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# The Influence of Internal Environment, Strategic Management of Human Resources and Quality of Work Life To Job Satisfaction and Employee Performance Outsourcing Company in East Java Province

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### **ABSTRACT**

The company is getting tougher competition pushed companies to do innovation and efficiency. Companies that are able to produce with efficient cost and products that have the innovation will be able to compete. But for companies that are not able to compete will be gradually eliminated so that it can cover does not operate. The competition also demands the development of human resources and improving the management of the company to be more advanced. The company became the winner is the company that applied the human resources development and the status of management so efficient. The purpose of this research is to examine and analyze the effect of the internal environment, management stategik human resources and quality of work life to job satisfaction and employee performance outsourcing company in East Java Province. The technique used is the analysis of path analysis with Structural Equation Modeling with the program SPSS version 23 and AMOS 18. The population in this research is the employee performance outsourcing company in East Java Province and sample numbering 185 employees. The results of the discussions can be concluded that Internal Environment effect significantly to job satisfaction, Strategic HR management effect significantly to job satisfaction, Quality of\_work life effect significantly to job satisfaction, Internal environmental effect significantly to performance of employees, Strategic HR management effect significantly to performance of employees, Quality of\_work life effect significantly to performance of employees and Job satisfaction effect significantly to performance of employees.

**Keywords:** internal environment, strategic management of human resources, quality of\_work life, job satisfaction and employee performance

#### INTRODUCTION

The company very competitive competition pushes companies to do the optimization of human resources. The application of the right human resources capable of answered the demands of an increasingly complex company. The products must be of high quality but above all able to market quickly absorbed. In other words the product quickly accepted by customers. The company was able to produce a quality product and has a competitive price will be able to be competitive with similar companies.

With regard to the performance of employees, there are several factors that exert influence on performance of employees. The first factor is the internal environment. The company's internal environment is increasingly conducive it will be a positive impact for the performance of the employee. But instead of the internal environment when many problematic then will directly affect the performance of the employees. Therefore the internal environment will give an impact on employee performance.

Strategic management of human resources was also effect to performance of employees. Strategic human resources management becomes a strategic issue in the global era. The more able to optimize HR then it will easily improve the performance of employees. Through training, seminars or on job training will facilitate the improvement of the performance of the employee. Through the strategic management of human resources will maximize human resources exists to achieve company goals. The existence of a very competitive rivalry in the business world are now demanding the company to anticipate in order to compete with other companies.

Therefore required adequate human resources is well seen in terms of education, skill and management company. In line with the development of increasingly intelligent and employee dynamic, the company management is needed that is able to answer the demands of the employees. Employees with hard voicing demands bolder and push the company also to always improve management so that harmonious relationships interwoven employees with the company.

Quality of Work Life (QWL) also that also affect the performance of the employees. Through the QWL employees will feel calm and more comfortable in the work. In addition the existence of adequate facilities of the company and also the corresponding income expectations of employees. QWL became one of the benchmarks of success in achieving company goals. Increasingly high levels of QWL then it will increase the performance of employees. The quality of working life is a level where members of an organization was able to satisfy the needs of an important private through his experiences in doing the work of the Organization (Safrizal, 2004).

Factors that also affect the performance of the employee is job satisfaction. Job satisfaction being a part which is not integral to the performance of employees. The more levels of job satisfaction, it will also increase the performance of employees. Employee job satisfaction can be realized due to the company's management has implemented a management properly. Based on the background that has been outlined above, the formulation of the problem posed is the influence of the internal environment, management stategic human resources and quality of work life to job satisfaction and employee performance outsourcing company in East Java Province.

## **LITERATURE**

## **Internal Environment**

The working environment in a company is very important to look for management. Although the work environment does not implement the production process in an enterprise, but the work environment have an effect directly against the employees who carry out the production process. The work environment is an atmosphere in which employees do activities every day. A conducive working environment provide a sense of security and allows employees to be working optimally. If an employee feels comfortable in the work environment where she works, then the employee will give positive energy in the works so that working time is used effectively.

