

Work Motivation and Work Environment Moderating of Work Satisfaction on The Employee Performance Department of Cooperative and Smes Provincial Government West Sumatra

Tun Huseno

Lecturer Institute Government of Home Affairs (IPDN)

email: tunhuseno.dr@gmail.com

Abstract

This study aims to examine the effect of job satisfaction on the employee performance of the Cooperative and SMEs of the West Sumatra Provincial Government, the influence of work motivation on the employee performance of the Cooperative and SMEs of the West Sumatra Provincial Government, the influence of the work environment on the employee performance of the Cooperative and SMEs of the West Sumatra Provincial Government, work motivation moderates job satisfaction on the employee performance of the Cooperatives and SMEs the West Sumatra Provincial Government, the work environment moderates the influence of job satisfaction on the employee performance of the Cooperatives and SMEs Department of the West Sumatra Provincial Government. This research was conducted at the Department of Cooperatives and SMEs of the West Sumatra Provincial Government with a population of 98 people, using the Slovin formula from a population of 98 people obtained a sample of 79 people. Data collected by distributing questionnaires to all employees of the Department of Cooperatives and SMEs of the West Sumatra Provincial Government. Analysis method uses variance based least square (PLS). The results showed that there was a significant effect of job satisfaction on the employee performance of the Department Cooperatives and SMEs of the West Sumatra Provincial Government there is a significant effect of work motivation on the employee performance of the Department Cooperatives and SMEs officials of the West Sumatra Provincial Government, there is a significant influence of the work environment on the employee performance of the Department Cooperatives and SMEs of the West Sumatra Provincial Government, work motivation moderates the influence of job satisfaction on the employee performance of the Provincial Government's Cooperatives and SMEs West Sumatra, and the work environment does not moderate the influence of job satisfaction on the employee performance of the Department Cooperatives and SMEs Office of the West Sumatra Provincial Government.

Keywords: *employee performance; job satisfaction; work environment; work motivation*

Introduction

The State Civil Apparature is one of the resources owned by the local government in addition to other resources. The low performance of the employee in a regional government can create obstacles for local governments in achieving their goals. There are many factors that influence the performance of the employee including motivation, job satisfaction, stress level, physical condition of work, recruitment, job analysis, job description,

compensation system, economic aspects, technical aspects and behavior (Martoyo, 2008: 141). One of the driving factors for improving the performance of the employee is by increasing work motivation, such as meeting external needs such as primary needs, food, clothing, and shelter and internal needs such as the desire to place himself in a satisfying career position. Providing better external and internal work motivation can encourage employees to work more productively. Other factors that also affect

employee performance are work environment factors. Nitisemito (2000: 183), work environment is everything that is around the workers that can affect him in carrying out the tasks that are carried out. The work environment has a direct influence on employees in carrying out their duties and responsibilities, and a comfortable work environment can improve performance. Conversely, an uncomfortable work environment can reduce performance and ultimately reduce work motivation.

Based on this background, the problem in this study is how is the influence of job satisfaction on the performance of the employee of the Cooperative and SMEs of the West Sumatra Provincial Government, how is the influence of work motivation on the performance of the Cooperative and SMEs Department of the West Sumatra Provincial Government, how does the work environment affect the performance of the employee Department of Cooperatives and SMEs of the West Sumatra Provincial Government, how does work motivation moderate job satisfaction on the performance of the employee of the Cooperatives and SMEs Department of the West Sumatra Provincial Government, how does the work environment moderate the effect of job satisfaction on the performance of the employee of the Cooperative and SMEs of the West Sumatra Provincial Government. This research aims to

1. Test and analyze the effect of job satisfaction on the performance of employees of the Cooperative and SMEs the Government of West Sumatra Province,
2. Test and analyze the effect of work motivation on the performance of

- Cooperative and SMEs employees of the Government of West Sumatra Province.
3. Test and analyze the influence of the work environment on the performance of employees of Cooperatives and SMEs, the Government of West Sumatra Province,
4. Test and analyze work motivation to moderate job satisfaction on the performance of employees of Cooperatives and SMEs, the Government of West Sumatra Province,
5. Test and analyze the work environment to moderate the influence of job satisfaction on the performance of employees of the Cooperative and SMEs the Government of West Sumatra Province

