

# The Effect of Work Environment and Job Motivation on Job Satisfaction and Job Performance in PT. X

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*Abstract— In the current business environment, the concern of the companies is not only focusing on the products or services produced, but the companies also concern about the employees because it is believed that by focusing also on the employees will bring many positive advantages for the company's growth. Although the government of Surabaya already settled the regulation about regional minimum wage, there were still many companies that were not following the regulation. However, there were some companies that followed the salary regulation made by the government. One of the companies was PT. X. It is found that, PT. X provided its employee good job motivation and work environment which made the employees thought differently, by did not join the demonstration ever held. By providing good job motivation and work environment, it is interesting to be known whether these factors have created enough job satisfaction and job performance since PT. X is the second leader in ice cream industry. According to some theories, there can be found that job motivation has relation to job satisfaction, work environment has relation to job satisfaction, job satisfaction has relation to job performance, job motivation has relation to job performance, and work environment has relation to job performance.*

*This study used simple regression to test the hypotheses in statistic software of SPSS version 16.00. The sample of the study is the employee of PT. X, which the whole population became the sample. From the study it is found that (1) Job motivation has positive significant effect to job satisfaction, (2) Work environment has positive significant effect to job satisfaction, (3) Job satisfaction has positive significant effect to job performance, (4) Job motivation has positive significant effect to job performance, and (5) Work environment has positive significant effect to job satisfaction.*

*Keywords-component; simple regression, job motivation, work environment, job satisfaction, job performance*

## I. INTRODUCTION

The importance of putting concern in the employees beside focusing only on the products and services encourages researches to conduct studies on the related variables. This study focuses on job performance, job satisfaction, work environment, and job motivation.

PT. X was chosen as the object of this study. As one of the biggest ice cream company, PT. X has done some actions to boost its employees' satisfaction by supporting employee motivation and by providing a good working environment. The research gap found in the previous researches are also became the underlying reason to conduct the study. PT. X was established in 1972, originally started from a family business named CV X. The company now is categorized into one of the biggest ice cream company in Indonesia, with approximately have 500 employees. The company also ranked as the second leader of ice cream market share in Indonesia, gaining 30% of the total ice cream market share, while the top leader gains 50% (Larasati & Sumartomdjou, 2011). As a big company, PT. X gave the salary exceed the regional minimum wage for the employees and equal for the contractors. On the other hand, PT. X also treated the employees well. Both contractors and employees received IDR 5.200,00 per day for the transportation to the company (Hakim, 2009). Based on observation when visiting PT. X, the employees also provided by organic food for lunch. All employees are treated the same

wherever division or position employees have. Use the same room, eating utensils, table, and chair, also have the same menus. PT. X have two working shift, and since it cares about the employees safety, the women employees will be provided with free transportation which deliver the employees from the company to house. Not only about the salary and lunch, the company also provide another benefits such as: free medical service, bonuses, and holiday allowance. From all the argument above, it can be concluded that PT. X always tried to boost employees' motivation and provide good working environment.

## II. RESEARCH CONCEPT

### A. *Job Motivation*

Motivation is the act or process of providing a motive that causes a person to take some actions (Shanks, 2007). Motivation will help people to have the desire in doing something. Therefore with the presence of motivation, it will lead people to have some kind of spirit, forcing to complete what things to be done. Deci and Ryan (1985) in Altindis (2011), declare that job motivation is gained through rewards both intrinsic and extrinsic. Intrinsic rewards come from the individual. Intrinsic motivation is more to the feeling after receiving the rewards. While extrinsic motivations are coming from other people. The extrinsic motivations are more manageable because those are must be something that a company promised to the employees in return of joining the company.

**H1: Job motivation has positive significant effect on job satisfaction**

### B. *Work Environment*

Work environment is the sum of the interrelationship that exists within the employees and between the employees and the environment in which the employees work (Taiwo, 2010). Based on this definition, the employees and the environment where the employees work. Work environment is the environment that will be the place for the employees to do the job and responsibility. An Innovative work environment promotes employees' ethical behavior, creativity, and performance as stated by Amabile *et al.* (1996) in Sardzoska and Tang (2011). Good work environment will make the employees do the job without feeling burden; employee can finish the job because employee feels supported by the company. This will impact on productivity, reach or even exceed the expectation that supposed to be completed. Therefore it is not a loss for a company

