

Determinants of Employee Performance

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Abstract

This study aims to analyze the effect of organizational climate and work environment on employee performance with work quality as an intervening variable at BPJS Employment Aceh. The population of this study consisted of all 99 employees of BPJS Ketenagakerjaan Aceh. The sampling technique used was saturated sampling, in which the entire population was used as the research sample. This study employed a quantitative approach with data collected through questionnaires. Data analysis was conducted using Structural Equation Modeling (SEM) with Partial Least Squares (PLS). The results indicate that organizational climate and work environment have a positive and significant effect on employee performance and work quality. In addition, work quality has a positive and significant effect on employee performance and is able to mediate the influence of organizational climate and work environment on employee performance. Therefore, it can be concluded that improving a conducive organizational climate and work environment, accompanied by high work quality, can enhance employee performance at BPJS Ketenagakerjaan Aceh

Keywords: *Organizational Climate, Work Environment, Work Quality, Employee Performance.*

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Introduction

2.1 Employee Performance

According to Mathis and Jackson (2017), employee performance is the level of effectiveness and efficiency in completing assigned work tasks, which reflects the employee's contribution to organizational goals. According to Armstrong (2017), employee performance is the work results achieved by an individual in carrying out their duties and responsibilities, which are assessed based on standards set by the organization.

2.2 Employee Performance Indicators

According to Armstrong (2017) it is as follows:

1. Quality of work results namely the level of accuracy and conformity of results to established standards.
2. The quantity of work results is the amount of work completed in a given period.
3. Punctuality namely the ability to complete work according to the specified schedule.
4. Initiative and creativity namely the ability to take proactive steps and produce innovative solutions.
5. Cooperation and communication namely the ability to collaborate and communicate effectively with colleagues and superiors

2.3 Organizational Climate

According to Wirawan (2017), organizational climate is the shared perception of organizational members regarding the internal environment of the organization that is relatively stable and influences the attitudes and behavior of employees within the organization. This climate is formed from the interaction between the organization's structure, systems, leadership style, and culture. According to Siagian (2017), organizational climate is the psychological atmosphere experienced by organizational members in carrying out daily work activities, which is influenced by interpersonal relationships, leadership style, and work systems within the organization.

2.4 Organizational Climate Indicators

According to Wirawan (2017) organizational climate indicators are:

1. Organizational structure
2. Responsibility
3. Standard
4. Award
5. Role clarity
6. Interpersonal relationships

2.5 Work environment

According to Sedarmayanti (2018), the work environment is all the physical and non-physical facilities surrounding the workplace that can directly or indirectly influence employees in carrying out their duties. A good work environment will create comfort and safety, and encourage optimal performance.

2.6 Work Environment Indicators

According to Sedarmayanti (2018), the work environment is divided into two main types, namely physical and non-physical work environments, with the following indicators:

1. Lighting– sufficient lighting level and not dazzling.
2. Air circulation– availability of good ventilation and fresh air.
3. Cleanliness and tidiness of the workplace– clean and tidy work space conditions.
4. Noise level– sound levels in the work environment that do not interfere with concentration.
5. Work safety and security– protection against work hazards and accident risks.
6. Harmonious working relationships– positive social interaction and communication between employees.
7. Condition of work facilities– availability and suitability of equipment and work support facilities.

2.7 Quality of Work

According to Robbins and Judge (2018), work quality is the level of perfection and accuracy of work produced by employees in carrying out their duties, which reflects the ability to meet organizational standards and customer needs. According to Mangkunegara (2018), work quality is an aspect of performance that indicates how well work is completed, including accuracy, thoroughness, and the conformity of work results to the organization's desired goals.

2.8 Work Quality Indicators

According to Robbins and Judge (2018), work quality can be measured by the following aspects:

1. Timeliness of task completion
2. Accuracy and precision of work results
3. Conformity of work results with organizational standards
4. Consistency in producing quality work
5. Problem solving skills at work

Research Methodology

According to Notoatmodjo (2018), quantitative research is a research technique that processes data in numerical form as a result of measurements and convection. The strategy used in this research is an associative research strategy. According to Sugiyono (2018), associative research aims to determine several speculations regarding the existence or absence of a relevant relationship between two or more research variables.

The population of the study was 99 BPJS Ketenagakerjaan employees in Lhokseumawe 19 people, Central Aceh Takengon 5 people, Bireun 5 people, Banda Aceh 20 people, Pidie Sigli 5 people, Langsa 18 people, Southeast Aceh Kutacane 5 people, Meulaboh 17 people, Subulussalam 5 people. Sugiyono (2018) states that population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are formalized by a researcher to be used for study so that conclusions will be drawn for the final results.

3.1 Statistical Analysis of Data

This study used the partial least squares (PLS) data analysis method. PLS is a component-based or variance-based equation model used in structural equation modeling (SEM). Partial Least Squares (PLS) is a causal model that explains the influence between variables on construct variables (Wijaya, 2019). PLS-SEM analysis usually consists of two sub-models, namely the measurement model or often called the outer model and the structural model or often called the inner model.

3.2 Measurement Model or Outer Model

Measurement model testing (outer model) is used to determine the relationship between latent variables and observed variables. This testing consists of convergent validity, discriminant validity, and reliability.

