

# PROSIDING

## 8<sup>th</sup> MANAGEMENT DYNAMIC CONFERENCE

# 2023

# 16-17 MARET

| Makassar  
| Indonesia



# TAS EKONOMI DAN



**Prosiding**  
**MADIC 8, 2023**

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## About Madic 8 2023

Management Dynamics Conference (MADIC) ke-8 adalah seminar nasional yang diselenggarakan oleh Fakultas Ekonomi dan Bisnis Universitas Hasanuddin bekerja sama dengan Forum Pengelola Jurnal Manajemen (FPJM). Tema seminar “*Penguatan Manajemen UMKM sebagai Motor Penggerak Pemulihan Ekonomi Nasional*”. Konferensi ini bertujuan untuk menghimpun berbagai pandangan dan pengalaman empiris dari para praktisi dan akademisi ekonomi mengenai penguatan UMKM sebagai pilar ekonomi utama serta memberikan solusi untuk tujuan ketahanan keberlanjutan (SDGs) Indonesia. Para akademisi, praktisi, peneliti telah berkontribusi dalam pengembangan penelitian manajemen dengan berpartisipasi dalam MADIC 8.

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## **Sambutan Dekan Fakultas Ekonomi dan Bisnis Universitas Hasanuddin**

Selamat datang di Management Dynamics Conference (MADIC) ke-8 diadakan pada tanggal 16 – 17 maret 20223 di Makassar, Indonesia. Konferensi ini diselenggarakan untuk mempromosikan diskusi antara berbagai pemangku kepentingan tentang, manajemen dan bidang ekonomi. Kali ini, Fakultas Ekonomi dan Bisnis, Universitas Hasanuddin menjadi tuan rumah bekerja sama dengan Forum Pengelola Jurnal Manajemen (FPJM). Melanjutkan tradisi menyatukan penelitian, pembuat kebijakan, akademisi dan berbagai pemangku kepentingan untuk mempresentasikan dan mendiskusikan isu terkini terkait perkembangan ekonomi nasional. Untuk memperkuat pembahasan tentang manajemen, ekonomi dan bidang akuntansi, kami sepakat mengangkat topik konferensi tahun ini berjudul “*Penguatan Manajemen UMKM sebagai Motor Penggerak Pemulihan Ekonomi Nasional*”. Untuk memberikan informasi terbaru mengenai topik kepada pembaca dan peserta, kami ingin menyampaikan apresiasi dan terima kasih kepada 3 narasumber dihadirkan dalam acara ini yaitu M. Fankar Umran CEO BRI Insurane, Causa Iman Karana Kepala Perwakilan Bank Indonesia Provinsi Sulawesi Selatan, dan Darwisman Kepala OJK Regional Sulampapua atas wawasan dan dukungan mereka selama konferensi. Kami berharap acara ini sangat mendorong diskusi tentang peningkatan kualitas UMKM di Indonesia. Selain itu kami ingin menyampaikan terima kasih dan dukungan kami kepada

Terakhir, kami ingin mengucapkan terima kasih sekali lagi atas kontribusi dan kerja sama yang sangat baik di antara kami para peserta konferensi. Selain itu, kami mengucapkan terima kasih atas kerjasama semua pihak panitia dalam menyelenggarakan konferensi. Kami berharap dapat bekerja sama dengan semua pemangku kepentingan yang terlibat dalam acara ini. Kami berharap proses ini akan menyediakan berbagai manuskrip unggulan yang dapat memberikan kontribusi besar dalam bidang ekonomi, manajemen dan akuntansi.

**Prof.Dr.Abd. Rahman Kadir, M.Si., CIPM**  
Dekan Fakultas Ekonomi dan Bisnis  
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## **Sambutan Ketua panitia Management Dynamic Conference ke - 8**

Saya sangat senang bahwa acara Management Dynamic Conference ke-8 dengan tema "Penguatan Manajemen UMKM sebagai Motor Penggerak Pemulihan Ekonomi Nasional" telah terlaksana dengan sukses. Semoga acara ini memberikan banyak manfaat dan inspirasi bagi semua peserta yang hadir.

Saya ingin mengucapkan selamat dan mengapresiasi seluruh panitia yang telah bekerja keras dan dedikasi tinggi dalam menyelenggarakan acara ini. Tanpa upaya mereka, acara ini tidak akan mungkin terwujud. Terima kasih atas kerja keras dan komitmen yang telah diberikan.

