

# **The Effect of Environment and Motivation on Employee Performance with Organizational Culture as an intervening variable on Bank Perkreditan Rakyat Jorong Kampung Tangah Pariaman PT**

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## **ABSTRACT**

This study aims to find out and analyze: 1) Form of organizational culture, environment, work motivation and employee performance, 2) Environmental influences and motivation on employee performance, 3) Environmental influences and motivation on organizational culture, 4) Effect of work motivation on employee performance , 5) The influence of the environment and motivation on employee performance through organizational culture as an intervening variable. This type of research is a design of causality. The population of this research is all employees at Bank Perkreditan Rakyat Jorong Kampung Tangah Pariaman PT amounting to 42 employees. The data collection technique is a questionnaire. The data analysis technique is path analysis. This study found that: 1) organizational culture, environment, work motivation and employee performance in the scope of Bank Perkreditan Rakyat Jorong Kampung Tangah Pariaman PT in sufficient category, 2) environment and motivation have positive and significant influence on employee performance, 3) environment and have a positive and not significant effect on organizational culture, 4) Work motivation has a positive and significant effect on employee performance, 5) environment and performance have a significant effect on employee performance through organizational culture as an intervening variable.

**Keywords:** Work Environment, Work Motivation, Culture, Performance Organizations

## **INTRODUCTION**

In every problem occurs in each company can result in a decrease in the level of performance of employees who work. These problems are not only the responsibility of a leader but everyone and those in a work environment must contribute to solving this problem. In the framework of efforts in the development of the company to accelerate rapidly then a leader must apply motivation to each of his employees. Motivation control can be applied with the aim of achieving satisfactory results.

The success of a company is influenced by the performance of individual employees. A company will strive to improve the performance of its employees in the hope that the company's goals can be achieved. Basically, performance is what employees do or don't do. Employee performance affects how much their contribution to the company includes output quantity, output quality, output period, workplace presence and cooperative attitude.

In the face of today's business competition, every company is required to prepare itself mature, professional and flexible and grow in the global market. Therefore companies are expected to have more comparative and competitive advantages in various aspects. Such as financial aspects, marketing aspects, aspects of operations and aspects of human resources.

The most important thing from the above aspects in evaluating the performance capabilities of a company is the condition in which each employee works satisfactorily. For this reason the company requires careful control, good management in providing motivation and creating a comfortable and conducive work environment.

In analyzing employee performance from all aspects, providing motivation is one tool to trigger the enthusiasm of employees to work with enthusiasm in order to make the company progress rapidly. Where these developments can explain the relationship between motivation and work environment can trigger all aspects.

According to Bhaskara and Shandroto (2011), performance is a comparison between work results that can be seen in real terms with established work standards. Performance is important for the organization and from the employee's side. Efforts that can be made to create high performance is by increasing optimal work and being able to utilize the potential of human resources owned by employees to create organizational goals. So that it will make a positive contribution to the development of the company. Companies also need to pay attention to various factors that can affect employee performance. In this case the role of the organization is needed in increasing work motivation and job satisfaction. This is because employees who feel discomfort and underappreciation at work, will not be able to develop all the potential they have, so automatically employees cannot focus and concentrate fully on their work.

Job satisfaction is basically an individual thing, each individual has a different level of job satisfaction in accordance with the wishes and value system he adheres to. For human resource development, BPR JKT Pariaman PT has carried out training programs for employees both from the head office or from corporate branches and external parties. In this regard, the implementation of training programs shows a positive correlation with employee productivity.

Banking is the backbone of developing Indonesia's economic and financial systems because it can function as an intermediary institution, namely an institution capable of channeling funds owned by economic units that are surplus to economic units that need financial assistance. This function is an important link in doing business. Because it relates to the provision of funds as investment and working capital for business units in carrying out production functions. Therefore, in order to run smoothly, the banking institutions must run well too.