Sedarmayanti in Wulan (2011:21) States that generally, the type of work environment is divided into two factors, namely the physical working environment factors and environmental factors of non physical work.

- 1. The physical work environment Factors
  - a. Enlightenment
  - b. Staining

- c. Air
- d. Noise
- e. Space motion
- f. Safety
- g. Hygiene
- 2. The Non Physical work environment factors
  - a. The structure of work
  - b. The responsibility of work
  - c. The attention and support of the leader
  - d. Cooperation between groups
  - e. Smooth communication

# Strategic HR management

Strategic role of HR in business organizations can be dielaborasi in terms of the theory of the resource, in which the function of the company is exerting all resources or internal capabilities to confront the interests of the market as a factor the main external. This will make human resource management as one of the important indicators of the achievement of the objectives of the Organization effectively and efficiently. Human resources is a very vital asset of the Organization, as that role and function can not be replaced by other resources. No matter how modern the technology used, or how much funding was prepared, but without a human resources professional is became meaningless (Tjutju and Suwatno, 2011).

Dessler (2000) defines the strategic HR management is that managers have to associate the execution of organizational strategy with HR to improve performance, develop a corporate culture that supports the application of innovation and flexibility. The strategic role of HR in business organization could be improved in terms of the theory of the resource, in which the function of the company is exerting all resources or internal capabilities to confront the interests of the market as the main external factors. The strategic role of HR in business organization could be improved in terms of the theory of the resource, in which the function of the company is exerting all resources or internal capabilities to confront the interests of the market as the main external factors.

Spencer and Spencer (1993:9-11) there are five characteristics of the competency are:

- 1. The motive, what is consistently well thought out or desires that lead to action. What drives behavior, leading and selected against or a particular purpose.
- 2. Properties/default characteristics (trait), physical characteristics and reactions that are inconsistent or the situation informed.
- 3. The concept of the self, the attitude, the values of the people.
- 4. Knowledge which is a information that is owned by someone in a specific field. Knowledge is a complex competencies.
- 5. Skill, the ability to be able to perform the duties of a particular physical and mental tasks.

# **Quality of Work Life**

The quality of working life as the overall quality of the human experience in a place of work (Schemerhorn, Hunt, and Obsorn, 2005). Quality of work life is eight working conditions is the attainment of quality of work life (Walton, 1974). Goal orientation can be used as a standard in measuring and evaluating one's ability and success and give confidence and motivation towards the attribution and affection, so it brings out the quality values for himself and can judged by its surroundings (performance appraisal).

The quality of working life is a level where members of an organization was able to satisfy the needs of an important private through his experiences in doing the work of the Organization (Safrizal, 2004). Cascio (2003), the quality of working life is the perception of employees where they wanted a sense of security, satisfaction and an opportunity to grow and develop as befits a man. Quality of work life is influenced by several factors, namely the supervision, working conditions, salary, benefits, and job design.

Wayne (2003) stated that there are several aspects to know or measure the quality of work life on employees as part of the company's management, with performan indicators covering.

- 1. Participatory Management.
- 2. A good working Environment, healthy and safe.
- 3. Job design.
- 4. The opportunity of acquiring development potential.
- 5. The award of work employees have the opportunity to build or improve performance so that it will try to avoid failure (value).

# **Job satisfaction**

Fathoni (2006:125) job satisfaction is a pleasant emotional attitude and loves his job. That attitude is reflected by the working morale, discipline, and work achievement. Robbins in Wibowo (2007:323) job satisfaction is the public attitude towards the work of someone who shows the difference between the number of awards received workers and the amount they believe should they receive. This attitude is reflected by the moral, disciplined and work achievement.