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Saya berharap bahwa acara ini menjadi awal dari langkah-langkah konkret dalam memperkuat sektor UMKM sebagai motor penggerak pemulihan ekonomi nasional. Mari kita terus bekerja sama, berinovasi, dan berkolaborasi dalam mendukung pertumbuhan UMKM dan memajukan ekonomi kita.

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Sekali lagi, selamat atas kesuksesan acara Management Dynamic Conference ke-8. Semoga langkah-langkah yang dihasilkan dari acara ini dapat memberikan dampak yang positif bagi penguatan manajemen UMKM dan pemulihan ekonomi nasional.

**Insany Fitri Nurqamar, S.E.,M.M.**

Ketua panitia Management Dynamic Conference ke - 8  
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# WORK ENVIROMENT, MOTIVATION, JOB SATISFICATION AFFECT EMPLOYEE PERFORMACE AT PT PLN UPDK TELLO MAKASSAR

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## Abstract

*This study examines the impact of work environment and work motivation on employee performance through job satisfaction as a mediating variable. A survey was conducted with 70 respondents using a questionnaire for data collection. Smart PLS version 4.0 was used for data analysis. The results indicate that the work environment significantly affects job satisfaction but not employee performance. Work motivation significantly affects job satisfaction but not employee performance. Job satisfaction has a significant mediating effect on the relationship between work environment and performance, as well as on the relationship between work motivation and employee performance. The implications suggest that company leaders should focus on enhancing employee job satisfaction to improve the future performance of PT. PLN's Generation Control Implementation Unit (UPDK) Tello.*

Keywords: *Work Environment, Work Motivation, Job Satisfaction, Employee Performance.*

## 1. INTRODUCTION

PT Perusahaan Listrik Negara (English: State Electricity Company) is a state-owned company that takes care of all electricity aspects in Indonesia. The existence of PT. PLN is very vital in supporting the availability of electricity as an energy source of all human activity in their lives. Electricity is a basic human need. Humans cannot live properly without adequate electricity, because not only electricity is needed as a lighting tool, it is also needed for machinery, household appliances, sports facilities, health, medical tools, etc., for personal, household, business, industry, governmental, and societal needs as a whole. Not a single one of those activities could operate normally without the existence of adequate electricity.

In carrying out its duties, PT PLN Pembangkit Listrik Tello (Tello Power Generator) has to be supported by proper Human Resources, not only in quantity, but in quality as well, which can show best performance and productivity, as Zhenjing et al., (2022); Fabre (2005); Ariyani, Suarantalla & Mashabai, (2021) stated that Human Resources are the most valuable resource in achieving the goals of the company.

One thing that has to be noted by the employee is the provision of a conducive work environment, which is comfortable enough for employees in doing their jobs. A comfortable work environment will make employees happier and more enthusiastic in working, hence resulting in a higher productivity (Ariyani, Suarantalla & Mashabai, (2021); Nanzushi (2015) Rotze dalam Dziuba, Ingaldi & Zhuravskaya (2020).

A good working environment is a working environment which gives a sense of security and comfort for employees in doing their jobs. In contrast, a bad working environment is a work environment which makes employees feel disturbed, worried, and potentially harm both physical and mental health of employees (DeCenzo & Robbins, 2010).

The results of the research that has been conducted by Ariyani, Suarantalla & Mashabai (2021) concluded that one of the main factors of work accidents that happens in PT. PLN Company is work environment (25%).

Other than work environment, work motivation is also a determining factor for employees on achieving the desired work performance. Motivation is a supporting factor which makes employees do a certain effort as well (Ayub & Rafif, 2020). Motivation is one of the most important factors, because by work motivation, employees will give more effort to work longer, stronger, and more productive. This is reflected by the statement of (Lambrou et al.,2010) which stated that motivation is a process which enables an individual to have intensity, aim, and persistence to reach an organization's goal.

In addition to work environment and work motivation, job satisfaction is another important thing for an employee's performance achievement (Aluf, Sudarsih, Musmedi, Supriyadi, 2017); Dziuba, Ingaldi & Zhuravskaya (2020). Only employees who are satisfied in working can promise satisfactory performance as well (Dziuba, Ingaldi, & Zhuravskaya, 2020); Sihaloho & Siregar, 2019). In contrast, unsatisfied employees will struggle to reach desirable performance. Employees who feel satisfied will be in a good mood when working, and will enjoy their work happily, making them motivated to work more and better, and in the end will reach a satisfactory performance.