to provide its employee with good work environment because if the employees feel comfortable in completing responsibility, it will take effect on better result. Good work environment will make the employees contribute more for the company, and give the best idea. Work environment according to Opperman (2002) in Taiwo (2010) is a composite of three major sub environment, those are the technical environment, the human environment, and the organizational environment. Technical environment is a part of work environment which can be easily detected. Technical environment is the environment that supporting employees in completing the job. The criteria of this environment are tangible or can be seen, such as tools or equipment. Providing good equipment in the workplace will create good technical environment, such as comfortable chair and table, good airflow, cleanness, and so on. The company should be focusing on this kind of environment because it is manageable, means that the company can directly intervene it by adding some equipment, upgrading, or even rebuild better office. The result of the changes is clearly seen. Human Environment is a part of work environment which relate to the relationship between each employees. Creating good relationship among employees in the company is necessary because if good relationship built between the employees, then it has possibility to share ideas or help each other. Besides, good relationship will create comfortable feel and decrease the rate of stress. The employees will complete the job with responsibility and pleasant feeling. Organizational Environment is focusing more on the organization, such as system, procedures, practices, values, and philosophies.

**H2: Work environment has positive significant effect on job satisfaction**

### C. *Job Satisfaction*

Based on Kelly and Hise (1979) in Veloutsou and Panigyrakis (2004), job satisfaction is defined as the feelings or affective responses toward componenets of the work situation in general. Feeling which employees get from the job will reflect on job satisfaction, if the employees feel good about the job it will increase satisfaction, but if the employees do not feel good about the job then it will bring up dissatisfaction. Arasli and Tumer (2008) stated that job satisfaction refers to the way in which employees view the work either favorably or unfavorably. Whether the satisfaction is increased depends on the match of rewards to the expectations, needs and desires of the employees. From the argument above it is clear

that job satisfaction depends on what employees get from the organizations, if the organization can fulfill the employees' needs or the organizations can appreciate the employees' effort even just a little, it is not possible that it will increase the employees satisfaction.

One research by Budiyanto and Oetomo (2011) stated that job motivation and work environment have non-significant positive effect on job satisfaction. Meanwhile another research has result that there is a significant effect between job motivation and job satisfaction by Khalid *et al.* (2011). The predicted relationship between job motivations on job satisfaction is accepted and found positively significant for both public companies and private companies and for the total sample if combined the relationship is still found to be positively significant. While study of Sardz'oska and Tang (2011) stated that work environment has positive significant effect on job satisfaction.

#### D. Job Performance

Job performance is the behavior evaluated in terms of employees' contribution to the organizational goals and objectives (Churcill *et al.*, 1976). Other researchers, Skinner *et al.* stated that job performance is an indication of how well an employee performs the job, as cited in study of Rutherford (2011). Job performance shows the result of the employees of the organization that have been done in completing the job. Job performance also means how much the employees have done for organizational goal. The job performance can be measured based on the tasks that have been given to the employees by the organization. Others define job performance as the behaviors and working results of staffs, mostly the performance of staff measured by job performance (Chu & Lai, 2011). Job performance basically something related more of individually, because every person or employee has different ability to do the job. Usually employee's performance not only can be seen directly, such as can accomplish the job before deadline but also can be seen by the organization goal. If the organization can reach or even exceed the goal, one of the factors is because employee who has done well job.

There are six criteria on how to measure employee's job performance (Bernardin & Russell, 1993): (1) Quality; (2) Quantity; (3) Timeliness; (4) Cost effectiveness; (5) The need of supervision; and (6) Interpersonal impact.

**H3: Job satisfaction has positive significant effect on job performance**

**H4: Job motivation has positive significant effect on job performance**

**H5: Work environment has positive significant effect on job performance**

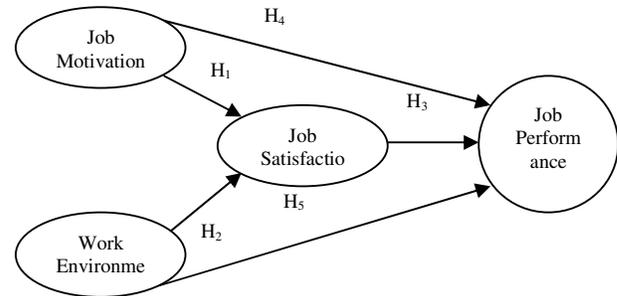


Figure 1: Theoretical Framework

### III. RESEARCH METHOD

Object used in this study is PT. X. The population in this study is the staff of PT. X. The employees here are limited to employees which are in the staff position. The number of staff employees is 68.