For companies, performance research is very useful to assess quantity, quality, efficiency of change, motivation of employees and conduct supervision and improvement. Optimal employee performance is needed to increase productivity and maintain the survival of the company. Every company will never escape the performance of every employee in every way.

Work motivation of employees is not always in good condition, therefore there is a need for efforts to increase work motivation when employee motivation decreases. Increasing employee motivation can be done by paying attention to and meeting the needs of employees and respecting the results of their work. According to Hasibuan (2007: 149) there are two kinds of methods to increase employee motivation, namely direct motivation to fulfill

employee needs materially and non materially and indirect motivation by providing facilities to support work.

Work motivation is one of the important elements in staffing. This means that motivation must be owned by every employee. Employees with good work motivation will carry out every job given as well as possible and mobilize all the capabilities they have to complete a job. As stated by Robins (2006) that "Motivation is the willingness to issue a high level of effort towards organizational goals, which is conditioned by the ability of that effort to meet individual needs". Low or poor work motivation will harm the institution. Because with low work motivation the achievement of the institution's goals will be delayed. Therefore work motivation is something important that must be owned by employees.

Based on this matter, several problems can be formulated as follows:

1. What is the effect of the work environment on the organizational culture of BPR JKT Pariaman PT?
2. What is the effect of work motivation on the organizational culture of BPR JKT Pariaman PT?
3. What is the effect of organizational culture on the employee performance of BPR JKT Pariaman PT?
4. What is the effect of the work environment on the employee performance of PT BPR JKT Pariaman?
5. What is the effect of work motivation on employee performance at BPR JKT Pariaman PT?
6. How does the effect of organizational culture as an intervening variable between the work environment and employee performance of BPR JKT Pariaman PT?
7. How does the effect of organizational culture as an intervening variable between work motivation and employee performance of BPR JKT Pariaman PT?

## LITERATURE REVIEW

### Work Motivation

According to Hasibuan (2007) people want to work because they are driven by the desire to be able to meet their physical and spiritual needs. While the company always expects that its employees work diligently, comply with regulations or discipline and produce good work performance, because only in this way a company can achieve its objectives with a high level of work productivity. To unite the desires of employees and the interests of the company and the creation of cooperation that provides mutual satisfaction for both parties, a method is needed and one of them is motivation. Motivation is a drive or move. In management, motivation is only shown to human resources. Motivation questions how to direct the power and potential of employees to want to work well so that the company's goals can be achieved in accordance with expectations.

### Work Environment

According to Simanjuntak (2003) the work environment can be interpreted as a whole tool device that is faced, the surrounding environment where a person works, the method of work, as the effect of his work both as an individual and as a group. Whereas according to Mardiana (2005) work environment is an environment where employees do their daily work. From some definitions above, it can be concluded that the work environment is everything that exists around workers / employees that can affect employee job satisfaction in carrying out their work so that maximum work results will be obtained.

## Organizational Culture

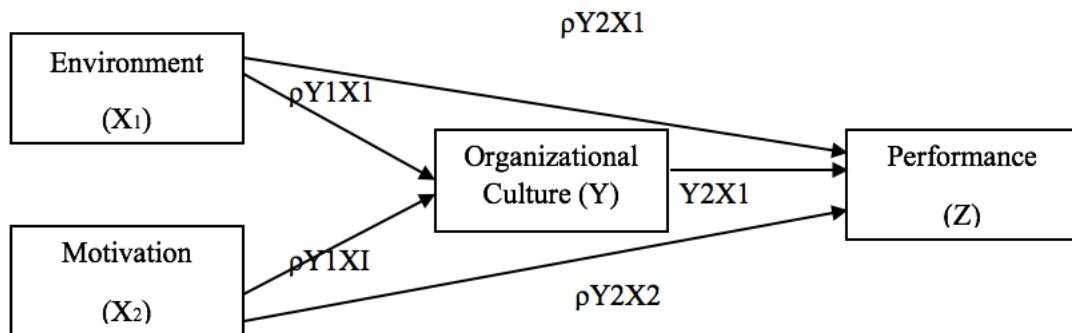
Organizational culture is a system of meanings, values and beliefs that are shared together in an organization which is a reference for acting and distinguishing organizations from one another (Mas'ud, 2004). Organizational culture then becomes the main identity or character of the organization that is maintained and maintained (Mas'ud, 2004). A strong culture is a very useful tool for directing behavior, because it helps employees to do better work so that every employee at the beginning of his career needs to understand the culture and how the culture is implemented.