Jennifer M., & Gareth R., (2012) states that job satisfaction in a company is a very crucial matter to be examined in order to understand an employee's attitude towards their job, since job satisfaction has the potential to affect an employee's attitude broadly, which will affect the level of employee happiness in the organization.

The phenomenon found in PT. PLN UPDK Tello is the existence of environment and performance problems, both in total and as a unit, which happens because of Human Resources or employees that are not working optimally, affecting the performance of PT. PLN as a whole and in Generation Control Implementation Unit (UPDK) Tello as a unit. According to the information from PT. PLN UPDK Tello, it is known that the cause of low EAP realization is by work environment matter (Dziuba, Ingaldi, & Zhuravskaya (2020), Sihaloho & Siregar (2019), therefore affecting work job satisfaction (Badrianto & Ekhsan, 2020) and low employee motivation (Ayub & Rafif, 2020) and low performance as well (Zhenjing et al., 2022), Syafar et al., (2017).

Based on the explanations above, it can be concluded that a good work environment is very important and determines the achievement of best performance of every employee, both directly and indirectly. However, it cannot be avoided that job

satisfaction and work motivation is a supporting factor for every employee's desirable performance achievement. In other words, an employee's good or bad performance will be very dependent on the level of job satisfaction felt by the employee towards every aspect they receive from their jobs and the motivations which pushes them to act in a certain way to achieve best performance. That is why in this research, the author aims to analyze the effect of: (1) Work Environment on Performance, (2) Work Motivation on Performance, (3) Work Environment on Job Satisfaction, (4) Work Motivation on Job Satisfaction, and (5) Job Satisfaction as a mediating variable on the connection between Work Environment and Employee Performance, and between Work Motivation on Employee Performance of PT. PLN UPDK TELLO.

## **2. LITERATURE REVIEW**

### **Work Environment**

Work environment is everything that is around a job, or where the job is carried out, which will affect the employee's performance inside it positively or negatively. According to Tripati in Nanzushi (2015), Work environment includes all settings, both physically and non-physically. Physical environment includes: workspace arrangement, office layout, equipment arrangement, tables, chairs, windows, ventilation, wall paint color, complete equipment, machines, flexibility and equipment ease of use, availability of internet, places of worship, cool air, air conditioning, etc. While the non-physical environment includes everything that can only be felt, included as a part of the work environment consisting of: task meaningfulness, task autonomy, empowerment, challenging work, job security, feedback, etc.)

All the aspects above determine the satisfaction felt by employees in working. A comfortable working environment is important to give work energy, strength, spirit, and passion or motivation to create and finish jobs faster and more precisely, which will increase employee results and productivity (Syafar, et al., 2017). Besides that, a safe and comfortable working environment will motivate employees to work harder, longer, and focus more on jobs and enable them to reach high productivity that can contribute to an organization's success (Zafar, Karim & Abbas, 2017); Gagne & Deci (2014). Nawawi (Aslia A., 2019); Badrianto & Ekshan, (2022) divides work environment to: (1) Physical work environment, and (2) Non-physical work environment. Physical work environment is everything that is around an employee's workspace, including physical entities such as buildings, lighting, temperature, office layout, moving space, furniture, wall paint color, and room area, etc. Meanwhile, a non-physical environment is a condition which cannot be touched and seen, but can only be felt, such as work climate, autonomy in working, task meaningfulness, fair treatment, togetherness, etc.

Gagne & Deci (2014), Elliot, Dweck & David S. (2017) stated some psychological aspects of jobs that has to be aligned with employee needs which enables them to reach satisfactory and effective work results, as listed in STD (Self-Determined Theory):



- a. Autonomy; relating to someone's feeling that they have control over their jobs or what they are doing.
- b. Competence, relating to someone's confidence that they can give best results for their jobs, and the people around them.
- c. Relations, relating to how far someone feels close or far with their friends or other people.

### **Motivation**

Motivation, according to Robbins & Judge, is a process which explains intensity, direction, and persistence of efforts to achieve a goal. Intensity reflects how hard a person tries. High intensity will lead to satisfaction if channeled in a direction that benefits the organization.