Theoretical Review

Motivation is the provision of driving force that creates excitement for someone's work so they want to work together, work effectively and integrated with all the efforts to achieve satisfaction and is a psychological process that arouses and directs behavior towards achieving goals and even motivation is the best tool for the best performance. According to Riduwan (2002: 66), that motivation can be measured through indicators such as, proper wages, incentives, maintaining self esteem, meeting spiritual needs, meeting participation needs, placing employees in the appropriate place, creating a sense of security in the future, paying attention to the workplace environment and paying attention to opportunities to advance and create healthy competition

Kiruja (2013), states that motivating employees effectively is one of the most important functions of a leader. There is evidence to suggest that organizations that face challenges in retaining employees because of limited

opportunities for the progress of the organization and the competitive labor market today. The loss of employees is the loss of skills, knowledge and experience that can make a significant economic impact and costs for the company and have an impact on customer needs. Managers who can motivate employees will help the organization improve employee retention.

Leblebici, (2012), employee performance is determined by more levels in the environment in which they work. The work environment involves all aspects that act and react to the body and mind of employees. If the work environment is pleasant, then fatigue, monotony and boredom are minimized and performance can be maximized. The work environment also affects employee performance. Bushiri's research (2014), the work environment has an influence on employee performance degradation caused by a lack of flexibility in the work environment, work noise disturbances, lack of interpersonal relationships between superiors and subordinates. On the other hand, Naharuddin and Sadegi (2013), finding a work environment has a positive and significant relationship to employee performance. Imran, et al., (2012), the work environment has a positive and significant relationship to employee performance.

Hasibuan (2007), job satisfaction is a pleasant emotional attitude and loves his job. Employee job satisfaction must be created as well as possible so that employee morale, dedication, love and discipline increase. On the other hand, Robbins and Judge (2009), there are 21 factors related to job satisfaction, namely autonomy and freedom, career benefits, opportunities for advancement, career development opportunities, compensation /

salary, communication between employees and management, contribution of work to organizational goals, feeling of security in the work environment, flexibility to balance life and work problems, job security, job specific training, management recognition of employee performance, meaning of work, networking, opportunity to use abilities or expertise, organizational commitment to development, overall corporate culture, relationships fellow employees, relationships with direct supervisors, the work itself, diversity of work.

Employee Performance

Kiruja (2013) states that employee performance is a function of ability and motivation, where the ability consists of skills, training and resources needed to perform tasks and motivation is described as an inner power that encourages individuals to act on something. Employee performance affects how much they contribute to the organization, which includes the quantity of output, quality of output, duration of output, attendance at work, and cooperative attitude. On the other hand, employee performance can also be determined as a person's ability to perform and also includes opportunities and willingness to do their work. The meaning of willingness to do their job means that there is an employee's desire to put a lot of effort into their work. One factor that influences employee performance is motivation. Omollo's research (2015), causes of employee performance are low because of motivation caused by irregularities by employees, high recruitment costs, training, increased competition, increased regulation by the

government and a feeling of loss of motivation and overwork.

Research Methods

A tool to test the hypothesis in this study using the Partial Least Square (PLS) method. PLS is an alternative method of analysis with Structural Equation Modeling (SEM) based on variance. The advantage of PLS is that it does not require many assumptions and can be estimated with a relatively small number of samples. The tools used to estimate the model are SmartPLS version 2. In general, analysis with SmartPLS includes two stages, namely Outer Model and Inner Model. Outer model can be analogous to CFA in SEM with AMOS or LISREL because it estimates whether the indicator used can form a construct well. Whereas Inner Model is aimed at knowing whether the proposed hypothesis is supported by theory or not.

This research is an explanatory research with a quantitative approach. The population in this study were 98 employees of the West Sumatra Provincial Cooperatives and SMEs Departement. The sampling technique uses the Slovin formula (Umar 2004), as follows;

$$n = N / (1 + N (e)^2) \text{ Where :}$$

n = Number of samples

N = Number of state civil employee
d = Percentage of concession due to sample errors that can still be tolerated.

