

The Influence of Work Environment and Transformational Leadership on Job Satisfaction and its Impacts on Employee Performance

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Abstract

Employee performance is influenced by various factors. This study aims to analyze the impact of the work environment and transformational leadership on job satisfaction and its subsequent effects on the performance of employees at RSUD Prembun, Kebumen Regency, Central Java. A survey method was employed, with 200 employees serving as respondents selected through stratified random sampling. Data analysis utilized the Structural Equation Model (SEM) to test the research hypotheses. The findings indicate that the work environment and transformational leadership do not directly affect employee performance. However, both the work environment and transformational leadership have a positive influence on employee performance through the mediating factor of job satisfaction. These results align with previous research, emphasizing job satisfaction as a mediating variable, where in this study, satisfaction more effectively mediates the work environment than transformational leadership. The work environment affects job satisfaction but not performance, similarly, transformational leadership influences job satisfaction but not performance. The implementation of a favorable work environment and effective leadership significantly determines job satisfaction.

Keywords: *work environment, transformational leader, job satisfaction, employee performance.*

Introduction

The performance of an organization encompasses the levels of efficiency, effectiveness, productivity, job achievement, and the behavior of its members in achieving its goals (Meija et al., 2001; Handoko, 2001). The quality of performance is determined by both individual and team performance (Wibowo, 2016; Nurcahyani et al., 2016). Therefore, attention to both individual and team performance is imperative within an organization. Performance assessments consider aspects such as discipline, attitude, collaboration, work environment, dedication, loyalty, skills, initiative, work quantity, work quality, and leadership (Alimuddin, 2002; Saragih & Simarmata, 2018).

The work environment is a crucial factor in motivating an employee to carry out their duties. It can be defined as everything surrounding the employee that can influence their execution of assigned tasks (Nitisemito, 1992). The work environment is essential as it relates to employees' decisions to request transfers, resign, or continue working within the

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organization (Anoraga, 1993). A conducive work environment makes employees feel comfortable and secure in their workplace (Hayes et al., 2015).

The work environment encompasses various aspects, including personnel management, organizational structure, job descriptions, freedom, and satisfying physical conditions such as the availability of places of worship, comfortable working spaces, good ventilation, security, appropriate working hours, and meaningful tasks (Kasmir, 2018; Prahasti & Wahyono, 2018; Saputra & Sudharma, 2017). Environmental conditions, even in relatively simple variations such as temperature, noise, or lighting, can significantly impact the attitudes and performance of employees (Mangkunegara, 2011)

In public organizations, subordinates always depend on their leaders. If leaders lack effective leadership skills, tasks, especially complex ones, cannot be performed well. When leaders fulfill their functions effectively, the organization is likely to achieve its goals. An organization requires effective leaders who can influence the behavior of its members or subordinates (Alimuddin, 2002).

Leadership is the backbone of organizational development, and without good leadership, achieving organizational goals becomes challenging. A leader must create a vision, mission, and develop strategies using their authority to influence subordinates in line with organizational goals. Leaders should also establish an organizational climate where individuals feel free but responsible (Wirda & Azra, 2012).

The role of a leader in an organization or group is vital. In this role, a leader helps the organization realize its vision and mission (Hongdao et al., 2019). The effectiveness of a leader in using their influence significantly determines how well they can fulfill their roles (Jannah, 2019). Therefore, leaders must continuously sharpen and develop their skills to adapt to various situations arising from subordinates, superiors, or the organization in which they operate (Yukl, 2010).

One leadership style suitable for managing change and responding to proactive employee behavior is transformational leadership (Bass, 1997). According to Bass (1997), transformational leaders bring about significant changes both in their followers and the organization. Transformational leaders are change agents who strive to transform the organization comprehensively to achieve maximum performance in the future (Bernardin & Russel, 1993). Transformational leadership essentially motivates subordinates to perform better than usual, thereby increasing their confidence or self-belief, which influences performance positively (Robins & Judge, 2015).