Gagne & Deci (2014) and Fabre (2005) divide into two types of motivation: (1) Intrinsic Motivation and (2) Extrinsic Motivation. Intrinsic motivation is related to feelings of interest and happiness in working because of something that inherently appears and is felt from the work itself, such as job autonomy, and concern or attention from superiors. Extrinsic motivation is belief that a job is interesting and fun because of something that is outside the job itself, such as praises, awards, bonuses, promotions, etc., in which all of this comes from other people, not from within the employee themselves.

One of the motivation theories which is very popularly used and has an impact on the results of these behaviors such as productivity, work commitment, work engagement, level of absenteeism, and resignation rates (Robbins & Judge, 2013), that is Abraham Maslow's Theory of Needs, which states that there are five types of main needs that drive a person's behavior or decision making: (1). Physical needs: clothing, food, shelter. (2). Security needs, (3). Social needs, (4) Esteem needs, (5) Self-actualization needs.

### **Job Satisfaction**

Job satisfaction is defined by Robbins & Judge (2013) as a person's positive feelings about their work as a result of their evaluation of the characteristics owned by a job. Job characteristics cover many things, not just how employees wait and serve customers, follow rules, adhere to work standards and procedures, interact with fellow employees, adapt to the work environment, but more than that. Raziq & Maulabakhsh (2015) defines job satisfaction as an emotional orientation that employees have towards the work roles carried out in their workplace. Job satisfaction has an important role in encouraging work motivation and work results achieved.

According to the research conducted by Rotze (Dziuba, Ingaldi & Zhuravskaya, 2020), there are some factors affecting job satisfaction, such as: (1) Superiors and their leadership style, (2), Job design, (3) Job variation, (4) Position identity. Robbins & Judge (2013), George & Jones (Dziuba, Ingaldi & Zhuravskaya, 2020) stated the dimensions of job satisfaction are as follows:

1. Job as a whole.
2. The job itself. A fun job is a job which gives the opportunity to train, job/work variety, and control.

3. Relationship between superior-subordinate/supervision, in which the satisfaction towards supervise happens when the superiors' values are in line with subordinates' values.
4. Chance of promotion; the chance that an employee possesses to grow in career, both vertically (promotion), and horizontally (mutation).
5. Salary; a payment or everything the employee receives as compensation for their job. Salary or payment could be both financially and non-financially.

### **Employee Performance**

The ultimate goal of all Human Resources activity in an organization is a satisfactory performance achievement. Performance becomes a benchmark of how far an organization and its resources are managed well to bring accomplishment. In other words, employee performance can be interpreted as a benchmark of how good an employee does its jobs. Mullins (2016) stated that performance is related to efficiency and effectiveness, where efficiency means how a job is done correctly (do the things right, while effectiveness means doing the right job (do the right things). Performance is also defined as a cumulative result of all actions done by employees by utilizing skill and knowledge for a certain situation or job for a period of time (Safar, 2017). That is why performance is oftentimes interpreted as how good an employee does their job.

### **Conceptual Framework, Connection between Variable and Hypothesis**

#### **The Effect of Work Environment on Performance.**

Work environment plays an important role for an employee's desirable performance achievement. Many experts stated this has proven the existence of significant effects from work environment on performance, such as Syafar et al., (2017), Zhenjing et al. (2022), Sihaloho & Siregar (2019), DeCenzo (2010).

A fun work environment will contribute positively towards performance achievement. The environment mentioned is internal and external environment (Sihaloho & Siregar, 2019). Internal environment is all factors coming from the inside of a company, such as the company's strategies and policies, while external environment is all factors coming from the outside of a company, usually is macro, such as economic condition, technology, competition, etc.

Work environment is divided into physical and psychological work environment. Physical environment includes all things that can be physically seen and enjoyed around a work area, while a psychological environment leans more towards the conditions that can be felt from the workplace, independence, feeling of competitiveness, and interactions or relationship between coworkers. Environment is proven to have a significant effect towards employee performance (Naharuddin, 2013). A work environment that is in line with the job's demand and employee's wishes will improve employee's performance and productiveness. In contrast, if the job and the people who are doing the job are not suited, their performance will decrease.

The effect of physical and non-physical environment, or sometimes known as psychological environment, is supported by the research founding of Deci and Ryan (Gagne & Deci, 2014) with the argument of, both of these environment will affect employee's mental health in working, so that they can do a more precise decision making, more focused at work, and their performance will get better.