Results and Discussion

A measurement model with convergent validity of reflective indicators is indicated by the relationship between the item/indicator score and the construct score. As long as the research is still in the development stage, it is permissible to use indicators with individual correlation values higher than 0.7.

Based on the results of the outer loadings test in Table 1, all indicators in the variables Organizational Climate (X1), Work Environment (X2), Employee Performance (Y), and Work Quality (Z) have outer loading values above 0.70. This indicates that each indicator is able to reflect its construct well and meets the criteria for convergent validity. Thus, all indicators are declared valid and suitable for use in testing the structural model in this study

Table 1: Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Organizational Climate_(X1)	0.895	0.920	0.656
Employee Performance_(Y)	0.882	0.914	0.681
Quality of Work_(Z)	0.924	0.943	0.766
Work Environment_(X2)	0.918	0.934	0.670

Source : Output Smart PLS

All research variables had Cronbach's Alpha and Composite Reliability values above 0.70, and Average Variance Extracted (AVE) values exceeding 0.50. This indicates that all constructs have good levels of reliability and convergent validity, thus the research instrument is considered reliable and suitable for use in testing the research model.

Coefficient of Determination (R²)

The results of data analysis carried out using SmartPLS 3.0 software show the R Square value as follows:

Table 2: R Square Results

	R Square	Adjusted R Square
Employee Performance_(Y)	0.766	0.759
Quality of Work_(Z)	0.802	0.798

Source: Smart PLS Output

R Square value for the Employee Performance (Y) variable is 0.766, indicating that 76.6% of the variation in employee performance can be explained by the independent variables in the model, while the remainder is explained by other factors outside the study. Meanwhile, Work Quality (Z) has an R Square value of 0.802, meaning 80.2% of its variation can be explained by the variables in the model. The high Adjusted R Square values for both variables indicate that the research model has strong explanatory power.

Hypothesis Testing

After reviewing the internal model, the next step is to evaluate the relationships between latent constructs according to the hypotheses in this study. Hypothesis analysis in this study uses T-Statistics and P-Values. The hypothesis is considered accepted if the T-Statistics value is > 1.96 and P-Values are < 0.05. This is the output of the Path Coefficients for the direct influence:

Table 3 : Path Coefficients (Direct Effects)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Organizational Climate_(X1) -> Employee Performance_(Y)	0.280	3,223	0.001	Accepted
Organizational Climate_(X1) -> Work Quality_(Z)	0.276	3,290	0.001	Accepted
Work Quality_(Z) -> Employee Performance_(Y)	0.265	2,170	0.015	Accepted
Work Environment_(X2) -> Employee Performance_(Y)	0.380	2,954	0.002	Accepted
Work Environment_(X2) -> Work Quality_(Z)	0.655	7,963	0,000	Accepted

Source : Output Smart PLS

1. The test results showed a coefficient value of 0.280 with a T-statistic of 3.223 and a P-value of $0.001 < 0.05$. This indicates that organizational climate has a positive and significant effect on employee performance. The better the organizational climate, the higher employee performance will be.
2. A coefficient value of 0.276 with a T-statistic of 3.290 and a P-value of $0.001 < 0.05$ indicates that organizational climate has a positive and significant effect on work quality. A conducive organizational climate can encourage improvements in employee work quality.
3. The analysis results show a coefficient of 0.265 with a T-statistic of 2.170 and a P-value of $0.015 < 0.05$. This indicates that work quality has a positive and significant effect on employee performance. Improving work quality will have a direct impact on employee performance.
4. A coefficient value of 0.380 with a T-statistic of 2.954 and a P-value of $0.002 < 0.05$ indicates that the work environment has a positive and significant effect on employee performance. A good work environment can optimally improve employee performance.
5. The test results showed a coefficient of 0.655 with a T-statistic of 7.963 and a P-value of $0.000 < 0.05$. This indicates that the work environment has a positive and significant effect on work quality. A conducive work environment plays a significant role in improving employee work quality.

Table 4. Path Coefficients (Indirect Effect)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Organizational Climate_(X1) -> Work Quality_(Z) -> Employee Performance_(Y)	0.073	1,717	0.043	Accepted
Work Environment_(X2) -> Work Quality_(Z) -> Employee Performance_(Y)	0.174	2,118	0.017	Accepted

Source : Output Smart PLS

6. The indirect effect coefficient of 0.073 with a T-statistic of 1.717 and a P-value of $0.043 < 0.05$. This indicates that organizational climate has a positive and significant effect on employee performance through work quality. Thus, work quality acts as a mediating variable in the relationship between organizational climate and employee performance.
7. The indirect effect coefficient value of 0.174 with a T-statistic of 2.118 and a P-value of $0.017 < 0.05$ indicates that the work environment has a positive and significant effect on employee performance through work quality. This indicates that work quality mediates the influence of the work environment on employee performance, so a good work environment can improve employee performance through improved work quality.

Conclusion

1. Organizational climate has a positive and significant influence on employee performance
2. Organizational climate has a positive and significant influence on work quality.
3. Work quality has a positive and significant effect on employee performance.
4. The work environment has a positive and significant influence on employee performance.
5. The work environment has a positive and significant influence on work quality.
6. Organizational climate has a positive and significant influence on employee performance through work quality.
7. The work environment has a positive and significant influence on employee performance through work quality.

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