

Effect of Work Environment, Work Motivation and Transformational Leadership on Employee Performance in PT. XYZ

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Abstract

This study and research aim to determine the effect of work environment, work motivation, and transformational leadership on employee performance at PT. XYZ. The research method is quantitative with this type of associative and descriptive research. The data analysis technique used is multiple regression analysis. This study was conducted on 153 employees out of 247 employees. The result of existing research shows no significant effect of the work environment on employee performance. Also found that there has no significant effect on work motivation towards employee performance. Furthermore, there is a significant effect between transformational leadership towards employee performance. So, the conclusion is the work environment and work motivation in PT. XYZ has no significant effect on employee performance and transformational leadership in PT. XYZ has a significant effect on employee performance. But, work environment, work motivation and transformational leadership simultaneously have a positive and significant influence on employee performance of 34,9%.

Keywords

Work Environment, Work Motivation, Transformational Leadership and Employee Performance.

1. Introduction

In facing competition in the global era, companies must work more efficiently and effectively. Increasing competition causes companies to be demanded to increase competitiveness to maintain the company's survival. One of the most important aspects that support and hold the key to an organization's success in achieving the company's planned goals in carrying out its production process is the aspect of human resources. To achieve optimal organizational goals, quality resources are needed in accordance with organizational conditions and an ever-changing environment. The things companies can do to achieve these goals by improve the quality of human

resources (employees) as well as possible. Human resources are one of the most valuable assets owned by a company because it is the man who is the only resource that drives other resources (Huo et al, 2017, Ding et al. 2017, Kock et al, 2016, Ota et al, 2015).

So far, the business competition is getting tougher; the company is trying to make efficient production costs. One of the efforts is to conduct an outsourcing system, where with this system, the company can save expenses in financing human resources (HR). Outsourcing is when a company decides to give up some of its power to another company that performs the main corporate functional tasks, such as labour, information systems, salary distribution, accounting, customer service and even marketing(David 2011). The company's aim in outsourcing is that the company can focus on its main competencies in business so that it can compete in the market, where various internal company matters that are supportive can be transferred to other parties that are more professional (Ram et al, 2013, Ram et al, 2008).

PT. XYZ is a company engaged in outsourcing services, including cleaning services, security services, and labour supply services. As an Outsourcing Service PT. XYZ focuses more on cleaning services, but it is also possible if the Demand of the Company requires Security Services and Labor Supply Services. The recruitment process always prioritizes local workers because, besides being more efficient, it also assists local governments in channeling local workers to be employed on projects where PT. XYZ is located. Of course, through the stages of the selection and training process in accordance with the standard operating procedures that the company has set. To create good employee performance, there are things that companies must pay attention to, such as the work environment in which employees work.

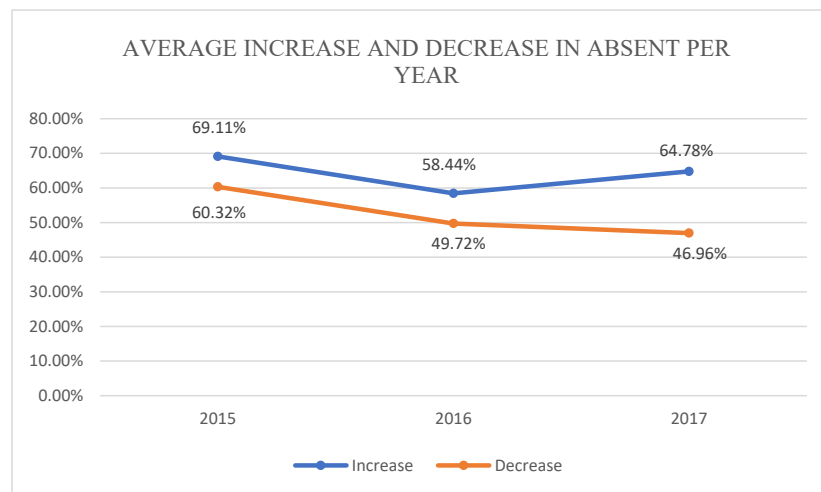


Figure 1. Average increase and decreased attendance of PT. XYZ yearly

According to the data above, absenteeism per year is quite high. It can be seen from the graph that it shows an upward trend even though it fell in 2016 and a significant increase in the following year. Compared with the graph of decreasing the annual rate of increase the absence of employees is much higher.