In a research conducted by Fabre (2005), it is found that a good work environment will give a psychological effect to nurses such as comfort and happiness in doing their jobs so that their working quality also gets better, making the achieved productivity and performance satisfactory as well. In contrast, if the work environment is not fun, employees will lose energy and motivation to work better, making them respect the consumer less, and give poor service.

The importance of maintaining a work environment in the workplace according to DeCenzo (2010) gives some benefits on performance, which increases work quality and productivity. A positive work environment will raise an individual's morality and support them to think about how to do a job better and believe that their coworkers give strong support for their success, raising their performance.

Badrianto & Ekhsan (2020) found the existence of a positive and significant effect of work environment towards employee performance. This empirical fact shows that a better work environment will result in a better employee performance as well. A workplace that has good lighting, cool temperature, silence, a comfortable office layout, and good work relationships will enable employees to reach higher performance. Aslia A (2019) and some other researchers supports and has proven that work environment affects significantly and positively towards employee performance, such as: Syafar et al., (2017), Sihaloho & Siregar (2019), Badrianto & Ekhsan (2019), Zhenjing et al. (2022). Internal and External environments are supported by Sihaloho & Siregar, (2019), simultaneously give a significant effect on employee performance. Because of that, Zafar, Karim & Abbas (2017) concluded that organizations that respect the work environment will be able to reach a bigger effectiveness and productivity levels for employees. **(H1. Work Environment directly and significantly Employee Performance).**

### **The Effect of Work Environment to Job Satisfaction**

The connection between work environment and job satisfaction, motivation and employee performance, are explained by Deci and Ryan (Gagne & Deci, 2014) in two relevant theories, that is the Self-Determination Theory (SDT), and Person-Environment Fit (PE). SDT explains that the need that becomes a requirement for an individual's well-being is the fulfillment of their basic psychological needs. Basic psychological needs are likely to happen if someone gets a work environment which gives them opportunity and proper "nutrition" to do a job. Even though the needs in question actually covers many things or has lots of variants and has different levels among people, the context of environment is still one among them. The environment has to suit an individual (employee)'s needs. Moreover, the suitability of an individual with their environment is empowered by PE Theory which states that the suitability between an individual with their environment is absolute and is a key achieving effectiveness and various measures of success of other jobs in an organization.

Therefore, a work environment which is appropriate with the needs of employee's hopes or motives will create satisfaction in themselves, and this will become a source of energy (motivation) for the employee to achieve best results for their job, organization, and their environment (Zhenjing et al., 2022;; Gagne & Deci , 2014). Hence, management has to make efforts to improve work environment, because a good work

environment will support employee morality through job satisfaction (Hoedoafia, 2017). (H2. Work Environment directly and significantly affects Job Satisfaction).

### **The Effect of Motivation on Job Satisfaction**

Job Satisfaction and motivation are two vital things for an organization in this modern era. Only a satisfied and motivated employee will be able to contribute towards an organization's success (Baah, 2010). The connection between motivation and Job Satisfaction is very close. On one hand, work motivation can affect job satisfaction (Ayub & Rafif, 2020: 332; Tabvuma, 2015: 711; Bomenberger et al, 2014: 1), meanwhile on the other hand, Job Satisfaction can affect work motivation. This is reflected from research findings of Baah (2010) that satisfied employees will feel happy working, focus on finishing their job, and has strong motivation to maintain their productivity, decrease production cost, decrease work mistakes, decrease absentee level, and employee turnover rate.

The effect of motivation towards job satisfaction is found by Ayub & Rafif (2020) which concludes the existence of positive correlation between motivation and employee job satisfaction, and the existence of significant difference between motivation level and job satisfaction in different sexes. Moreover, the findings in Tabvuma (2015)'s research supports the previous findings, by concluding that Public Service Motivation affects positively on job satisfaction. Then, Bomenberger et al, (2014) strengthens the existence of motivation effect on employee job satisfaction through their research which stated that worker motivation affects job satisfaction positively and significantly. The findings of the research above displays that employees that have high work motivation will feel satisfaction on their work results, and everything that is received from the workplace, and in contrast, if work motivation is low, job satisfaction will also be low. This is what underlies the formulation of conceptual relationships in this research, that work motivation affects job satisfaction. (H3. Work Motivation affects Employee Job Satisfaction)