## Employee Performance

Leadership is a leader who devotes his attention to problems. Hariandja (2002) argues that performance is the work produced by employees or real behavior that is displayed according to its role in the organization. Performance also means the results achieved by a person both quality and quantity in accordance with the responsibilities given to him. In addition, a person's performance is influenced by the level of education, initiative, work experience, and employee motivation. The work of someone will provide feedback for the person himself to always be active in doing his job properly.

## Conceptual Framework

Based on the formulation of the problem, the purpose of the research, the study of the literature and the results of previous studies, then the conceptual framework can be described in this study as follows:



**Figure 1: Conceptual Framework**

## Hypothesis

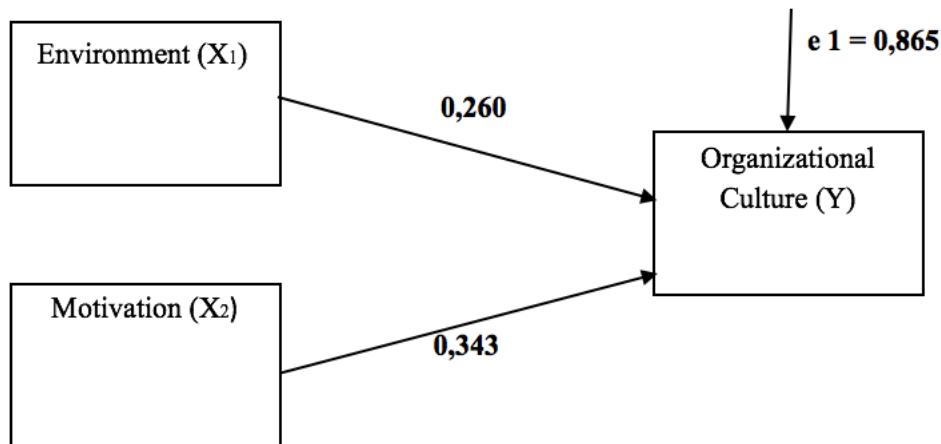
Based on the conceptual framework above, the hypothesis proposed in this study are:

- H<sub>1</sub>:** Work environment has a positive effect on organizational culture of BPR JKT Pariaman PT.
- H<sub>2</sub>:** Motivation has a positive effect on organizational culture of BPR JKT Pariaman PT
- H<sub>3</sub>:** Organizational culture has a positive effect on employee performance of BPR JKT Pariaman PT
- H<sub>4</sub>:** Work environment has a positive effect on employee performance of BPR JKT Pariaman PT.
- H<sub>5</sub>:** Motivation has a positive effect on employee performance of BPR JKT Pariaman PT.
- H<sub>6</sub>:** Work environment has a positive effect on employee performance mediated by the organizational culture of BPR JKT Pariaman PT
- H<sub>7</sub>:** Motivation has a positive effect on employee performance mediated by the organizational culture of BPR JKT Pariaman PT

## RESEARCH METHODS

This study uses quantitative methods with path analysis. The design of this study is causal research, namely research that analyzes the relationship between one or more variables with

other variables (Bungin, 2010). In the context of this research, the variables in question are environment, motivation, organizational culture and performance.