Research instrument used in this study is questionnaire. In this study the data collected from the questionnaires were tested through three steps; pre-test, classical test assumptions, and simple regression linier. The data processing is using software SPSS 16.00.

Data from the questionnaires that was collected, processed further by using 2 softwares, namley SPSS 10.0 and Amos ver 4.0. SPSS 10.0 is used to conduct the data tabulation, Amos ver 4.0 is used in testing the research model.

### IV. RESEARCH RESULT

The pre-test of the data gathered consist of validity and reliability test. The result shows that the data are all valid and reliable therefore can be processed further.

The data also pass the classical assumptions requirements, consist of multicollinearity test, linearity test, heterocedaticity test, and normality test.

The data processed into hypothesis testing. The first hypothesis shows the significance level is .014 which is less than 0.05 means that the hypothesis is accepted with the value of R is 0.297 means the relationship between variable job motivation and job satisfaction is weak, the value of R square shown that only 8.8% of job satisfaction can be explain by job motivation, while the other 91.2% was explain by other variable.

The second hypothesis shows that the significance level is .000 which is less than 0.05 means that the hypothesis is accepted with the value of R is 0.436 means the relationship between variable work environment and job satisfaction is moderate, the value of R square shown that only 19% of job satisfaction can be explain by work environment, while the other 81% was explained by other variable.

The third hypothesis shows that the significance level is .027 which is less than 0.05 means that the hypothesis is accepted with the value of R is 0.268 means that the relationship between variable job satisfaction and job performance is weak, the value of R square shown that only 7.2% of job performance can be explained by job satisfaction, while the other 92.8% was explained by other variable.

The fourth hypothesis shows that the significance level is 0.000 which is less than 0.05 means that the hypothesis is accepted with the value of R is 0.442, is shown that the relationship between variable job motivation and job performance is moderate, the value of R square shown that only 19.5% of job performance can be explained by job motivation, while the other 80.5% was explained by other variable.

The fifth hypothesis shows that the significance level is .020 which is less than 0.05 means that the hypothesis is accepted with the value of R is 0.281, is shown that the relationship between variable work environment and job performance is moderate, the value of R square shown that only 7.9% of job performance can be explained by work environment while the other 92.1% was explained by other variable.

and job performance. The data was gathered from the entire staff of PT. X, the object of this study. The number of respondents is 68.

The results of this study shows that all the hypothesis proposed in this study are accepted.

The significance level of job motivation on job satisfaction is less than 0.05; this means that the first hypothesis “**Job motivation has positive significant effect on job satisfaction**” is **accepted**. Result of this hypothesis was contradictive with the result of Budiyanto and Oetomo (2011) which stated that job motivation have non-significant positive effect on job satisfaction. Meanwhile, the hypothesis is supported by the result of other study by Khalid *et al.* (2011), the result from the study stated that there is positive relationship between job motivation on job satisfaction.

The significance level of work environment on job satisfaction is less than 0.05; this means that the second hypothesis “**Work Environment has positive significant effect on job satisfaction**” is **accepted**. Result of this hypothesis was contradictive with the result of Budiyanto and Oetomo (2011) which stated that work environment have non-significant positive effect on job satisfaction. Mean while, this hypothesis result was supported by other study of Sardžoska and Tang (2011), the result from the study stated that there is positive relationship between work environment on job satisfaction.

The significance level of job satisfaction on job performance is less than 0.05; this means that the third hypothesis “**Job Satisfaction has positive significant effect on job performance**” is **accepted**. The result of other study by Pushpakumari (2008) is consistent with the result from this hypothesis, based on the calculated correlation coefficient for all managers, it can be concluded that there is a significant impact of job satisfaction and performance of employees in private sector organizations.

The significance level of job motivation on job performance is less than 0.05; this means that the fourth hypothesis “**Job motivation has positive significant effect on job performance**” is **accepted**. The result of other study by Sunarni and Istanti (2007) is consistent with the result from this hypothesis. It revealed that job motivation has significant positive effect on job performance.