### **The Effect of Motivation on Employee Performance**

George & Jones (2012) stated that motivation affects employee performance, motivation is a strength which can push employees to do their job enthusiastically, full of responsibility and dedication. Lambrou, Kontodimopoulos & Niakas, (2010) added an explanation about the existence of positive and significant effect of motivation towards employee performance which is based on the research findings to nurses and medical staff in a hospital. The findings showed that good intrinsic motivation (Task significance, strong working relationship, and respect or care, etc.) and extrinsic motivation, both affect the service quality that is given by nurses to the patients significantly. These research results also concluded the existence of mutual influence between job satisfaction and motivation, in the sense that satisfied nurses or medical staff will tend to be more motivated at work, and employees with high motivation in working will tend to be more satisfied with what they receive from their work.

Sheinjing (2022); Gagne & Deci (2014) stated that unmotivated employees will show less passion to do their work well, while motivated employees will be shown in seriousness to do their job well. (H4. Work Motivation affects Employee Performance)

### **The Effect of Job Satisfaction on Employee Performance**

Badrianto & Ekhsan (2020) found the existence of a positive and significant effect of Job Satisfaction on Employee Performance. This finding could be interpreted that the more satisfied employees are, the more performance will be achieved. A satisfied employee according to Badrianto & Ekhsan (2020) is an employee that enjoys, loves, and has morals on their job, so that it grows discipline attitude in working, and satisfactory performance. Employees that are performing well are indicated by the quantity of their work, which is greater, better work quality, are independent in working, initiative, able to adapt and execute good teamwork (Gagne & Deci, 2014).

George & Jones (2012) explained that if employees do not feel satisfaction towards their job, it will hinder their performance. An employee's intuitive ability is born from a satisfied employee. Dziuba, Ingaldi & Zhuravskaya (2020) predicted that job satisfaction is a main factor to forming an effective and efficient performance. In a satisfied employee, there is a healthy mentality, and some reserved energy, which becomes a support to work harder to reach satisfactory performance. (H5. Job Satisfaction affects Employee Performance).

## **2. RESEARCH METHOD**

This research is a survey type research in which the data is gathered from 70 samples of a population of 95 permanent employees at PT. PLN UPDK Tello. Sampling is done by simple random sampling. The main tools for data gathering in this research are questionnaires and interviews. To make sure that used questionnaires are able to measure the measuring targets, validity and reliability tests are used to see the level of reliability or consistency of instruments or target indicators.

This research can also be categorized as a descriptive, quantitative research due to the research data that are gathered and analyzed descriptively and quantitatively. Descriptive analysis is used to describe the characteristics of respondents and research variables. Quantitative analysis is used to test the hypothesis about the connection between variables using Path Analysis with the Smart PLS (Partial Least Square) software application. The process of quantifying the answers to the questionnaire uses the Ordinal Scale.

## **3. RESEARCH RESULTS**

### **Descriptive Analysis Results**

The descriptive analysis results about the respondents of the research shows that from 70 permanent employees of PT PLN UPDK Tello, can be detailed into sex, marital status, length of employment, and education level. Based on sex, it consists of men (87,1%) and women (12,9%). Marital status shows that there are 15,7% of respondents not yet married, and 84,3% married respondents. Length of employment, Less than 2 years (8,6%), 2-5 years (15,7%), 6-9 years (28,6%), and more than 9 years (47,1%).

Educational levels consist of High School (SMU) (35,7%), Diploma (D3) (22,9%), Bachelor (S1) (38,6%), and Masters (S2) (2,9%).

Next, descriptive analysis of research variables which includes work environment, motivation, job satisfaction, and employee performance, gives the following information:

Table 1. Average Values of Work Environment, Work Motivation, Job Satisfaction, and Employee Performance

No	Variable	Average Value
1	Work Environment	4,12
2	Work Motivation	4,21
3	Job Satisfaction	4,43
4	Employee Performance	4,28

Source: Primary Data Process

Table 1 shows that the four studied variables have an average value of above 4 which shows “good” score. Job satisfaction has the highest average, continued by employee performance, work motivation, and work environment. This result can be concluded that generally PT PLN UPDK Tello has a high job satisfaction level towards their jobs so they can reach good performance because it is supported by good work motivation and work environment.