Based on the Slovin formula, sample werw obtained :

$$n = 98 (1+98(0,05^2))$$

$$n = 98 (1+0,245)$$

$$n = 98 (1,245)$$

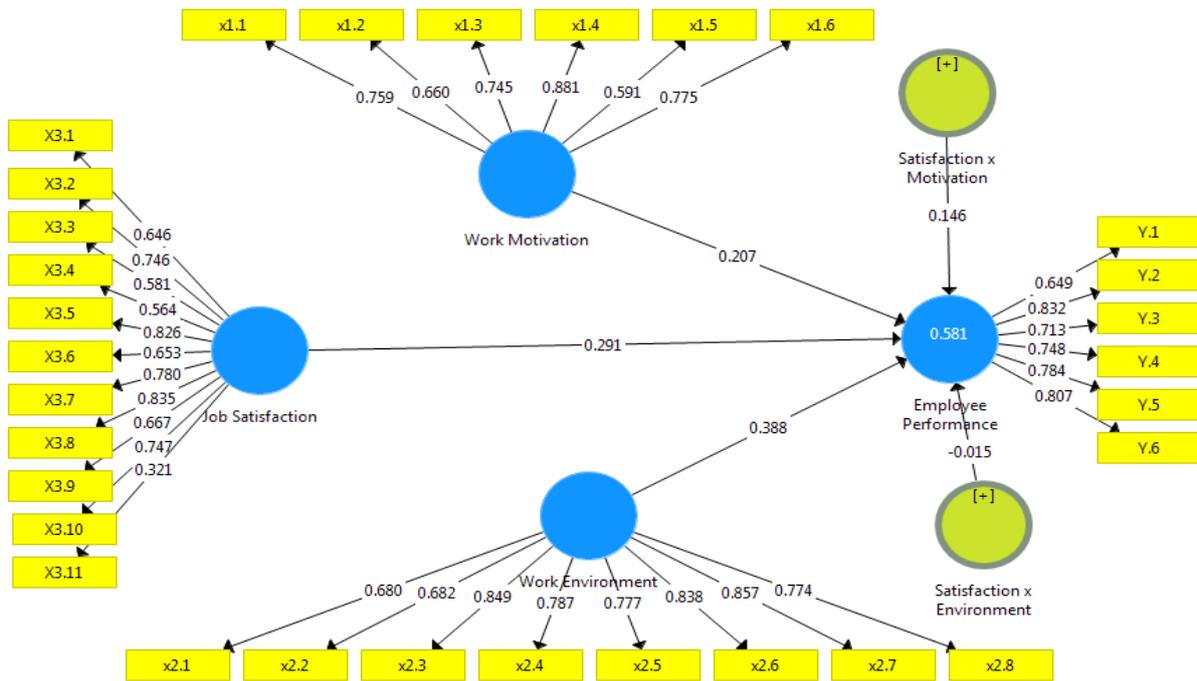
$$n = 78,71 \rightarrow \text{rounded } 79$$

Based on the Slovin formula above, a sample of 79 people was obtained. Data was collected by distributing questionnaires directly to respondents as many as 79 questionnaires. Analysis of the research using variance-based Partial Least Square (PLS).

1. Evaluation of the Measurement (Outer Model)

As noted above, the outer model is to see whether the indicators used in the study are valid and reliable or not. The hypothesis model explains the relationship of job satisfaction to the performance of the employee which is moderated by work motivation, and the work environment. The structural model explains the relationship of the four variables built on one equation, because in it there is an endogenous variable that is the performance of the employee as shown in Figure 2 below:

Figure 1
Hypothesis Model

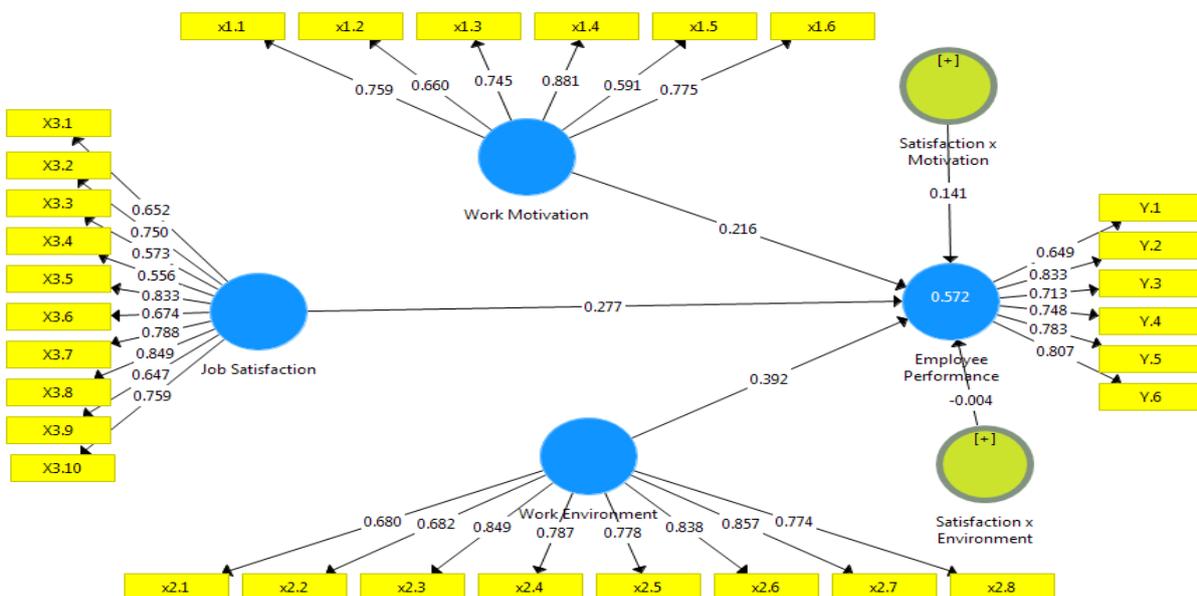


Source: Processed PLS Smart Data (2018)

The results of the initial outer model analysis, there is one item (X_{3.1}) having a loading factor of less than 0.50 so that it will be removed from the analysis

model. After removing one item on the outer initial so that all items already have a loading factor of more than 0.50 as described in Figure 2 below:

Figure 2
Item Evaluation Hypothesis Model



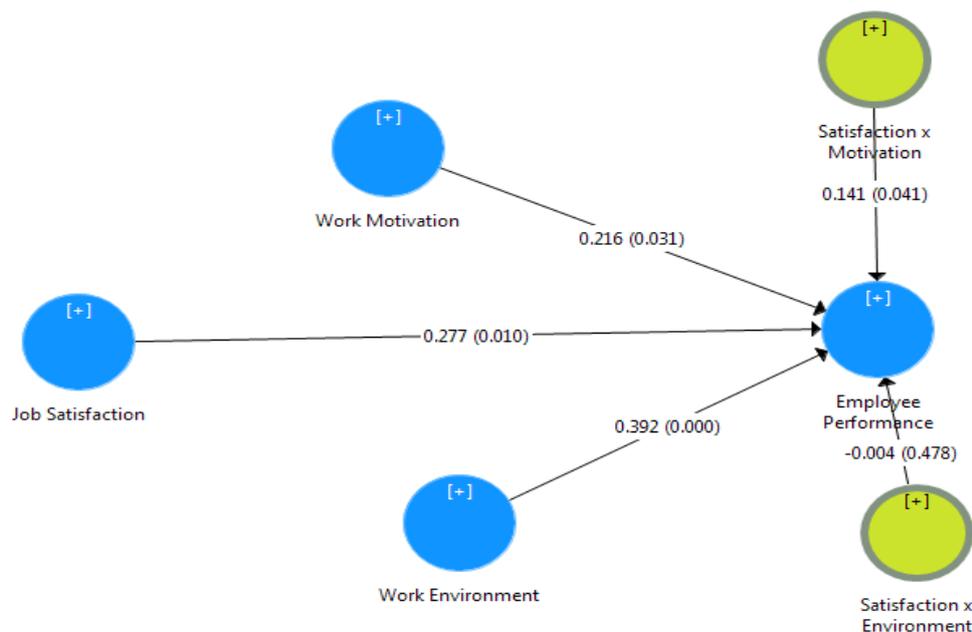
Source: Processed PLS Smart Data (2018)