Job satisfaction is enjoyed in the work, out of work, and a combination of inside and outside work. While according to (Isyandi, 2004:137) job satisfaction is a feeling that can be fun in work or someone who can give you the fulfillment of job values. Such attitudes such as disciplined and achievements in carrying out the work. There are several things that can give satisfaction to employees (Nasution, 2009).

- 1. The work is not monotonous.
- 2. The work designed by the company management in such a way so as not to waste time and workforce employees.
- 3. Employees are free to plan their own work and the work is selective.
- 4. Employees acquire adequate authority for his work.
- 5. Employees of the finished work must obtain recognition of his work and got a chance to develop.
- 6. Employees are not watched closely.
- 7. The work of providing feedback from superiors without causing a sense of hurt and disappointed.

Factors that affect job satisfaction of employees (Hasibuan, 2006:203) are:

- 1. Retribution is fair and decent.
- 2. Placement in accordance with the appropriate expertise.
- 3. Light weight work.
- 4. The atmosphere and environment work.
- 5. Equipment that support the implementation of the work.
- 6. The attitude of the leader in his leadership.
- 7. The nature of the job is monotonous or not.

## **Employee Performance**

Mathis and Jackson (2006:65) that the performance is basically what is done or not done employees. Performance management is the overall activities conducted to improve the performance of the company or organization including the performance of each individual and work group in the company. Performance or performance refers to the levels of achievement of tasks that make up a work of employees. Performance reflects how well an employee meets the requirements of a job, so that performance is measured in terms of results (Simamora, 2004:339).

Performance reflects how well and how exactly an individual meet the demand for jobs. Successfully whether or not performance has been achieved by the organization is affected by the level of performance of individual employees or groups, where performance is measured with an instrument developed in the study who hung with performance measures in General, then translated into fundamentally behavior assessment can include a variety of things including: the quantity of work, the quality of the job, opinion or statement that is submitted, the decision taken in performing the job and description job.

Employee performance is the result of a person's behavior or group associated with the way it works. On everyone who works or in a workgroup, the performance is always expected to be always good quality and quantity, Gibson (2004). Bernardin and Russel (2002) that the performance is a function of the results of the work of a person or group within an organization on a specific time period that reflects how well a person or group that meets the requirements of a job in the achievement of the objectives of the Organization. Schermerhon, Hunt and Osborn in Veitzal (2011:4) that the performance is the quality and quantity of the achievement of the task assignment, whether committed by individuals, groups or companies.

Performance or performance refers to the levels of achievement of tasks that make up a work of employees. Performance reflects how well an employee meets the requirements of a job, so that performance is measured in terms of results (Simamora, 2004:339). Mangkunegara (2009:67) is the result of work performance in quality and quantity achieved an employee in carrying out its duties in accordance with the responsibility which he gave.

Mathis and Jackson (2006:78) has the dimensions of performance is different for each different type of work, because each job has specific job criteria. Whereas the criteria for the performance of work or achievements that are based on the specific behavior in the form of:

- 1. The Quantity of work.
- 2. The Quality of work.
- 3. Creativeness that is an original idea.
- 4. Cooperation.
- 5. Dependability.
- 6. Initiatine.

## RESEARCH METHODS

Based on the conceptual framework and the design of the research, then this study uses the SEM analysis techniques (Structural Equation Modeling) with the program SPSS version 23 and AMOS 18. Structural Equation Modeling, is statistikal techniques, allowing to test a series of relatively complicated relationships and simultaneous. Ferdinand (2006:6). Structural Equation Modeling (SEM) requires a minimum sample in SEM is: between 100 to 200 samples so that a sample of research above meets the requirements of both the sample and the

minimum requirements to use the techniques of analysis of the complicated relationship of SEM. It can be built from one or several variables bound and free variables or some.

## **DISCUSSION**

PT. Jagabaya Nuswantoro is a service company human resources development that prepares the workforce or employees of outsourching. This company provides workforce outsourcing and currently has many occupy on the company field of food, beverage and manufacturing such as cardboard, tissue paper, and others. The company was founded in 2011.