### Hypothesis Test Results

Hypothesis Test Results related to connections between variables are:

Table 2. Intervariable Effect Testing Results

Source: Processed Primary Data, 2023

	Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Information *)
H 1	Work Environment Job Satisfaction	0,312	0,294	0,109	2,865	0,004 *	Significant
H 2	Work Environment Employee Performance	0,222	0,223	0,152	1,459	0,145	Insignificant
H 3	Motivasi kerja Job Satisfaction	0,461	0,482	0,137	3,375	0,001 *	Significant
H 4	Motivasi kerja Employee Performance	0,112	0,119	0,178	0,630	0,529	Insignificant
H 5	Job Satisfaction Employee Performance	0,407	0,407	0,143	2,839	0,005 *	Significant

Info: \*) at 5% significance level

Based on the formed structural model, representing the connection between variables, there are at least 5 (five) tested hypotheses. First hypothesis stated that work environment has a direct positive and significant effect on job satisfaction is accepted. This can be seen from the value of t-statistic which is greater than t-table ( $2,865 > 1,964$ ). Second hypothesis which stated that work environment has a direct positive but not significant effect on employee performance. This is seen from the lower value of t-statistic than t-table ( $1,459 < 1,964$ ). Third hypothesis which stated that work motivation has a direct positive and significant effect on job satisfaction is accepted. This is seen from the greater value of t-statistic than t-table ( $3,375 > 1,964$ ). Fourth Hypothesis which stated that work motivation has a direct positive but not significant effect towards employee performance. This is seen from the lower value of t-statistic than t-table ( $0,630 < 1,964$ ). Fifth Hypothesis which stated that job satisfaction has a direct positive and significant effect on employee performance is acceptable. This is seen from the greater value of t-statistic than t-table ( $2,839 > 1,964$ ).

Next, to see the indirect effect between variables through job satisfaction, can be seen on the following table:

Table 3. Mediation Effect Testing

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Value	Information (*)
H6 Work Environment Job Satisfaction Employee Performance	0,127	0,118	0,059	2,150	0,032 *	Significant
H7 Motivasi kerja Job Satisfaction Employee Performance	0,187	0,201	0,095	1,969	0,049 *	Significant

Source: Processed Primary Data, 2023

#### 4. DISCUSSION

##### The Effect of Work Environment on Job Satisfaction

The hypothesis testing results gave information that work environment in this research does not directly affect employee performance significantly. This means, both physical and psychological work environment where the employees do their jobs and duties, is not a determinant of how good or bad the achieved performance. The argument that can explain is because electricity service is a primary need that is very vital for humans. Therefore, whatever the work environment is, employees of PT. PLN, especially in the generator section, has to always be ready to work and ensure the availability of electricity supply. Bad work environment should not be a barrier to give maximum service to the people.

This research result differs from the previous research by Nanzushi (2015) which found that physical work environment, or financial compensation, motivates employees

more to perform better compared to non-physical environment (non-financial reward). So is the research of Badrianto & Ekhsan (2020); Sihalo & Siregar (2019); Aslia A. (2019), all found that work environment and job satisfaction has a significant and positive effect, both partially and simultaneously, towards employee performance

The next finding is, there is a significant effect of work environment on job satisfaction. It could be interpreted that a good work environment will give satisfaction and comfort to the employees. This means that employee job satisfaction is determined strongly by its work environment. A fun physical and non-physical work environment will make employees feel happier in doing their daily jobs. In contrast, in a bad work environment, employee satisfaction will be disturbed and will implicate badly on the achieved final result. This research result has already been predicted by previous researches from Agbozo et al., (2017) and Raziq & Maulabakhsh (2015) that work environment as a whole affects significantly towards employee job satisfaction.

This research also found that work motivation affects significantly towards job satisfaction. Work motivation which is measured by Maslow's 5 levels of human needs, that are physical needs, safety needs, social needs, esteem needs, and self-actualization needs, all is a determinant of employee job satisfaction. It means that if the company is able to fulfill those five types of employee needs, it will make the employees feel satisfied working. Therefore, if the company motivates the employees with sufficient salary, safe work, harmonious social relations, proper rewards, and an opportunity for self-actualization for good employees, will make them feel happy working, and will result in a better performance. This research result is supported by previous research conducted by Ayub & Rafif (2020) and Tabvuma (2015), which stated that motivation affects positively towards job satisfaction. Work motivation is formed from individual attitudes in facing work situations in an organization. Motivation is a condition which drives an individual towards reaching an organization's goal.