Table 1. Work environment of PT. XYZ

Question	Work Environment Supporting Work	Work Environment Not Supporting Work
Total	40%	60%

The table 1 shows that employees who stated the environment did not support work at 60%. This happens because there is still a lack of supporting facilities at work. Based on the above results, interviews have been conducted with employees of PT. XYZ explained that several problems exist within the company, namely the work environment

problem. Because from the interview, the employees said their work environment was very influential in supporting their work performance.

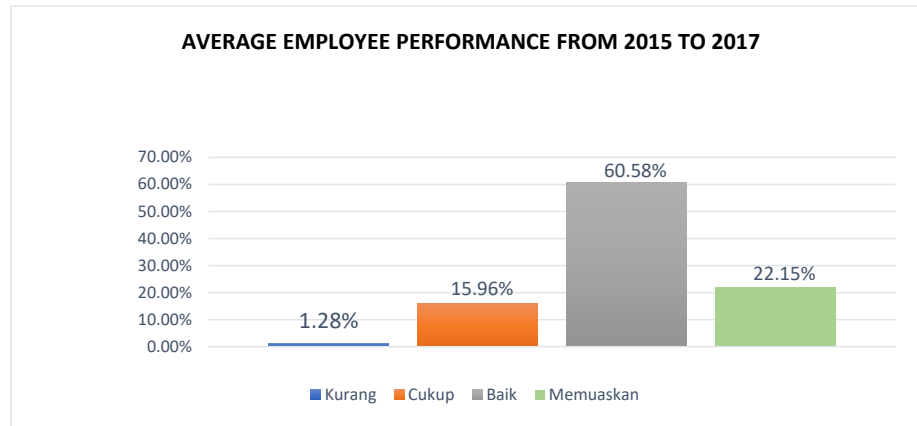


Figure 2. Data on average employee performance

The company needs satisfactory employee performance. However, based on the above data, the lack of satisfactory employee performance is one of the problems in the company for which the cause is unknown, according to the results of interviews conducted with employees of PT. XYZ explained that several problems exist within the company, namely work motivation. Because from the interview, the employees said work motivation was very influential in supporting their performance at work.

In addition to the work environment and work motivation factors that have been explained previously, other factors affecting employee performance are the company leader's leadership. Leadership is an important factor in a company, especially in employee performance. That was proven by the results of interviews conducted with company employees.

Table 2. Leadership of PT. XYZ

Types of Leadership	Number of Employees Who Voted	Number of Employees Who Voted in Percent
Transformational	4	80%
Transactional	0	0%
Autocratic	1	20%
Total	5	100%

According to the data in table 2, that has been done to the employees of PT. XYZ, the leadership type of operational manager of PT. XYZ is transformational leadership. It is proven by the employees choosing 80% that the leadership of the operational manager at PT. XYZ is transformational leadership. The reason employees think so is because the leader inspires (transforms) employees to achieve extraordinary results. Based on the interview results according to the employees, there are still several things that must be improved by the company's leader towards his leadership, such as being more appreciative in giving rewards if employees can carry out their work well, do not easily believe in unilateral opinions or reports, and leaders must always improve from themselves even though it's enough to be even better.

2. Literature Review

2.1 Work Environment on Employee Performance

According to (Jain and Kaur 2014). The work environment can imply social relations at work and maintain relationships between colleagues, superiors, and organizations. This illustrates the situation around where employees work. A satisfied, happy, and hardworking employee is the biggest area of every organization. Effective results and productivity for each organization, depending on the level of employee satisfaction and work environment, are one

of the most important variables that affect the level of employee satisfaction and motivation. Based on the variables and research above, the following hypothesis can be proposed:

Hypothesis 1: Work Environment has a significant effect on employee performance

2.2 Work Motivation toward Employee Performance

According to Uno (2007: 71-72) in (Ahmad 2016), work motivation is a process undertaken to move employees so that their behavior can be directed to concrete efforts to achieve the goals set. Work motivation is one important factor in finding out the performance of employees themselves. Because if work motivation is high, then performance will be high too.

Hypothesis 2: Work motivation has a significant effect on employee performance

2.3 Transformational Leadership toward Employee Performance

According to (Sudaryono 2016), transformational leadership is a leader who gives his attention to the problems faced by his followers by giving encouragement and encouragement to achieve his goals. Leadership in a company greatly affects the performance and condition of a company. By having the appropriate leader, the performance of the employees will be better.