Job satisfaction must be created optimally to boost work morale, dedication, affection, and employee discipline. Job satisfaction is a set of feelings employees have about the pleasantness or otherwise of their work (Fatimah & Ratnasari, 2017). When employees join an organization, they bring a set of desires, needs, aspirations, and past experiences that collectively form their work expectations (Gibson et al., 2000). Job satisfaction indicates the alignment between an individual's emerging expectations and the rewards provided by the job (Dhermawan et al., 2012).

Job satisfaction is of significant importance for the self-actualization of employees. Employees who do not experience job satisfaction will not achieve psychological maturity (Juniantara & Riana, 2015). Employees with good job satisfaction typically exhibit good attendance records, low job turnover, and high job performance compared to those who are not satisfied with their work. Job satisfaction holds great importance in creating a conducive atmosphere within the organizational environment (Robins & Judge, 2015).

This research builds upon previous studies that have examined the work environment, transformational leadership, and job satisfaction. Previous studies, such as Ramli (2019), Supriatin & Wandary (2015), and Hanafi & Yohana (2017), explored the influence of the work environment on employee performance in healthcare services. Others, like Jannah

(2019), Yukl (2010), and Wirda & Azra (2012), investigated the impact of leadership style and job satisfaction. Meanwhile, Sudiardita et al. (2016), Saragih & Simamarta (2018), and Raziq & Maulabakhsh (2015) studied the influence of the work environment, transformational leadership, and work motivation.

Based on the existing issues, the researcher is interested in examining the interconnection between the work environment and transformational leadership concerning job satisfaction and employee performance. This study contributes both theoretically and practically by illustrating how the work environment and transformational leadership affect job satisfaction and employee performance. It serves as a reference for future researchers discussing the enhancement of employee performance through improvements in the work environment, transformational leadership, and job satisfaction. Additionally, this research is beneficial for policymakers in considering aspects that need attention to improve employee performance.

Research Methodology

The research design employed in this study is a quantitative approach to examine the employee performance model. Primary data was collected by distributing questionnaires to respondents to test the model and hypotheses. The questionnaire utilized a 5-point Likert scale, comprising 49 closed-ended questions serving as indicators for each variable. The work environment consisted of 7 items, transformational leadership had 18 items, job satisfaction included 16 items, and employee performance comprised 8 items (Nitisemito, 1992; Sudiardhita et al., 2016; Meija et al., 2001).

The population of this study encompassed all employees, totaling 356 individuals, consisting of both Civil Servants and Non-Civil Servants. Using the Slovin formula, the sample size was determined to be 200 respondents (Aslichati et al., 2011). Among the involved respondents, the majority (54%) were female, and the rest were male. A significant portion (55%) fell within the age range of 20 to 30 years, with the remaining individuals aged over 30 years. Most of them (45%) had work experience exceeding 3 years, while the remainder varied from less than 1 year, 1-2 years, and 2-3 years. 61% of them had an income of less than IDR 3 million, and the remaining respondents had staggered incomes ranging from 3-5 million, 5-7 million, and above 7 million Indonesian Rupiah. The overall distribution of respondents was in the medical sector (8%), paramedics (44.5%), medical support staff (20.5%), non-medical (15%), and management (12%). The sampling method employed in this study was probability sampling using the stratified random sampling technique. This technique involves dividing all individuals in the sampling frame into strata, groups, or categories (Ferdinand, 2014).

Data were analyzed using Structural Equation Modeling (SEM), which allows for simultaneous testing of relatively complex relationships. Confirmatory Factor Analysis (CFA) was employed as a tool to measure the model variables, and path coefficient analysis was used to estimate the influence of independent variables on dependent variables.

Results and Discussion

Validity and Reliability Test

In general, the validity test aims to determine whether the questionnaire items can measure what is intended to be measured. It is considered valid if the correlation value exceeds the table value (Ghozali, 2018). On the other hand, the reliability test assesses whether the questionnaire set used to measure a construct has a consistent tendency and is considered reliable if the value is above 0.70 (Ghozali, 2018). The results of the validity and reliability tests for 30 respondents are presented in Table 1.