In the case of motivation effect on employee performance, this research does not find the existence of a significant effect. This means that a high work motivation is not always followed by a high performance as well. In accordance with the formulation about performance by George & Jones (2012) stated that an individual's performance is determined not only by their motivation, but there are other factors such as competence, ability, job satisfaction, etc, thus with the insignificant effect of motivation on performance in this research, indicates that other than work motivation, the support of other variables is needed to make an employee perform better. Other variables needed that are relevant with this research are job satisfaction (Prakoso, Astuti & Ruhana, 2014), as the mediating variable testing of job satisfaction on the significant connection of work motivation to employee satisfaction. This means that factors of motivation which are given by the company to the employees in the form of salary, safety, social relations, career opportunity, appreciation, and self-actualization, even though obtained a good score (average of 4,25) by employees, but it reflects a discrepancy between what was given by the company and what was expected by the employees. To find out this gap, the company needs to explore employees' needs priority to make adjustments. This method would be more precise as the basis for improving the reward system as a method to motivate employees. The findings of this research does not seem to support the previous



findings by Bonenberger et al, (2014); Prakoso, Astuti & Ruhana (2014), and Raziq & Maulabakhsh (2015); Aluf, Musmedi & Supriyadi (2017) in which all found that work motivation affects significantly towards employee performance.

Furthermore, this research found that job satisfaction affects employee performance significantly. This finding implies that the more satisfied employees with what they receive from their work, the better their work result will be. A satisfied employee becomes a producer of stronger energy and effort for employees to finish their work in line with the targeted time and quality. Thus, employee's work efficiency and effectiveness can be achieved through satisfying their every need in the form of adequate salary, supportive work relations, competence and career growth in the company, job design that gives freedom or independence in making decisions, and jobs that give pride and a sense of meaning to oneself and others. This research result supports the previous findings that has been conducted by Aluf et al., (2017) Dziuba et al. (2020) dan Koesmono (2014), all of them found that job satisfaction affects employee performance significantly, which means a satisfied employee will give better performance.

Other findings of this research is that work environment affects employee performance significantly through job satisfaction. In other words, job satisfaction has a significant mediating role in the connection between work environment and employee performance. The interpretation of this finding is that a good work environment will be able to raise a better performance if supported by employees' satisfaction of all that is received from the job. The importance of job satisfaction for employee performance development is strengthened by the field facts of this research, where in testing the direct connection between work environment and employee performance which at first is insignificant, became significant and positive on the testing of indirect connection, that is through the mediation of job satisfaction. This finding displays the important role of mediation from job satisfaction.

A satisfying working environment is a workplace condition that not only provides adequate facilities and infrastructure support, but has to be supported by autonomy in working, division of labor according to competence, good working relationship, proper salary, sense of security, a big career opportunity, all of these is a support for the employee to perform better.

The significant effect of mediation from job satisfaction is also found in the connection between motivation and performance. It indicates that work motivation will affect employee performance positively if supported by employees' sense of satisfaction towards their jobs. Employees' job satisfaction correlates with their hopes towards a supportive coworker, work that is autonomous and gives meaningfulness, a proper and fair salary, and a wide promotion opportunity. If these conditions are met by the company as a fun workplace, then an optimal performance expected by the company towards its employees will go parallel. These findings have similarities with the findings of Aluf, Musmedi & Supriyadi (2017) which in stages found a significant effect of motivation on job satisfaction, and job satisfaction towards employee performance. Employees' work motivation in an organization can be considered simple, and can also become a complex problem, because basically humans are easy to motivate by giving what they want.

## 5. CONCLUSION

Based on this research result, it is concluded that: (1) Work environment does not significantly affect performance, (2) Work motivation does not significantly affect performance, (3) Work environment affects job satisfaction significantly, (4) Work motivation affects job satisfaction significantly, and (5) Job satisfaction has a significant effect as a mediating variable on the connection between work environment and performance, as well as the connection between work motivation on employee performance at PT. PLN UPDK TELLO. Given the importance of job satisfaction in building employees' performance in the future, the management of PT. PLN UPDK Tello has to pay serious attention towards the job satisfaction problems by doing employee job satisfaction surveys thoroughly in order to explore employee needs priority in order to make adjustments. This method would be more precise as the basis for improving the reward system and encourage employees to perform better.

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