2. Testing of Structural Models (Inner Model)

After the estimated model meets the criteria for the Outer Model, the

structural model (Inner model) is then tested like Figure 3 below :

Figure 3
Inner Model



Source: Processed PLS Smart Data (2018)

Inner model in this study only has one endogenous variable, namely employee performance. The accuracy of the model can be measured from the coefficient R2 and f2. The R2 coefficient on this model is 57.2% has explained that there is a high model match on the relationship of job satisfaction, work motivation and work environment to the performance of the employee. While f2 will measure the effect caused if the path that connects to the performance of the apparatus is removed from the model. The

coefficient f2 describes the ratio of changes in R2 after one path is omitted in the model. The value of f2 to 0.15 explains that the pathway does not have a large effect as an explanation of the performance of the employee. If the value of f2 is less than 0.02, then the path can be removed from the model because the contribution of the effect on the performance of the employee is very low. The following table is the result of calculating f2. Next, the f2 coefficient calculation results are explained as Table 1 below::

Table 1
Coefficient Test Results on the Inner Model

Variable Relationships	Original Sample	Standard error	T	P
Endogen :				
<i>Apparatus Performance (PA), R2 = 57.2%</i>				
Job Satisfaction -> employee performance	0,277	0,128	2,168	0,010
Work motivation -> employee performance	0,216	0,115	1,885	0,031
Work environment -> employee performance	0,392	0,109	3,592	0,000
Job Satisfaction x Work motivation -> employee performance	0,141	0,077	1,830	0,041
Job Satisfaction x Work environment -> employee performance	-0,004	0,070	0,060	0,478

Source: Processed PLS Smart Data (2018)

Based on Table 1 above, the variable job satisfaction on employee performance is the path coefficient value of 0.277 ($t = 2.168$; $p < 0.010$), meaning that job satisfaction has a significant effect on the performance of the employee. The level of employee performance will be better if the employee has high job satisfaction. Work motivation variable on apparatus performance is path coefficient value of 0.216 ($t = 1.885$; $p < 0.031$), meaning that work motivation has a significant effect on employee performance. The level of employee performance is better if the employee performance has high work motivation. Furthermore, the work environment variable on the employee performance has a path coefficient value of 0.392 ($t = 3.592$; $p < 0.000$), meaning that the employee performance level of the employee performance is better if the employee performance feels an adequate work environment. To prove the work motivation variable as a moderating relationship between job satisfaction and employee performance performance, it is

proven through the results of the interaction coefficient test. The path coefficient of interaction between job satisfaction and employee performance is 0.141 ($t = 1.830$; $p < 0.041$), is significant. The results of this test provide evidence that work motivation moderates the effect of job satisfaction on employee performance. The coefficient of interaction with the positive direction explains that increasing job satisfaction will further improve the employee performance of the apparatus if the conditions of work motivation are high. In other words, in situations of high work motivation, and also high job satisfaction will further improve the performance of the apparatus. The verification of work environment variables as moderating the relationship of job satisfaction with the employee performance of the apparatus is evidenced by the results of the interaction coefficient test. The path coefficient of interaction between job satisfaction and employee performance is -0.004 ($t = 0.060$; $p > 0.478$), is insignificant. The results of this

test provide evidence that the work environment does not moderate the effect of job satisfaction on the employee performance.

Discussion

1. The influence of job satisfaction on the performance of the apparatus of the Cooperatives and SMEs Department of the West Sumatra Provincial Government. The results of the analysis found a significant effect of job satisfaction on the employee performance of the apparatus at the Department of Cooperatives and SMEs of the West Sumatra Provincial Government ($t = 2.168$; $p < 0.010$). Substantially more job satisfaction is measured in the item of self-esteem and good reputation of the institution ($X_{3.8}$). This indicator has a value of loading factor 0.849. The level of reliability of these ten items is in the form of AVE = 0.511, composite reliability = 0.911 and Cronbach's alpha coefficient of 0.890 is acceptable. In the context of job satisfaction, the main indicator used is the apparatus feels high job satisfaction if the institution's self-esteem and reputation can be maintained.
2. The influence of work motivation on the performance of the apparatus of the Cooperatives and SMEs Office of the West Sumatra Provincial Government. The results of the analysis found that there was an effect of work motivation on the employee performance of the apparatus of the Cooperative and SMEs Office of the West Sumatra Provincial Government ($t = 1.885$; $p < 0.031$). Substantially more measurable on the indicators ready to face the challenges of work ($X_{1.4}$). This indicator has a value of 0.881 loading factor. The level of reliability of the six indicators is in