Hypothesis 3: Transformational leadership has a significant effect on employee performance

2.4 Employee Performance

According to (Colquitt 2009) work performance is formally defined as the value of a set of employee behaviors that contribute, either positively or variable, to the achievement of organizational goals.

Hypothesis 4: Work environment, work motivation and transformational leadership significantly influence employee performance

3. Research Methods

This study uses a quantitative method in which the data obtained in the form of numbers are then processed. The data collection technique was carried out by distributing questionnaires to the employees of PT. XYZ. The sampling technique uses probability sampling with a simple random sampling technique. In comparison, the data analysis technique uses multiple regression to determine the direct effect of independent variables on the dependent variable. The indicators in this study can be seen in the Variable Table 3 and Research Indicators.

Table 3. Research variables and indicators

Variable	Indicator
Work Environment(Jain and Kaur 2014)	• Ventilation and temperature • Noise • Infrastructure and interior • Facilities • Fatigue • Boredom • Monotonous • Attitudes and behaviors of supervisors and co-workers • Employees are classified according to groups • Employees develop group intelligence • Groups influence employee attitudes and behavior
Work Motivation(Ahmad 2016)	• Responsibility for carrying out tasks • Carry out tasks with clear targets • Have clear and challenging goals • There is feedback on the results of his work • Having a happy feeling at work

	• Always trying to surpass others • Giving priority to the achievements of what he did • Always trying to meet the needs of life and the needs of his work • Happy to get praise from what was done • Work with the hope of obtaining incentives • Work with the hope of getting the attention of friends and superiors
Transformational Leadership(Sudaryono 2016)	• Leaders who have charisma that shows their position • Emphasize trust • Putting yourself in the difficult issues of having a vision • The leader has an interesting vision for the future • set high standards for subordinates • Leaders have optimism and enthusiasm and meaning for what needs to be done. • Leaders who encourage subordinates to be more creative • Encourage subordinates to express their ideas
Employee Performance(Colquitt 2009)	• The length of time given to complete the task • Complete the task on time • Standard based on costs incurred • Easily • Standards are based on the desired level of perfection • Do the work as a whole • The desired form of behavior from work in an organization • Skillful in doing work • The number of products or services that must be produced within a certain period • Follow the procedure

4. Research Result

4.1 Validity Test

In conducting a validity test, the data used is derived from a questionnaire distributed to respondents and filled in by the respondents totaling 153 people and uses IBM SPSS 20 to perform data processing.

4.1.1 Work Environment Validity Test

Based on the results of calculations with IBM SPSS, 20 items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 were declared valid because the R count (Corrected Item-Total Correlation) $\geq$ R table. You can see the results in the following table 4:

Table 4. Work environment validity test output

Question #	Corrected Item-Total Correlation		r Table	Description
LK1	.459	$\geq$	0.158	Valid
LK2	.434	$\geq$	0.158	Valid
LK3	.342	$\geq$	0.158	Valid
LK4	.526	$\geq$	0.158	Valid
LK5	.481	$\geq$	0.158	Valid
LK6	.470	$\geq$	0.158	Valid
LK7	.448	$\geq$	0.158	Valid
LK8	.439	$\geq$	0.158	Valid
LK9	.359	$\geq$	0.158	Valid
LK10	.437	$\geq$	0.158	Valid

LK11	.397	≥	0.158	Valid
LK12	.389	≥	0.158	Valid
LK13	.290	≥	0.158	Valid
LK14	.391	≥	0.158	Valid

4.1.2 Work Motivation Validity Test

Based on the results of calculations with IBM SPSS, 20 items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 were declared valid because the R count (Corrected Item-Total Correlation) $\geq$ R table. Can be seen in the following table 5:

Table 5. Work motivation validity test output

Question #	<i>Corrected Item-Total Correlation</i>		R table	Description
MK1	.555	≥	0.158	Valid
MK2	.494	≥	0.158	Valid
MK3	.466	≥	0.158	Valid
MK4	.465	≥	0.158	Valid
MK5	.550	≥	0.158	Valid
MK6	.586	≥	0.158	Valid
MK7	.499	≥	0.158	Valid
MK8	.397	≥	0.158	Valid
MK9	.374	≥	0.158	Valid
MK10	.460	≥	0.158	Valid
MK11	.423	≥	0.158	Valid
MK12	.593	≥	0.158	Valid