The company's locations in the land of 20 hectares, in the town of Mojokerto, approximately 55 km from the major city of Surabaya in East Java. The company is producing all kinds of quality tissue paper such as Facial Tissue, Bathroom Tissue, Paper Napkins, Paper Towel and MG from 11 to 45 gsm up to three paper thick sheet. In addition, a smaller paper machine installed production capacity increase to 54,000 m/year. The provision of our stock and recently inaugurated line rupture will increase the paper and complete the selection of values of our paper from recycled full network to the production network is pure pulp.

In addition and as an answer to the growing demand for overseas and local tissue paper, we have also provided themselves with a complete change of the line generating the kind of finished product for commercial and household use/usage the industry. These include Facial Interleaved, Lunch, Cocktail and Dinner Serviettes, Toilet and Kitchen Towel Rolls, Fold Hand and Pocket Tissue.

# Description of the respondent's

Demographic Description, position of the respondents research, distribution of position/job, work long and the distribution of the respondents be employees is supporting data that existed at the beginning of the questionnaire. In detail the task respondents in table 1 below.

Table 1. Description of the Respondent's

Gender	Frequency	Percentage (%)		
Male	138	74,59		
Female	47	25,41		
Total	185	100.0		
Level of education	Frequency	Percentage (%)		
Junior High School	41	22,16		
Senior High School	135	72,97		
Bachelor's degree	9	4,86		
Total	185	100.0		

Source: calculation Results frequency distribution, 2019

Based on table 1 shows that employees who become research and sample male there are 138 people or 74.59% while there are 47 women person or 25.41%. Based on level of education shows that employees become more research sample, which travels a hierarchy of Senior High School i.e. 135 people or 72.97% then attended secondary there are 41 person or 22.16% and the anticipated level of the new undergraduate education there are 9 persons or 4.86%.

# THE RESULTS OF DATA ANALYSIS

**Table 2. Deskriminan Validity of Test Results** 

Constructs			Correlation	
job satisfaction (Z <sub>1</sub> )	<>	internal Environment (X1)	-0,853	
job satisfaction (Z <sub>2</sub> )	<>	strategic HR management (X <sub>2</sub> )	-0,150	
job satisfaction (Z <sub>3</sub> )	<> quality of_work life (Z <sub>3</sub> )		-0,201	
employee performance _(Y1)	<>	internal Environment (X <sub>1</sub> )	0,315	
employee performance _(Y1)	<>	strategic HR management (X <sub>2</sub> )	0,409	
employee performance _(Y1)	<>	quality of_work life (Z <sub>3</sub> )	0,454	
employee performance _(Y1)	rmance $(Y_1)$ <> job satisfaction $(Z_1)$		0,535	

Table 2 shows that between scales used do not have two invalid constructs that measure the same thing. This is proven because the value of the correlation between invalid constructs must < 0.90.

The results of the Tests of Goodness of Fit of a model is said to be good if the hypothetical development conceptually and theoretically supported by empirical data, structural equation model test results are shown on the following picture:

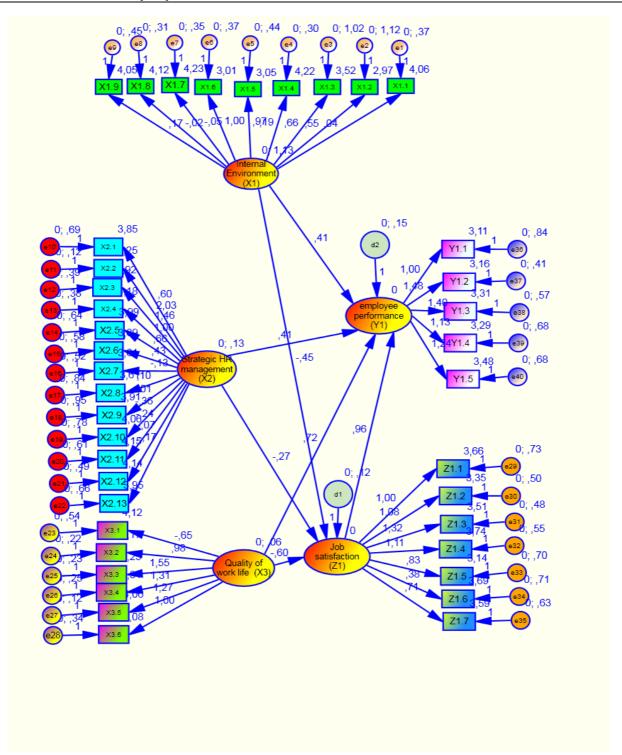


Figure 1. Structural Equation model

In the table below is a table of the results of tests of Goodness of Fit of the model taken from the last modified or the results of the development model of the best mods. SEM analysis of the results of the model of the complete test results can be some Goodness of Fit long-sleeved Model can be seen in the table below:

Table 3. Index of Suitability Model In Structural Models

Goodness of Fit Measure	Indeks	Cut off	Description	
Chi-square of estimate model	2352,531		No fit model	
Probability Level	0,000	> 0,05	No fit model	
Goodness of Index (GFI)	0,929	<u>&gt;</u> 0,9	Fit model	
Adjusted Goodness of Index (AGFI)	0,912	<u>&gt;</u> 0,9	Fit model	
RMSEA	0,110	<u>&lt;</u> 0,08	No fit model	
RMR	0,051	<u>&lt;</u> 0,05	No fit model	
Tucker-Lewis Index (TLI)	0,374	<u>&gt;</u> 0,9	No fit model	
Comparative Fit Index (CFI)	0,412	<u>&gt;</u> 0,9	No fit model	

Source: calculation result data using AMOS 18

The table above shows the criteria for a model is said to be fit or in other words of Goodness of Fit Overall. From the results of testing goodness of fit against model proposed as in the table above of the eight criteria used by SEM analysis to show a good model there are 2 (two) of them shows excellent condition and 6 (six) other criteria indicating conditions unfavourable. This shows that the model already created meets the elements of the feasibility of the design model. The results illustrate that design or design of research studies already fit and proper according to the criteria of research and testing.

# **Hypothesis testing**

Models that already ascertained fit then the next step is to test the hypothesis that test the relationship causal, i.e. testing whether endogenous or exogenous variables between effect on endogenous variables appropriate reference in the hypothesis. At the stage of testing this hypothesis can also note the value of the coefficient of the respective relationships between variables. The value of the coefficient of relationship is to know the direction of the relationship is positive or negative and big changes in endogenous variables exogenous variables if the change or changes in the endogenous variable (the dependent) if endogenous variables (intervening) changed.

**Table 4. Test Causality Regression Weight** 

	Table 4. Test Causality Regression Weight							
Hi	The relationship of Causality	7		Std.	SE	CR	levels	Description
Hi The relationship of Causanty		<i>'</i>		estimate		calculate	of Sig.	
$H_1$	internal Environment $(X_1)$	<b>→</b>	job satisfaction (Z <sub>1</sub> )	-,455	,063	-7,179	***	significant
H <sub>2</sub>	strategic HR management $(X_2)$	<b>→</b>	job satisfaction (Z <sub>2</sub> )	-,271	,118	-2,310	,021	significant
Н3	Quality of_work life (Z <sub>3</sub> )	<b>→</b>	job satisfaction (Z <sub>3</sub> )	-,602	,225	-2,673	,008	significant
H <sub>4</sub>	internal Environment (X <sub>1</sub> )	<b>→</b>	employee performance _(Y <sub>1</sub> )	,414	,126	3,283	,001	significant
H <sub>5</sub>	strategic HR management $(X_2)$	<b>→</b>	employee performance _(Y <sub>1</sub> )	,408	,162	2,513	,012	significant
H <sub>6</sub>	Quality of_work life (Z <sub>3</sub> )	<b>→</b>	employee performance_(Y <sub>1</sub> )	,723	,315	2,299	,022	significant
H <sub>7</sub>	job satisfaction (Z <sub>1</sub> )	<b>→</b>	employee performance _(Y <sub>1</sub> )	,958	,265	3,618	***	significant