the form of AVE = 0.549, composite reliability = 0.878 and Cronbach's alpha coefficient 0.833 is acceptable. In the context of work motivation, the main indicator used is employee performance motivated to always be ready to face challenges.

3. The influence of the work environment on the performance of the employee performance at the Department of Cooperatives and SMEs of the West Sumatra Provincial Government. The results of the analysis found the influence of the work environment on the performance of the apparatus of the Cooperatives and SMEs Department of the West Sumatra Provincial Government ($t = 3.592$; $p < 0.000$). Substantially more measurable items on vehicle sound are not heard into the workspace ($X_{2.7}$). This indicator has a value of 0.857 loading factor. The reliability of these eight items is in the form of AVE = 0.614, composite reliability = 0.927 and Cronbach's alpha coefficient of 0.909 is acceptable. So to measure the work environment, the main indicator used is to measure how high the noise level of vehicles entering the workspace.
4. Work motivation moderates the effect of job satisfaction on the performance of employee at the Department of Cooperatives and SMEs of the West Sumatra Provincial Government. The results of the analysis found work motivation as a moderating relationship between job satisfaction and employee performance, evidenced by the results of the interaction coefficient test. The path coefficient of interaction between job satisfaction and work motivation of -0.141 ($t = 1.830$; $p = < 0.041$) is significant. The results of this test

provide evidence that work motivation moderates the effect of job satisfaction with employee performance. The coefficient of interaction with the positive direction explains that increasing job satisfaction will further improve the performance of the employee if the conditions of work motivation are high. In other words, in situations of high work motivation, high job satisfaction will further improve the performance of the employee.

5. The work environment moderates the influence of job satisfaction on the performance of the apparatus at the Department of Cooperatives and SMEs of the West Sumatra Provincial Government. The results of the analysis found that the work environment was not as a moderating relationship between job satisfaction and employee performance, evidenced by the results of the interaction coefficient test. The path coefficient of interaction between

job satisfaction and work environment is -0.004 ($t = 0.060$; $p > 0.478$) is insignificant. The results of this test provide evidence that the work environment does not moderate the effect of job satisfaction on the performance of the employee.

6. Substantive appraisal of apparatus performance lies in service items with priority to quality (Y.₂). This indicator has a value of loading factor 0.833. The level of reliability of all indicators is in the form of AVE = 0.575, composite reliability = 0.889 and Cronbach's alpha coefficient 0.850 is acceptable. So to measure the performance of the employee, the main item used is the ability of the employee to work by providing services that prioritize quality. The discussion above is presented in the outer model as Table 2 below:

Table 2
Outer Model

Indicator	Loading Factor	AVE	Composite Reliability	Alpha Cronbach
Job satisfaction		0,511	0,911	0,890
Salary received	0.652			
Job independence	0.750			
Cooperation relationship with colleagues	0.573			
Communication with superiors	0.556			
Collaborate with superiors	0.833			
Pride with the profession	0.674			
Institutional policy	0.788			
Self-esteem, and the institution's good name	0.849			
Current employment conditions	0.647			
Institutional good name	0.759			