**Figure 2: Path Diagram**

## ANALYSIS AND RESULTS

### Path Analysis

#### *Model I*

Multiple linear regression analysis was used in this study with the aim to determine whether there is an influence of independent variables on the dependent variable. The summary of the results of data processing using the SPSS program are as follows:

**Table 2**  
**Environment and Motivation Effect on Organizational Culture**  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	12,744	3,025		4,213	0,000
	Work Environment	0,130	0,075	0,260	1,742	0,089
	Work Motivation	0,168	0,073	0,343	2,296	0,027

a. Dependent Variable: Organizational Culture

**Source: Primary data processed, 2018**

From the table it is obtained that the significance value of the environment variable (X<sub>1</sub>) = 0.089 > 0.05, this means that the Environment (X<sub>1</sub>) does not have a significant effect on Organizational Culture (Y). While the Motivation variable (X<sub>2</sub>) = 0.027 < 0.05, which means work motivation (X<sub>2</sub>) has a significant effect on motivation (Y).

**Table 1**  
**R Square Y Value (Organizational culture)**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,501 <sup>a</sup>	,251	,213	2,807

a. Predictors: (Constant), Work Environment, Motivation

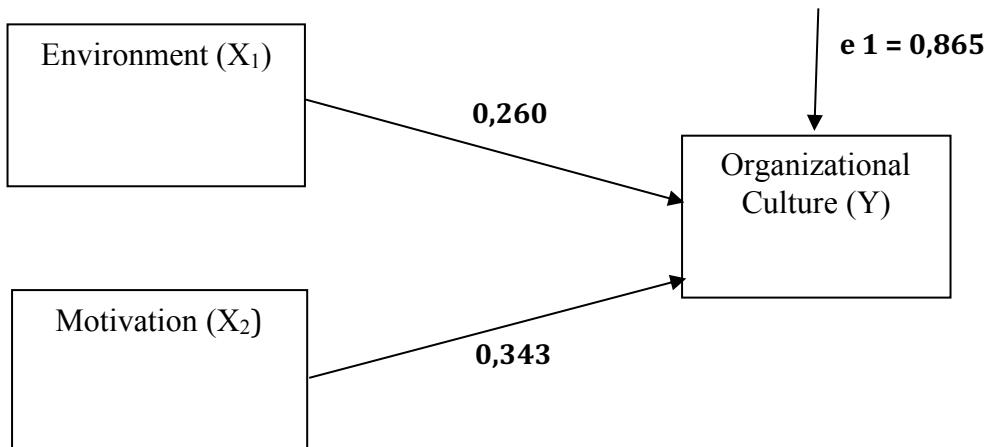
b. Dependent Variable: Organizational Culture

While the value of  $R^2$  (R Square) found in the Model Summary table is 0.251 which gives the meaning that the contribution of variables  $X_1$  and  $X_2$  to  $I$  is 25.1% and the remaining 74.9% is the contribution of other variables not included in research. And from the value of  $R^2$  (R Square), obtained  $e_1$  by means of  $e_1 = \sqrt{1 - 0.251} = 0.865$ . Based on the results above, the structural equation is obtained:

$$Y = 0,260.X_1 + 0,343.X_2 + 0,865$$

this model is significant because p value = 0.038 is smaller than  $\alpha$  0.05.

Data processing can be obtained from model I path chart, as follows:



**Figure 3: Model I-Path Analysis**

### **Model II**

Multiple linear regression analysis is still used in subsequent studies to obtain model two path coefficients. This is to find out whether there is an influence of independent variables (environment and motivation) and intervening variables (organizational culture) on the dependent variable (performance). Can be seen in the table below.

Based on the table below, it was found that the significance value of the three variables namely environment ( $X_1$ ) = 0.019 <0.05. This means that competence ( $X_1$ ) has a significant effect on performance ( $Z$ ). While the motivation variable ( $X_2$ ) = 0.002 <0.05 which means motivation ( $X_2$ ) has a significant effect on performance ( $Z$ ). And for the organizational culture variable ( $Y$ ) = 0,000 <0,05 which means that it has a significant effect on performance ( $Z$ ).