The significance level of work environment on job performance is less than 0.05 this means that the fifth hypothesis “**Work environment has positive significant effect on job performance**” is **accepted**. The result of other study by Ajayi *et al.* (2011) is consistent with the result from this hypothesis. The study revealed that there was

Table 1: Hypothesis Testing

Hypothesis	Level of Significance	Result
H1 = Job motivation has positive significant effect on job satisfaction	.014	Accepted
H2 = Work environment has positive significant effect on job satisfaction	.000	Accepted
H3 = Job satisfaction has positive significant effect on job performance	.027	Accepted
H4 = Job motivation has positive significant effect on job performance	.000	Accepted
H5 = Work environment has positive significant effect on job performance	.020	Accepted

## V. CONCLUSION

The research model in this study is developed in order to examine the effect of work environment, job motivation on job satisfaction,

significant relationship between the work environment and job performance of academic staff in the universities. That is, there is significant relationship between the work environment and job performance of academic staff.

From the result in can be seen that the variable which has the highest influence on job satisfaction is work environment, it can be concluded because work environment is more to the things that support the job of the employee in PT.X, so the employees will feel comfortable to be in the work place and impact to the increase of job satisfaction if the work environment factors are improved. The value of R is 0.436, is shown that the relationship between variable work environment and job satisfaction is moderate, the value of R square shown that only 19% of job satisfaction can be explain by work environment, while the other 81% was explain by other variable. This can be explained from the responses of the respondents which show that majority of the employees feels that the work environment of PT. X has already meet the expectation, based on the average index value. Among all indicators for work environment, work infrastructure has the lowest index value. This mean an improvement in work infrastructure can be the core for PT.X to increase the work environment. Meanwhile, the indicator cleanliness has the high index value, this shows that the cleanliness of PT. X has exceed the expectation of the employees.

While the variable which has the highest influence on job performance is job motivation, this can be explained because job motivation is more to the psychological side, which made the employees have something in mind to give back to the company as reprisal for what have company have given, in the form of performances. The value R is 0.442, is shown that the relationship between variable job motivation and job performance is moderate, the value of R square shown that only 19.5% of job performance can be explain by job motivation, while the other 80.5% was explain by other variable. Job motivation has average index value, while the index value for job performance is high. This shows that job motivation given by PT. X only meets the expectation of the employees not exceeding the expectations, but the employees shows respect for what PT. X give to the employees by having a good performance. Among of all indicators, status has the highest index value of 51; therefore the respondents agree that working at the company can bring the status to higher level. The index value of pay indicator has the score of 41.2, which mean that the respondents feel the working payment is still in average level. The index value of benefit indicator has the score of 33.4, which

mean that the respondents feel the benefit which is given is still on low level. This means that PT.X should consider more in such of adding more fringe benefits to increase the job motivation.

#### A. Recommendation For PT. X

To increase the job motivation of the employees, PT. X should consider about adding additional benefits besides the current given benefit, such as giving Child Education Insurance for the employees, so the employees will be motivated more because the company shows total support for the goodness of the family future. Another benefit that PT. X can give to the employees is the retirement savings that is by keeping a certain amount of the current salary for savings, and the savings will be given together with the retirement funds, so at the retirement time, the employees will have more savings.

To increase the work environment, PT. X can provide good odor for every room and set appropriate room temperature to make the employees more comfortable working in the good working infrastructure.

To increase job satisfaction, PT. X can give appreciation for the employees' achievement by giving additional incentives and bonus to increase the salary indicator.

PT. X should try to find another factor which can influence job satisfaction and job performance because from the calculation it is found that job motivation and work environment are affecting both of those variables but giving not much contribution.

Among of all variable in this study which has relationship with job performance, PT.X should consider more about variable job motivation, since it has the highest impact on job performance. also, PT. X should try to find another factor which can influence job satisfaction and job performance because from the calculation it is found that job motivation and work environment are affecting both of those variables but giving not much contribution.

## VI. COMING RESEARCH

Most of the value from *The Coefficient of Determination* only in small amount. It means that there must be other variable that can influence job satisfaction and job performance, which can be done in the future study, such as considering organizational culture. This is supported by the study of Ojo (2009) which stated that there is positive relationship between corporate culture and job performance.

The object of the study also can be replaced to another company, seeing if there are any differences with the result, which can be done in

the future study. For the smaller amount of sample which is less than 100 respondents it is recommended to use variance based SEM (Structural Equation Model) with PLS analysis using SmartPLS software. While if the number of the respondents are more than 100 it is recommended to use covariance based SEM analysis with Amos or Lisrel Software.

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