Table 1. Validity and Reliability

Variable	Indicator	Corrected Item-Total Correlation	Reliability
Work Environment	LK1	0,560	0,710
	LK2	0,608	
	LK3	0,234	
	LK4	0,629	
	LK5	0,305	
	LK6	0,331	
	LK7	0,495	
Transformational Leader	KT1	0,772	0,956
	KT2	0,626	
	KT3	0,724	
	KT4	0,596	
	KT5	0,876	
	KT6	0,569	
	KT7	0,844	
	KT8	0,572	
	KT9	0,696	
	KT10	0,676	
	KT11	0,890	
	KT12	0,846	
	KT13	0,727	
	KT14	0,571	
	KT15	0,867	
	KT16	0,735	
	KT17	0,751	
	KT18	0,859	
Job Performance	KP1	0,674	0.864
	KP2	0,495	
	KP3	0,444	
	KP4	0,640	
	KP5	0,473	
	KP6	0,514	
	KP7	0,567	
	KP8	0,353	

Source: Data processed, 2020

Based on the table, it can be concluded that all indicators are deemed valid with correlation values exceeding the critical r value (with α 0.05, the critical r value is 0.306). Furthermore, all variables are considered reliable as their values surpass 0.70.

Results of Hypothesis Testing

Following the attainment of a structural model with a good Goodness of Fit, the next step is hypothesis testing. The results of the hypothesis test indicate:

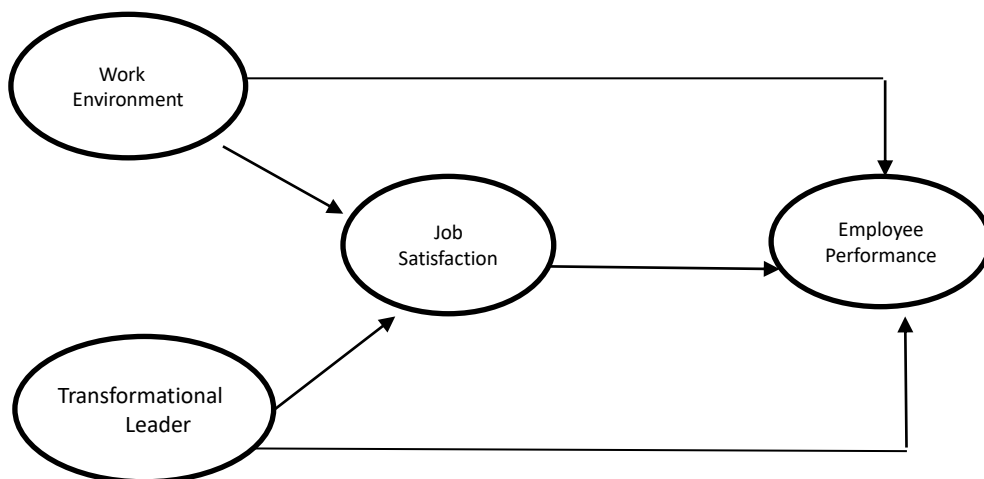
Table 2. Hypothesis Testing

Hypothesis	t value	P	Estimation	Note
H 1 The work environment has a positive effect on employee performance	-0,032	0,975	-0,008	Rejected
H 2 The work environment has a positive effect on job satisfaction	3,336	0,001	0,571	Accepted
H 3 Transformational leadership has a positive effect on job satisfaction	3,230	0,001	0,442	Accepted
H 4 Transformational leadership has a positive effect on employee performance	-0,730	0,465	-0,124	Rejected
H 5 Job satisfaction has a positive effect on employee performance	2,427	0,015	0,945	Accepted

Source: data processed

Three of the five hypotheses have a t-value greater than 1.96, which is the minimum limit for significance. Based on these results, it can be concluded that three of the five hypotheses proposed were statistically proven. Meanwhile, two hypotheses were declared not statistically proven. From the results of the regression path analysis, the regression coefficients are obtained as in Figure 1 below:

Figure 1. Research Framework



The results of the path analysis above indicate that the path from the work environment to employee performance has a negative correlation with a value of -0.008, meaning that the work environment does not influence employee performance. Similarly, the path from transformational leadership to employee performance has a negative correlation with a value of -0.124, signifying that transformational leadership does not affect employee performance. On the other hand, the paths from the work environment and

transformational leadership to employee performance through job satisfaction show a positive correlation. This implies that the work environment and transformational leadership influence job satisfaction, and job satisfaction, in turn, affects employee performance.