**Table 3**  
**Effect of Environment, Motivation and Organizational Culture on Performance Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	12,802	2,912		4,396	,000
	Budaya Organisasi	0,311	0,080	0,525	3,897	,000
2	(Constant)	4,285	3,652		1,173	,248
	Lingkungan	0,195	0,079	0,329	2,455	,019
	Motivasi	0,540	0,162	0,445	3,325	,002

a. Dependent Variable: Performance

**Source: Primary data processed, 2018**

For the value of  $R^2$  (R Square) found in the Model Summary table is 0.348 which gives the meaning that the contribution of variables  $X_1$ ,  $X_2$  and  $Y$  to  $Z$  is 34.8% and the remaining 65.2% is the contribution of other variables that are not included in the study. And from the value of  $R^2$  (R Square),  $e_2$  is obtained by means of  $e_2 = \sqrt{1 - 0.348} = 0.807$ .

**Table 2**  
**R Square Z (Performance) Result**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,590 <sup>a</sup>	0,348	0,332	3,135

a. Predictors: Organizational culture, Work environment, Motivation

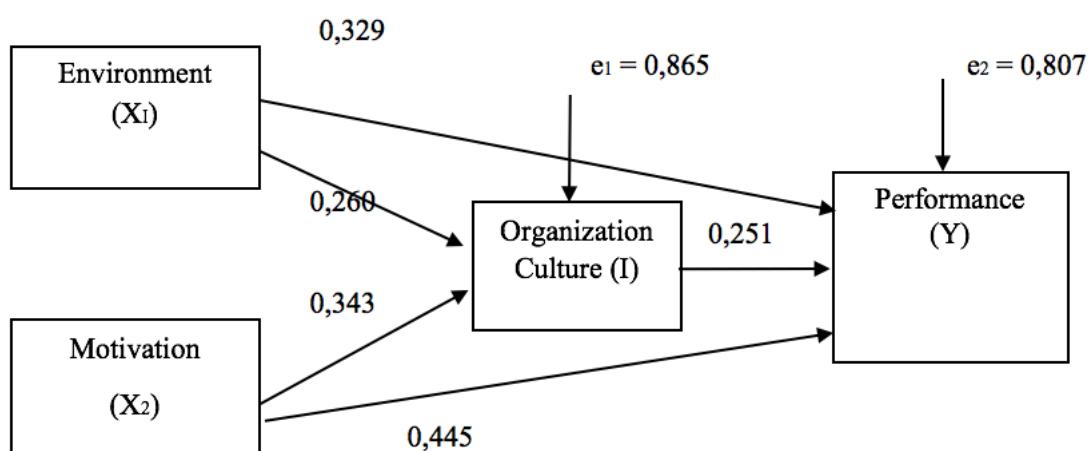
b. Dependent Variable: Performance

Based on the results above, the structural equation is obtained:

$$Z = 0,329.X_1 - 0,445.X_2 + 0,525.Y + 0,807$$

This model is significant because p value = 0.042, smaller than  $\alpha$  0.05

From the processing of the data above, model II path chart is obtained as follows:



**Figure 4: Model II-Path Analysis**

### **Hypothesis Test Results**

From the two path analysis models, the following hypothesis analysis results are obtained:

1. Environmental Analysis ( $X_1$ ) of Organizational Culture (Y)

From the analysis of the above variables that the value of the competency variable ( $X_1$ ) =  $0.089 > 0.05$  is obtained. This means that competence ( $X_1$ ) has no significant effect on motivation (Y).

2. Motivation Analysis ( $X_2$ ) on Organizational Culture (Y)

From the analysis of the variables above, the value of the workload variable ( $X_2$ ) =  $0.027 < 0.05$ . This means that motivation ( $X_2$ ) has a significant effect on motivation (Y).

