How to Improve Employee Performance through Work Environment and Work Life Balance

Siwi Dyah Ratnasari\(^1\). Yupono Bagyo\(^2\). Hanisa\(^3\)
\(^123\)STIE Malangkucecwara, Malang, Indonesia

ABSTRACT: The purpose of this research is to look into the impact of work environment and work-life balance on employee performance. The study was carried out in the PT BTPN TBK Malang Branch Office in Indonesia. The participants in this study are Bank BTPN workers from the finance, credit, and business divisions, a total of 50 people. Probability Sampling with Simple Random Sampling is the sort of sample used in this study. The Slovin method was used to sample with a tolerance level of 5%. A total of 44 employee samples were used in this investigation. The findings revealed that: 1) the work environment has a significant impact on work-life balance. 2) Employee performance is influenced by their work environment. 3) Work-life balance has a big impact on employee performance. The findings of the study suggest that a pleasant working environment encourages employees to stay in the company. The research findings suggest that a pleasant working environment encourages employees to stay with the company, and employee involvement inspires employees to perform better.

KEYWORDS: Work Environment, Work Life Balance, Employee Performance

I. INTRODUCTION

One of the factors that affect employee performance is the work environment (Gibson, 2012). The work environment is everything that is around the workers that can influence them in carrying out the tasks they carry out. A good work environment includes several aspects that must be considered, for example a comfortable work space, safe environmental conditions, constant room temperature, good relations with coworkers. If this can be fulfilled in the workplace, employee performance can increase. According to (Putra & Sariyathi, 2015), employees will work optimally if the work environment is comfortable. Mangkunegara (2009), performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. In addition to the work environment, which can affect employee performance, work life balance is a balance concept that involves ambition or career with happiness, leisure, family and spiritual development (Weckstein, 2008).

Work life balance that is not managed properly by the company will reduce employee performance. The business case for work-life balance practices, as espoused by many organizations, rests on attracting better applicants and reducing work-life conflict among existing employees in order to enhance organizational performance (Henry, 2009). One of the factors that affect work life balance is the work environment (Daniel, 2019)). According Pawirosumarto et al., (2017), The results show that work environment, leadership style and organizational culture have a positive and significant impact on job satisfaction, but only the leadership style has a positive and significant effect on the employee performance. The performance that results from employees who get a balance of personal life and work life usually has a much better level of performance. According to (Daniel, 2019)), the results of the study show that work-life balance and happiness have a positive and
significant effect on employee performance. Work life balance is an area of increasing importance to both employees and employers (Ojo et al., 2014).

The reason this research was conducted is because of the inconsistency of the results of previous studies. According to Bataineh, (2019), work-life balance and happiness positively and significantly affect employee performance. (Bernburg et al., 2016), The work environment is a place where employees carry out their activities, where it can have positive and negative impacts for employees to achieve their work results. Virick et al., (2007); Chiang et al., (2010), workload and work demands have a significant negative effect on work life balance.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Work Environment and Work Life Balance

Supriyanto et al., (2020), The study shows that the work environment affects employee performance, and work discipline mediates the effect of the work environment on employee performance. The results reveal positive and significant impact of transformational leadership and work environment on employee performance (Imran et al., 2012). According to Gunaseelan (2014), The work environment has a significant impact upon employee performance and productivity. A conducive work environment will have a good impact on the continuity of work, while a less conducive work environment will have a negative impact on the continuity of work. Work motivation, work environment and work life balance factors can simultaneously have a positive effect on employee performance. The results of these studies, the following hypotheses can be formulated: Hypothesis 1 (H1): Work Environment Affects Work Life Balance