4.1.3 Transformational Leadership Validity Test

Based on the results of calculations with IBM SPSS, 20 items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 were declared valid because the R count (Corrected Item-Total Correlation) $\geq$ R table. Can be seen in the following table 6:

Table 6. Transformational leadership validity test output

Question #	<i>Corrected Item-Total Correlation</i>		r Table	Description
KT1	.429	≥	0.158	Valid
KT2	.391	≥	0.158	Valid
KT3	.390	≥	0.158	Valid
KT4	.501	≥	0.158	Valid
KT5	.511	≥	0.158	Valid
KT6	.555	≥	0.158	Valid
KT7	.589	≥	0.158	Valid
KT8	.442	≥	0.158	Valid
KT9	.459	≥	0.158	Valid
KT10	.489	≥	0.158	Valid
KT11	.560	≥	0.158	Valid
KT12	.558	≥	0.158	Valid
KT13	.541	≥	0.158	Valid
KT14	.433	≥	0.158	Valid

4.1.4 Employee Performance Validity Test

Based on the results of calculations with IBM SPSS, 20 items 1, 2, 3, 4, 5, 6, 7, 8 were declared valid because of the R count (Corrected Item-Total Correlation) $\geq$ R table. Can be seen in the following table 7:

Table 7. Employee performance validity test output

Question #	<i>Corrected Item-Total Correlation</i>		r Table	Description
KK1	.637	$\geq$	0.158	Valid
KK2	.676	$\geq$	0.158	Valid
KK3	.547	$\geq$	0.158	Valid
KK4	.665	$\geq$	0.158	Valid
KK5	.660	$\geq$	0.158	Valid
KK6	.516	$\geq$	0.158	Valid
KK7	.523	$\geq$	0.158	Valid
KK8	.603	$\geq$	0.158	Valid

4.2 Reliability Test

The reliability test results of work environment variables, work motivation, transformational leadership and employee performance indicate the value of Cronbach's alpha $\geq$ R table. In testing reliability, can use the Cronbach's alpha formula.

4.2.1 Work Environment Reliability Test

Table 8. Work environment reliability test output

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.616	.644	14

From the results of calculations with IBM SPSS 20 in the reliability test, the Cronbach's Alpha value = 0.616 $\geq$ 0.158 can be concluded that the data is reliable (Table 8). So based on the data above, the research can proceed to the next stage.

4.2.2 Work Motivation Reliability Test

Table 9. Work motivation reliability test output

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.709	.711	12

From the results of calculations with IBM SPSS 20 in the reliability test, the Cronbach's Alpha value = 0.709 $\geq$ 0.158 can be concluded that the data is reliable. So based on the data in table 9, the research can proceed to the next stage.

4.2.3 Transformational Leadership Reliability Test

Table 10. Transformational leadership reliability test output

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.738	.760	14

From the results of calculations with IBM SPSS 20 in the reliability test, the Cronbach's Alpha value = 0.738 $\geq$ 0.158 can be concluded that the data is reliable. So based on the data in table 10, the research can proceed to the next stage.

4.2.4 Employee Performance Reliability Test

Table 11. Employee performance reliability test output

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.747	.753	8

From the results of calculations with IBM SPSS 20 in the reliability test, the Cronbach's Alpha value = 0.747 $\geq$ 0.158 can be concluded that the data is reliable. So based on the data in table 11, the research can proceed to the next stage.

4.3 Normality Test

A normality test is done to find out whether the data used in this study is normally distributed or not. A good regression model has a normal or near-normal data distribution. The normality test in this study is Kolmogorov-Smirnov because the number of respondents is 153.

Table 12. Output normality test

		Unstandardized Residual
N		153
Normal Parameters^{a,b}	Mean	.0000000
	Std. Deviation	.32943677
Most Extreme Differences	Absolute	.073
	Positive	.054
	Negative	-.073
Kolmogorov-Smirnov Z		.909
Asymp. Sig. (2-tailed)		.380

a. Test distribution is Normal.

b. Calculated from data.

Based on the table 12, the results of the Kolmogorov-Smirnov normality test, the Alpha Alpha value is 0.380. Then the data can be stated as a normal distribution.

4.4 Multiple Regression Test

Multiple regression tests were performed to see the effect of the work environment (X1), work motivation (X2) and transformational leadership (X3) on employee performance (Y).