Work motivation		0,549	0,878	0,833
I am nimble to get the job done quickly	0.759			
I act unyielding	0.660			
I work as well as possible	0.745			
I am ready to face job challenges	0.881			
I was able to complete the assignment from the leadership	0.591			
I feel happy even though I haven't finished the assignments	0.775			
Work environment		0,614	0,927	0,909
Using lighting in the form of sunlight	0.680			
Using lighting in the form of lights	0.682			
The color of the room affects my mood	0.849			
The color of the room affects the workplace atmosphere	0.787			
Air exchange in the room smoothly	0.778			
Love the air around the office	0.838			
Vehicle noise from the highway was heard from the room	0.857			
Listen to music during breaks	0,770			
Employee performance		0,575	0,889	0,850
Services according to tasks and functions	0.649			
Always serve quality	0.833			
Complete work according to obligation	0.713			
Most of the time at the office is used for work	0.748			
Complete the work on time	0.783			
Effectiveness of carrying out work	0.807			

Source: Processed PLS Smart Data (2018)

Conclusion

1. Job satisfaction has a significant effect on the performance of the employee of the Cooperatives and SMEs Office of the West Sumatra Provincial Government.
2. Work motivation has a significant effect on the employee performance of the apparatus of the Cooperative and SMEs

Department of the West Sumatra Provincial Government.

3. The work environment has a significant effect on the employee performance of the employee of the Cooperative and SMEs Department of the West Sumatra Provincial Government.
4. Work motivation has a significant effect on moderating the effect of job satisfaction on the performance of the employee of the Cooperatives and

SMEs Office of the West Sumatra Provincial Government.

5. The work environment does not influence moderating the effect of job satisfaction on the performance of the employee of the Cooperatives and SMEs Service of the West Sumatra Provincial Government.

Suggestion

Based on the results of the analysis and conclusions obtained, it is recommended as follows:

1. The Office of Cooperatives and SMEs of the West Sumatra Provincial Government maintains the work motivation that is felt by the employee,

especially the indicators facing work challenges, because the motivational indicators are felt high.

2. The Office of Cooperatives and SMEs of the West Sumatra Provincial Government improves and maintains job satisfaction perceived by the employee, especially self-esteem, and the good name of the institution, because it is the job satisfaction indicator that is felt high for the employee .
3. Further research needs to develop other variables to test job satisfaction on performance using moderating variables of work involvement, organizational climate, and job-related information.

Reference

- Bushiri, P Chirstabella. (2014). The Impact of Working Envirotment on Employee Pefomance: The Case of Institute Of Finance Managemeno in Dar ES Sallam Region. *Dissertation* Human Resources Managemet of the Open University of Tanzania.
- Harsuko. (2011). *Mendongkrak Motivasi dan Kinerja Pendekatan Pemeberdayaan SDM*. Malang: UB Press.
- Hasibuan, M., (2007). *Manajemen Sumber Daya Manusia*, Bumi Aksara, Indonesia Jakarta
- Husein, Umar. (2010). *Metode Penelitian Untuk Skripsi dan Tesis Bisnis*. Jakarta: PT Raja Grafindo Persada
- Imran, Rabia., A. Fatima, A. Zaheer, I. Yousaf, I. Batool. (2012). How to Boost Employee Performance: Investigating the Influence of Transformational Leadership and Work Environment in a Pakistani Perspective Middle-East. *Journal of Scientific Research*, 11 (10), pp: 1455-1462
- Kiruja, E. K. (2013). Effect of Motivation on Employee Performance In Public Middle Level Technical Training Institutions In Kenya. *International Journal of Advances in Management and Economics*, 2, 73-82.
- Leblebici, D. (2012). Impact of workplace quality on employee's productivity: Case study of a bank in turkey. *Journal of business, economics, & Finance*, 1(1), 38-49.
- Martoyo, Susilo. (2008). *Manajemen Sumber Daya Manusia*. Edisi Ketiga. Yogyakarta: BPFE UGM.
- Nitisasmito S Alex (2000). *Manajemen Personalialia*. Jakarta: Ghalia Indonesia
- Riduwan. (2002). *Skala Pengukuran Variabel-Variabel Penelitian*. Bandung: Alfabeta.

- Robbins, S.P., and T.A., Judge, (2009), *Organizational Behavior*, Pearson Prentice Hall, United State Of America, New York
- Omollo, Akinyi Pamela. (2015). Effect of Motivation on Employee Performance of Commercial Bank in Kenya: A Case Study of Kenya Commercial Bank in Migori County. *Intenational Journal of Resource Studies*. 5 (2), pp: 87-103.