2.2. Work Environment and Employee Performance

Human resource (HR) contains positive and negative behaviour affecting the performance. Positive behaviour causes the performance to increase. While the negative one causes the decrease of performance (Ratnasari et al., 2019). Putri et al., (2019), The results of this study prove that work discipline is able to mediate the influence of the work environment on employee performance. Priarso et al., (2019). The results of the study showed that the factors of job satisfaction on employee, transformational leadership style, work motivation, and work environmental Furthermore, job satisfaction has significant impact towards employee performance. Furthermore, According to Munandar et al., (2019) a high-conflict work life mostly causes low satisfaction and commitment to stay in the organization. It is the quality of the employee’s workplace environment that most impacts on their level of motivation and subsequent performance (Gunaseelan, 2014). According to Pawirosumarto et al., (2017), work environment, leadership style and organizational culture have a positive and significant impact on job satisfaction, but only the leadership style has a positive and significant effect on the employee performance. Munandar et al., (2019) workload and work environment have a positive and significant effect on job satisfaction and employee performance. Lestari et al., (2018). According to Westerman & Yamamura, (2007), the importance of goal orientation and system work environment fit for younger generation workers on satisfaction and intention to remain; and relationship fit on the satisfaction of Baby Boomers. Baby Boomers also experienced higher levels of overall satisfaction than younger generation employees. Research Work Environment, Competence, Compensation, and Job Satisfaction Simultaneously affect Towards Employee Performance. Work environment has an influence on the productivity of employees of publicly owned companies, while together discipline and work environment have an influence on the productivity of employees of publicly owned companies (Prasetyo et al., 2021). The compensation and work environment partially have the positive influence towards the job satisfaction and employee performance (Permadi et al., 2018). Employee performance is influenced by work environment positively and significantly. Employees are more likely to judge their own performance in the organization if the physical working conditions are adequate and personal relationships. Individual behaviour is positively and significantly influenced by the work environment. Individual behaviour is based on a positive work environment (Ratnasari & Tarimin, 2021). Job environment and management support have the strongest impacts (direct and indirect) on
job performance, while adaptability and intrinsic motivation directly affect job performance (Diamantidis & Chatzoglou, 2019). From the results of these studies, the following hypotheses can be formulated:

Hypothesis 2 (H2): Work Environment Affects Employee Performance

2.3. Work Life Balance and Employee Performance

The human resource management has an important role to play in deciding where flexibility can make the optimum contribution (Mohanty & Mohanty, 2014). Worklife balance has always been a concern of those interested in the quality of working life and its relation to broader quality of life. However, people have limited time and therefore have to perform many other activities other than their jobs. Without a balance between the two, many mishaps can be experienced in both (Delecta & P., 2011). The study of conflict and interference between work and home might provide a useful starting point in the study of work life balance (Guest, 2002). Maintaining work-life balance is not easy, especially if individuals (employees) do not have the capacity to do so effectively and the organization cannot help employees maintain their work-life balance. The balance theory, Fritz Heider (1946), states that if people see a set of cognitive elements as a system, then they will have a preference to maintain a state of balance among these elements. Most employees will see balance in their work that is inseparable from their lives, such as family, social life, personal development, leisure and recreation, as a set of cognitive elements that must be balanced, so that they need to be managed effectively, in other words, there are employee needs to maintain a balance, between work and personal life, otherwise their performance at work will be jeopardized. Individual satisfaction at work will improve performance (Ratnasari and Tarimin, 2021).

The findings revealed a direct relationship between work-life conflicts and job engagement and turnover intention. There is also a significant correlation of job engagement to employees’ turnover intention. However, no mediation effect of job engagement is found between WLB and turnover intention (Jaharuddin & Zainol, 2019). The informal WLB practices (manager support and job autonomy) had the most significant effect and are the determinants of turnover intentions. The mediating role of work-life conflict was only significant with job autonomy. Additionally, the effect of work-life conflict on turnover intentions was positive and significant (Suifan et al., 2016). Poor WLB has negative consequences on employees’ health and wellbeing, as well as organizations performance. The five elements of total rewards, salary, rewards, worklife, performance & recognition and development & career are negative to employees’ turnover intention. Secondly (Suifan et al., 2016). Dari hasil penelitian tersebut, maka dapat dirumuskan hipotesis sebagai berikut: Hypothesis 3 (H3): Work Life Balance has an effect on Employee Performance

III. RESEARCH METHODS

3.1. Population and Sample

The research population is Bank BTPN’s staff at the Malang Indonesia branch office with a total of 50 employees drawn from the finance, credit and business departments. The type of sample in this study is Probability Sampling with simple random sampling technique. Determination of the number of samples using the slovin method with a tolerance level of 5%. Obtained a sample of 44 employees.

3.2. Variables and Measurement

The variables in this study consisted of the independent variables work environment and work life balance and the dependent variable, namely employee performance. Employee Performance Represents work performance, namely the comparison between the work that is seen in real terms with the work standards that have been set by the organization (Dessler, 2006). The indicators used in the Performance variable are: 1) Quality, 2) Quantity, 3) Timeliness, 4) Effectiveness and 5) Independence.

The indicators used in the work environment variables are: 1) Work atmosphere, 2) Relationships with colleagues, and 3) Facilities for work. The work environment is the overall work facilities and infrastructure around employees who are carrying out work activities. The indicators used in the work environment variables are: 1) Work atmosphere, 2) Relationships with colleagues, and 3) Facilities for work.

3.3. Method of collecting data
The data collection technique used in this study was through a questionnaire. Questionnaires were given to a randomly selected sample of 44 Bank BTPN employees. The distribution of the questionnaires was carried out randomly. The method of analysis using PLS (Partial Least Square).

IV. RESULTS AND DISCUSSIONS

4.1. Testing the Measurement Model (Outer Model)

Structural Equation Modeling (SEM) analysis was analyzed using the smart PLS program.