Discussion

The regression coefficient for the influence of the work environment on employee performance is -0.008 with a significance level of 97.5%, indicating that the first hypothesis (H1) of this study is rejected. This finding suggests that respondents perceive a positive work environment but it does not impact employee performance. The results of this study do not align with most previous research, such as Dhermawan et al. (2012), Ramli (2019), and Jannah (2019). However, this study supports the findings of Hanafi and Yohana (2017) and Prahasti & Wahyono (2018), who stated that the work environment does not influence employee performance. According to the study by Hanafi and Yohana, conducted on 220 employees of PT BNI Life Insurance's employee benefit division, the results indicated that the work environment does not affect employee performance. Prahasti and Wahyono's research on employees at the Kebumen Post Office, with a saturated sample of 91 employees, yielded similar results.

Similarly, the regression coefficient for the influence of transformational leadership on employee performance is -0.124 with a significance level of 46.5%, indicating that the fourth hypothesis (H4) of this study is rejected. This finding implies that respondents perceive transformational leadership positively but it does not impact employee performance. This study contradicts most previous research, such as Hongdao et al. (2019), Ritonga et al. (2019), and Putra & Sudibya (2019). However, this study supports the findings of Supriatin & Wandary (2015), conducted on 86 employees of RSIA Mutiara Bunda Banjarmasin with a saturated sample. The results of that study stated that transformational leadership does not affect employee performance.

In addition to being directly influenced by the work environment and transformational leadership, employee performance is also influenced by these factors through the mediation of job satisfaction. The regression coefficient for the influence of the work environment on job satisfaction is 0.571 with a significance level of 0.001, indicating that the second hypothesis (H2) of this study is accepted. This study supports previous research findings by Raziq & Maulabakhsh (2015), Hayes et al. (2015), Sudiarditha et al. (2016), Saputra & Sudarma (2016), Ramli (2019), and Dhamija et al. (2019). Additionally, the regression coefficient for the influence of transformational leadership on job satisfaction is 0.442 with a significance level of 0.001, indicating that the third hypothesis (H3) of this study is accepted. This study aligns with the findings of previous research by Puspitasari (2016) and Abouraia & Othman (2017).

Furthermore, the regression coefficient for the influence of job satisfaction on employee performance is 0.945 with a significant mediation level of 0.015, indicating that the fifth hypothesis (H5) of this study is accepted. This finding illustrates that respondents perceive that the work environment and transformational leadership impact employee performance through the mediation of job satisfaction. This study supports previous research findings by Juniantara & Riana (2015), Nurcahyani & Adnyani (2016), Fatimah & Ratnasari (2017), Virgana (2018), Saragih & Simarmata (2018), and Ramli (2019).

Conclusion

The research results indicate that the work environment does not directly influence employee performance. This implies that the work environment is not a determining factor in improving employee performance. However, the work environment has a positive impact on job satisfaction. The most significant influences of the work environment on job satisfaction are related to the coloration of workspace walls,

cleanliness of the workspace, and workspace lighting. Additionally, the study shows that transformational leadership does not have a direct impact on employee performance but positively influences job satisfaction. The most significant influences of transformational leadership on job satisfaction are related to an understanding of vision and mission, as well as communication skills. Transformational leadership does not directly impact employee performance, indicating that it is not a decisive factor in enhancing employee performance. The work environment influences job satisfaction but does not affect performance. Similarly, transformational leadership influences job satisfaction but does not affect performance. The conceptual framework used in the study only connects variables that are presumed to have a relationship with the dependent variable, leaving the possibility of other variables not included in the conceptual framework.

The work environment and transformational leadership affect employee performance through the mediation of job satisfaction. Therefore, leaders should enhance the quality of the work environment and transformational leadership to increase job satisfaction, ultimately improving employee performance. Improving the work environment can be achieved by ensuring good air circulation, reducing noise, providing security assurance, and playing music at a moderate volume. To enhance the role of transformational leadership, leaders should consistently set a good example, foster teamwork, be transparent and honest, and involve subordinates in decision-making. On the other hand, future research needs to be conducted with a larger sample, and additional variables such as compensation and job motivation should be considered.

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