Source: calculation result data using AMOS 18

Description: \*\*\* is significant at level 0.000

**Hypothesis 1:** The internal Environment effect significantly to job satisfaction

Results of the parameter estimation of the internal environment variables against job satisfaction based on indicators charge indicators will show significant results with a value of CR-7.179. This value is greater than 1.96. Besides significance levels obtained 0.000 (p < 0.05).

So the first hypothesis States the internal environment effect significantly to job satisfaction are proven true.

# **Hypothesis 2:** Strategic HR management effect significantly to job satisfaction

The results of the estimation of parameters variables against strategic human resource management based on the indicators of job satisfaction-charge indicators will show significant results with a value of CR- 2.310. This value is greater than 1.96. Besides significance levels obtained 0.021 (p < 0.05). So the second hypothesis stated influential strategic HR management significantly to job satisfaction are proven true.

# **Hypothesis 3:** Quality of\_work life effect significantly to job satisfaction

The results parameter estimation of variable Quality of\_work life towards job satisfaction based on indicators-charge indicators will show significant results with a value of CR-2.673. This value is greater than 1.96. In addition, obtained degrees of significance of 0.008 (p < 0.05). So the third hypothesis stating the Quality of\_work life effect significantly to job satisfaction proved his righteousness.

# **Hypothesis 4:** The internal environmental effect significantly to performance

The results of parameter estimation of internal environment variables on performance of employees based on indicators-charge indicators will show significant results with a value of CR 3.286. This value is greater than 1.96. Besides significance levels obtained 0.001 (p < 0.05). So the fourth hypothesis which States the internal environmental performance significantly to influential employees proven true.

# **Hypothesis 5:** Strategic HR management effect significantly to performance

The results of parameter estimation variable strategic human resource management employees based on performance indicators-charge indicators will show significant results with value CR 2.513. This value is greater than 1.96. Besides significance levels obtained 0.012 (p < 0.05). So the fifth hypothesis stating the influential strategic HR management significantly to performance proven truth.

# **Hypothesis 6:** Quality of\_work life effect significantly to performance

The results of parameter estimation of variable quality of\_work employees based on performance life indicators-charge indicators will show significant results with a value of CR 2.299. This value is greater than 1.96. Besides significance levels obtained 0.022 (p < 0.05). So the hypothesis that States quality of work life significant effect on performance of employees proven true.

# **Hypothesis 7:** Job satisfaction effect significantly to performance

Results variable parameter estimation employees job satisfaction employees based on performance indicators-charge indicators will show significant results with a value of CR 3.618. This value is greater than 1.96. In addition, obtained degrees of significance of 0.005 (p < 0.05). So the seventh hypothesis stating the influential job satisfaction significantly to performance proven truth.

# **CONCLUSIONS**

Based on the analysis and discussion of it can be made a summary as follows:

- 1. Internal Environment effect significantly to job satisfaction,
- 2. Strategic HR management effect significantly to job satisfaction,
- 3. Quality of\_work life effect significantly to job satisfaction,
- 4. Internal environmental effect significantly to performance of employees,

- 5. Strategic HR management effect significantly to performance of employees
- 6. Quality of\_work life effect significantly to performance of employees
- 7. Job satisfaction effect significantly to performance of employees.

#### **SUGGESTIONS**

For the perfection of the forthcoming research needs to be done as follows:

- 1. The number of the respondents need to be reproduced so that it will gain a more complete data about the performance of employees.
- 2. The need plus intervening variables in the hope of giving a more complete results about the performance of employees, e.g. culture organization, motivation.

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