3. Motivation Analysis on Performance (Z)

From the analysis of the variables above, the values obtained for the variable Organizational Culture (Y) =  $0,000 < 0.05$ . This means that organizational culture (Y) has a significant effect on performance (Z).

4. Environmental Analysis ( $X_1$ ) on Performance (Z)

From the analysis of the variables above that the value of the competency variable ( $X_1$ ) =  $0.019 < 0.05$ . This means that competence ( $X_1$ ) has a significant effect on performance (Z).

5. Motivation Analysis ( $X_2$ ) on Performance (Z)

From the analysis of the variables above that the value of the motivation variable ( $X_2$ ) =  $0.002 < 0.05$ . This means that motivation ( $X_2$ ) has a significant effect on performance (Z).

6. Analysis of the influence of competence ( $X_1$ ) through organizational culture (Y) on performance (Z)

From the analysis of the variables above, the direct effect given by the competency variable ( $X_1$ ) on performance (Y) is 0.525. While the indirect effect given X1 through Y to Z is the multiplication between the value of beta  $X_1$  to Y with the value of beta Y to Z, which is =  $0.260 \times 0.348 = 0.091$ . Then the total effect given by competence ( $X_1$ ) on performance (Z) is =  $0.329 + 0.091 = 0.420$ . Based on the results of this calculation, it is known that the direct effect value is 0.329 and the indirect effect value is 0.091, which means that the direct influence value is greater than the indirect effect value. These results indicate that directly environment ( $X_1$ ) through organizational culture (Y) has a significant influence on performance (Z).

7. Analysis of the influence of work motivation ( $X_2$ ) through organizational culture (Y) on performance (Z)

From the analysis of the variables above, the direct effect given by the motivation variable ( $X_2$ ) on performance (Z) is 0.445. Whereas the indirect effect given by  $X_2$  through Y to Z is the multiplication of the value of beta  $X_2$  to Y with the value of beta Y to Z which is =  $0.343 \times 0.348 = 0.119$ . Then the total effect given motivation ( $X_2$ ) on performance (Z) is =  $0.445 + 0.119 = 0.564$ . Based on the results of this calculation, it is known that the direct effect value is 0.445 and the indirect effect value is 0.564 which means that the value of indirect influence is greater than the value of direct influence. These results indicate that indirect motivation ( $X_2$ ) through organizational culture (Y) has a significant influence on performance (Z).

### **DISCUSSION**

This discussion is based on the results of research obtained from the field and data analysis carried out. The purpose of this discussion is to explain and interpret the results obtained. Environmental variables and motivation towards organizational culture and their impact on employee performance.

## **The Effect of Environment on Organizational Culture Employees at BPR JKT Pariaman PT**

Based on the testing of research data it is known that the environment has a significant effect on employee organizational culture at PT. BPR JKT Pariaman. This means that the high and low organizational culture is influenced by the environment. The better the atmosphere of the environment, the higher the level of organizational culture of employees in carrying out their duties at BPR JKT Pariaman PT. Thus it is known that the environment is another variable that can positively influence the work organization culture of employees. This means that if employees get comfort in the environment will encourage these employees to be more diligent and active in carrying out their duties.

## **The Effect of Motivation on the Culture of Employees at BPR JKT Pariaman PT**

Based on data collection in the field obtained information that motivation has a positive and significant effect on employee culture at BPR JKT Pariaman PT. This means that high work motivation influences organizational culture. The better the form of motivation, the higher the organizational culture of employees at BPR JKT Pariaman PT. It can be explained that employee work motivation in carrying out tasks is influenced by organizational culture. The better the culture of the organization will certainly motivate employees to work positively because with the better work culture in an agency, other employees will also be motivated to work diligently.