The results of the outer model test show that the work environment is measured by 3 (three) indicators, namely work atmosphere (X1.1), relationships with colleagues (X1.2) and facilities for work (X1.3). Work life balance is measured by 3 (three) indicators: Time balance (X2.1), involvement balance (X2.2), and satisfaction balance (X2.3). As for the employee performance variable, it is measured by 5 (five) indicators, namely Quality (Y.1), Quantity (Y2), Timeliness (Y3), Effectiveness (Y4), and Independence (Y.5).

4.2. Validity test

This test can be known by looking at the value of outer loadings and loading factors on the output of the Smart PLS program. The indicator will be declared valid if it has a loading factor value above 0.5 (Chin, 2003). The results of the loading factors are as follows:

<table>
<thead>
<tr>
<th>TABLE 1. OUTER LOADING FACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Performance</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>X1.1</td>
</tr>
<tr>
<td>X1.2</td>
</tr>
<tr>
<td>X1.3</td>
</tr>
<tr>
<td>X2.1</td>
</tr>
<tr>
<td>X2.2</td>
</tr>
<tr>
<td>Y.1</td>
</tr>
</tbody>
</table>

FIGURE 1. OUTER MODEL
Based on table 5, the value of outer loadings for each variable which includes the work environment, work life balance and employee performance has a value above 0.5. So that all indicators used to measure variables are valid or have met the convergent validity test. Meanwhile, the loading factor diagram of each indicator used in the research model in Figure 2 shows how each indicator block relates to its latent variable. Indicator X1.2 which has the largest loading factor value is 0.775 on the work environment variable, this means that the X1.2 indicator has a dominant effect on work life balance and employee performance. While the work life balance variable on the X2.1 indicator is 0.865, the indicator of the balance of involvement X2.1 dominantly affects employee performance.

4.3. Reliability analysis

The reliability analysis of the construct needs to be done to prove the accuracy, consistency, and accuracy of the instrument in measuring the construct. The results of Cronbach’s alpha can strengthen the reliability test. Cronbach's alpha is the level of consistency of respondents’ answers in one latent variable. Values for Cronbach’s alpha above 0.6 have met the reliability requirements (Chin, 2003). The results of the Smart PLS output give Cronbach's alpha values as follows.

<table>
<thead>
<tr>
<th>TABLE 2. CRONBACH’S ALPHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>Work Environment</td>
</tr>
<tr>
<td>Work life balance</td>
</tr>
<tr>
<td>Employee Performance</td>
</tr>
</tbody>
</table>

Source: Primary Data processed in 2021

Based on table 6, it can be explained that the value of Cronbach's alpha for all constructs is above 0.6. The work environment construct is 0.88, the work life balance construct is 0.71 while the employee performance construct is 0.73. This means that all constructs in this research model have met the reliability requirements.

4.5. Testing the Measurement Model (Inner Model)

The evaluation of the inner model has the aim of providing predictions of the relationship between latent variables to ensure that the structural model built is robust and accurate by using the coefficient of determination (R-Square). The R-Square criteria are > 0.99-0.75 categorized as very strong, > 0.75-0.5 categorized as strong, > 0.5-0.25 categorized as moderate, and > 0.25-0 categorized as weak (Sarwono, 2006).

<table>
<thead>
<tr>
<th>TABLE 3. COEFFICIENT OF DETERMINATION VALUE (R-SQUARE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Square</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>Employee Performance</td>
</tr>
<tr>
<td>Work life balance</td>
</tr>
</tbody>
</table>

Source: Primary Data processed in 2021
The results of data processing show that the work life balance has an R-Square value of 0.52. It can be interpreted that the work life balance variable which is influenced by the work environment variable is included in the value criteria > 0.75-0.5 and is categorized as strong. Meanwhile, the influence of the work environment and work life balance on employee performance gives an R-Square value of 0.63. It can be interpreted that the employee performance variable that can be explained by the work environment and work life balance variables is included in the value criteria > 0.75-0.5 and is categorized as strong.

