hamidifar (2022), the dimensions of the work environment consist of meeting needs, workplace fairness, energy expended, employee development programs and reward and appreciation policies.

The Influence of Leadership Style on Performance Through Work Motivation

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CONCLUSIONS

The conclusion in this case proves that the leadership style created by the leadership at BPS North Sumatra can improve the performance of BPS employees. A good and orderly work environment will improve the performance of BPS North Sumatra employees. It is hoped that North Sumatra BPS will continue to maintain a conducive working environment so that employee performance does not decline and North Sumatra BPS superiors will continue to motivate their employees to work even harder. This research chooses work environment and leadership style as independent variables and employee performance as dependent variables and work motivation as intervening variables. Further researchers are advised to increase the number of independent variables in order to get maximum results in increasing work productivity. It is hoped that leaders can motivate employees to create a comfortable work environment for employees so that employee performance increases

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