Table 13. Multiple regression test ANOVA output

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	8.848	3	2.949	26.638	.000 ^b
1	Residual	16.496	149	.111		
	Total	25.344	152			

a. Dependent Variable: KK

b. Predictors: (Constant), KT, LK, MK

It can be concluded that there is a significant influence between the Work Environment, Work Motivation, and Transformational Leadership simultaneously on Employee Performance. Because of the result of sig 0,000 < 0.05 (Table 13).

Table 14. Output model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591 ^a	.349	.336	.33274

a. Predictors: (Constant), KT, LK, MK

b. Dependent Variable: KK

The data processing results with SPSS 20 can be seen R square value of 0.349, which means that employee performance variables are influenced by the work environment, work motivation, and transformational leadership by 34.9% (Table 14). Where the rest (error), 65.1%, is influenced by other variables that were not carried out by the study.

Table 15. Output coefficients variable

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.428	.432		.992	.323
	LK	.144	.131	.103	1.094	.276
	MK	.336	.174	.237	1.934	.055
	KT	.441	.126	.333	3.500	.001

a. Dependent Variable: KK

From the table it can be seen the meaning of the equation is:

- Constant value of 0.428 means that if there are no Work Environment (X1), Work Motivation (X2), and Transformational Leadership (X3) variables, then the employee performance value (Y) is a constant of 0.428.
- If the Work Environment rises by one point, Employee Performance will increase by 0.144.
- If Work Motivation goes up by one point, Employee Performance will increase by 0.336.
- If Transformational Leadership goes up by one point, Employee Performance will increase by 0.441 (Table 15).

5. Discussion

5.1 Effect of Work Environment on Employee Performance

Based on the results of research that has been done states that there is no significant effect between the Work Environment (X1) on Employee Performance (Y), has a weak and unidirectional relationship and has a positive correlation of 0.396. Employee performance is influenced by the Work Environment by 0.103, whereas the remaining 0.897 is influenced by other variables.

5.2 Effect of Work Motivation on Employee Performance

Based on the results of research that has been done stated that there is no significant effect between Work Motivation (X2) on Employee Performance (Y), has a strong and direct relationship and has a positive correlation of 0.543. Employee performance is influenced by Work Motivation by 0.237, whereas the remaining 0.763 is influenced by other variables.

5.3 Effect of Transformational Leadership on Employee Performance

Based on the results of research that has been done stated that there is a significant influence between Transformational Leadership (X3) on Employee Performance (Y) has a weak and unidirectional relationship and has a positive correlation of 0.539. Employee performance is influenced by Transformational Leadership by 0.333, whereas the remaining 0.667 is influenced by other variables.

5.4 Effect of Work Environment, Work Motivation and Transformational Leadership

Based on the results of research that has been done state that the variable there is a significant influence between the Work Environment (X1), Work Motivation (X2), and Transformational Leadership (X3) to the simultaneous Employee Performance (Y) has a strong and direct relationship and has a correlation positive at 0.591. Employee

performance is influenced by the Work Environment, Work Motivation, and Transformational Leadership by 0.349, whereas the remaining 0.651 is influenced by other variables.

6. Conclusions and Suggestions

6.1 Conclusions

The work environment is at a good level, Work Motivation is at a high level, Transformational Leadership is at a good level, and Employee Performance is at a good level.

There is no significant effect between the Work Environment on Employee Performance at PT. XYZ.

There is no significant effect between Work Motivation on Employee Performance at PT. XYZ.

There is a significant influence between Transformational Leadership on Employee Performance at PT. XYZ.

There is a significant influence between the Work Environment, Work Motivation and Transformational Leadership simultaneously on employee performance at PT. XYZ.

6.2 Suggestions

Since the work environment variable does not significantly influence employee performance, the company does not need to make efforts to improve or pay attention to it. Because employee performance will not improve if only the work environment is improved, it is better to do it together with other factors.

Since work motivation does not significantly influence employee performance, the company does not need to make efforts to improve or pay attention to it. Because employee performance will not improve if only the work environment is improved, it is better to do it together with other factors.

Considering that transformational leadership variables have a significant effect on employee performance, it is suggested that company leaders should communicate persuasively to their employees, pay direct attention to employees, put themselves in problems that are considered difficult by employees and give employees free opinions. Something that can provide positive input for leaders and for the company itself.

To improve employee performance, leaders should provide jobs in accordance with the abilities of each employee because each employee has different abilities and provides training that is to support the work. Thus, the employees can do their work optimally.

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Biography

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