### 4.6. Hypothesis test

The level of significance of the estimated parameters provides information about the relationship between the research variables. In the PLS method, a bootstrapping method is carried out on the sample which is intended to minimize the problem of abnormalities in the research data. The basis for testing the hypothesis on the Smart PLS version is the value of the output path coefficient as follows:

<table>
<thead>
<tr>
<th>TABLE 4 PATH COEFFICIENT</th>
<th>Working Environment</th>
<th>Work Life Balance</th>
<th>Employee Performance</th>
<th>Std Deviation</th>
<th>Std Error</th>
<th>Total effects</th>
<th>T statistic</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Environment</td>
<td>0.00</td>
<td>0.47</td>
<td>0.19</td>
<td>0.67</td>
<td>0.095</td>
<td>LK-KK(0.45)</td>
<td>2.148</td>
<td>0.037</td>
</tr>
<tr>
<td>Work Life balance</td>
<td>0.00</td>
<td>0.00</td>
<td>0.55</td>
<td>0.83</td>
<td>0.095</td>
<td>LK-WLB (0.47)</td>
<td>2.148</td>
<td>0.037</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.78</td>
<td>0.095</td>
<td>WLB-KK (0.55)</td>
<td>2.148</td>
<td>0.037</td>
</tr>
</tbody>
</table>

Source: Primary Data processed in 2021

The output path coefficient results show that the influence of the work environment on work life balance with a path coefficient value of 0.47, a t-statistic of 2.148 and a Sig value of 0.037. The results showed that there was a significant influence between the work environment on the work life balance (H1 was accepted). The effect of work environment on performance with path coefficient value to 0.19, t-statistic 2.148 and Sig value 0.037. The results also show that there is a significant influence between the work environment on performance (H2 is accepted). The effect of work life balance on performance is shown in the path coefficient value to 0.55, the t-statistic is 2.148 and the Sig value is 0.037. The results showed that there was a significant influence between the work environment on performance (H2 was accepted).

Creating a balance between life at work and personal life makes employees feel at home in the organization. Nur (Daniel, 2019), A good work environment has an impact on employee balance in the workplace. BTPN employees consider their place of work to be their second home and that relationships with fellow employees are like family. Bank BTPN also provides adequate work support facilities for each employee, having rest time, time off, and time for outbound/refreshing which is considered very sufficient for employees, where employees do not think of work as a burden. The facilities and work support provided to employees make employees feel that the time they have is very good for work and for their families. A good working atmosphere makes people respect each other in the workplace. The results show that current employees place more value on free time or social interactions with their friends, family, and community to maintain a balance between their personal and social lives (Wood et al., 2020).
social interactions with their friends, family, and community to maintain a balance between their personal and social lives (Wood et al., 2020). The results showed that the work environment, leadership style and organizational culture had a positive and significant effect on job satisfaction, but only leadership style had a positive and significant effect on employee performance. Job satisfaction has no significant and positive effect on employee performance and is not a mediating variable. The results also show that there is an influence between the work environment on performance with a path coefficient value of 0.19, a t-statistic of 2.148 and a Sig value of 0.037. In the work environment variable, the indicator of the relationship with co-workers gives the greatest impact on performance. This shows that good relations between employees and other employees at work create a pleasant atmosphere at work. Good team work, good communication, mutual respect and help at work have an impact on improving performance. The results of this study are in line with research conducted by (Ngalimun, 2019) which states that the work environment has a significant positive effect on performance. The attitude of working together, helping each other and the relationship between fellow employees or employees and superiors that are well established can improve performance. Furthermore, the results of research on the effect of work life balance on employee performance show the calculation of the path coefficient value to 0.55, the t-statistic is 2.148 and the Sig value is 0.037. In the work life balance variable, the indicator of balance in involvement has a dominant influence. This shows that employee involvement in the organization makes employees feel valued and needed in the organization which has an impact on improving performance. The results of this study are in line with (Mohanty & Mohanty, 2014); Bataineh, (2019) work life balance is rooted in the need for employees to strike a healthy balance between wanting to fully participate in the organization where they work while providing the best for loved ones. Saina et al., (2016), to achieve satisfaction with the worklife balance the company will always act as a supporting factor that provides fair regulations and policies, but most importantly is the attitude of the employee himself in aligning his commitment to his professional life and life with his family, both in terms of time, communication, and direct involvement.

V. CONCLUSIONS

The results showed that: 1) The work environment has a significant positive effect on work life balance. A comfortable working atmosphere in the workplace creates a balance which is a form of satisfaction for each individual in achieving work balance and balance in life. 2) The work environment has a significant positive effect on employee performance. Good employee performance is based on a good work team among employees. A solid team and willing to help each other determine the resulting better performance. 3) Work life balance has a significant influence on employee performance. This can be created from direct involvement of employees in the organization which has an impact on increasing the resulting performance.

4.1. Suggestion

Organizations should continue to pay attention to good relationships between co-workers because good relationships between colleagues, superiors, and also subordinates create a conducive environment within the organization. Employees feel comfortable living in it. This creates a balanced life at work. Employee involvement in the organization also makes employees feel more valued in the organization, which motivates employees to perform higher.

5.2. Limitation:

The limitation of this research is that the research only focuses on work environment variables and work life balance on performance. Further research can add variables that affect performance such as attitudes, employee involvement, or professionalism.
REFERENCES