## **The Effect of Organizational Culture on Employee Performance at BPR JKT Pariaman PT**

The relationship between organizational culture and the performance of employees or organizational members can be reflected in the behavior of the organization. When employees mimic behavior that is in accordance with their organizational culture, there will be satisfaction and even direct or indirect rewards. Organizational culture becomes a behavioral guideline for its members who are unconsciously applied in carrying out their activities. So in this study the results show that organizational culture has a positive effect on employee performance at BPR JKT Pariaman PT both head office and Padang branch office.

## **The Effect of Environment on Employee Performance at BPR JKT Pariaman PT**

Based on the results of testing the first hypothesis it is known that the environment has a significant effect on employee performance at BPR JKT Pariaman PT. This means that the high and low performance of employees is positively influenced by the environment. The better the shape of the environment will certainly improve the performance of employees in carrying out their duties.

## **The Effect of Motivation on Employee Performance at PT BPR JKT Pariaman PT**

This study found that Motivation had a positive and significant effect on employee performance at BPR JKT Pariaman PT. This means that the high and low performance of employees in carrying out tasks will be influenced by the motivation of the employees themselves. If employees get satisfactory motivation, of course, it will have an impact on improving the performance of the employees concerned. Based on this research supported by the results of descriptive analysis which found that motivation is in a fairly good category and the performance of employees who are also in a fairly good category. This proves that there is a significant influence of motivation on employee performance, where in the conditions of career development experienced by employees is still not high or enough has produced sufficient performance as well. This also confirms that if career development can be improved to be good it will certainly improve employee performance.

## **The Effect of Motivation on Employee Performance Mediated by Organizational Culture**

Based on research data processing, it was found that organizational culture mediates the effect of motivation on employee performance at BPR JKT Pariaman PT. This means that high and low employee performance is influenced by work motivation through organizational culture. The higher level of organizational culture felt by employees and supported by high work motivation will certainly improve employee performance.

## **The Influence of the Work Environment on Employee Performance Mediated by Organizational Culture**

Based on the results of testing the seventh hypothesis it is known that organizational culture mediates the influence of the environment on the performance of employees of BPR JKT Pariaman PT. This means that the high and low performance of employees is influenced by the environment through organizational commitment. The higher the level of environmental comfort felt by employees and supported by a high organizational culture will certainly improve employee performance. The findings of this study are supported by the results of descriptive analysis which found that the environment is in a fairly good category and the performance of employees who are also in a fairly good category and work motivation which is also in the sufficient category. This proves that the influence of the environment on employee performance is strengthened by the existence of organizational culture as an intervening variable, where in the conditions of career development and motivation of work that is in the sufficient category has produced quite high performance. This confirms that if career development can be improved or improved from enough to be good and supported by increased work motivation from being high it will certainly improve employee performance to be high as well.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusion**

Based on the results of research and data processing that has been done to determine the effect of the work environment and motivation on performance with organizational culture as an intervening variable at BPR JKT Pariaman PT as follows:

1. Environment has not have a significant effect on the organizational culture of BPR Jorong Kampung Tangah Pariaman PT.
2. Motivation has a significant effect on organizational culture at PT. BPR JKT Pariaman.
3. Organizational culture has a significant effect on performance at BPR JKT Pariaman PT.
4. Environment has a significant effect on performance at BPR JKT Pariaman PT.
5. Motivation has a significant effect on performance at BPR JKT Pariaman PT.
6. Indirectly the environment through Organizational Culture has a significant influence on the performance of BPR JKT Pariaman PT
7. Indirectly Motivation through organizational culture has a significant influence on performance at BPR JKT Pariaman PT

### **Suggestion**

The suggestions that can be submitted are as follows:

1. BPR JKT Pariaman PT in order to provide more opportunities for employees to provide ideas for developing company positively.
2. The leader must pay more attention to the relationship of each employee both personally and organizationally in order to create a safe, conducive and comfortable environment in carrying out work.
3. BPR JKT Pariaman PT to pay attention to employee work motivation by providing opportunities for employees to develop their skills and expertise and be fair in every assessment.

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