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# The Influence Of The Work Environment On Employee Performance at MSMEs Markets in Kertasari Village

#### **Aspizain Caniago**

Business Administration, Jakarta LP3I Polytechnic, Jakarta, Indonesia aspizain@lp3i.id

# ABSTRACT

## Corresponding Author:

Aspizein, Business Administration, Jakarta LP3I Polytechnic, Jakarta, Indonesia. Email: aspizain@lp3i.id The purpose of this study was to find out how the work environment influences the performance of employees who work for MSMEs in the area of Kertasari Village, Bandung Regency. The research method used in this study is to use quantitative methods by processing data using the SPSS program. The research sample was taken using a random sampling technique which was calculated using the slovin formula, which consisted of 88 samples. The results of this study explain that the physical and non-physical work environment has a positive and significant effect on the performance of employees at MSMEs in Kertasari Village. The value of the influence of the work environment on employee performance is 69.4%.

Keywords: work environment, performance of employees, MSMEs

#### 1. INTRODUCTION

Managing employees who are performing at less than the level you expect is not easy for even the most experienced supervisor. Nobody likes having difficult conversations with staff, or losing valuable time and resources focusing on micromanagement of substandard performing employees. The reality is that you will lose more time and resources if you don't take your time to finish and work on improving underperforming. Ignoring problems at work will cost you extra in terms of employee morale, customers, clients, and revenue. In the process of handling performance problems faced, one cannot ignore poor performance problems. Workplace problems are not going to end and in fact will only get worse if they are not resolved as soon as possible. Approach the conversation with your employees about their underperformance in a negative, condescending, or defensive way. So you have to be clear but firm in explaining your concerns. Trying to cover up with a pleasant one is likely to be a tough conversation. Be more specific about your employee's performance which is the problem. This includes being clear about how their performance has affected other jobs, or affected your customers or clients. Just telling your employees "to" but giving them the opportunity to share with you what their problems are and how they can improve their performance. Have private or confidential conversations with your employees where others can overhear.

What should be done is to overcome the problems that occur. Have a clear discussion of specific issues that concern you. Share examples of underperformance very specifically and provide details on how the employee can turn the underperforming around. Have a two-way conversation by giving your employees the opportunity to share with you how they can improve their job performance. Make seemingly difficult conversations in a positive way by highlighting areas of work where your employees are performing well. Conclude the discussion in writing if you do not have a formal performance appraisal form or process. Monitor underperforming staff members to ensure that they are following the guidelines you have set for improving their performance. Determine how often you will monitor it based on the nature and severity of the performance problem, or at least twice a year. Help your employees to provide an idea of how to improve their performance by providing clear and measurable goals in Proactive training and mentoring and carrying out the necessary processes to identify and prevent problems before they occur in the work environment. Sitting with employees on a regular schedule when they experience a drop in performance or not letting them know how they've been doing all year. Organize a formal review process, at least annually. Conduct weekly, bi-weekly, or monthly check-ups for your employees to find out what they are doing and to discuss any challenges your employees may face, or provide any additional training they may need.

In managing a company and to carry out organizational activities the company needs to think about the achievements that the company will achieve both now and in the future so that the company can develop in accordance with the company's long-term goals that have been prepared, this has a close relationship and is interrelated with one factor. with others. Of these several factors that have a very large role is human resources, where human resources are one of the most important assets owned by a company so that companies need to maintain and maintain the survival of their employees. Besides that, companies also need to manage human resources as well as possible and optimally so as to achieve effective and efficient performance. "Human resource management contains an understanding that is closely related to the management of human resources or employees within the company. Human resources can also be called workforce, workers, employees and human potential that can move the organization in realizing the existence of the organization, this is according to Nawawi (2011: 42) ".

In managing human resources, the company needs to get employees who are competent and can carry out their duties and responsibilities as well as possible so that they can improve the company's performance to achieve the achievements that have been planned and targeted by the company within a certain period of time. "Performance is defined as something that results from one's work in order to achieve the goals of an organization within a certain period of time, according to Tika (2006:121)". "The work environment is everything or elements that can affect directly or indirectly the organization or company that will have a good or bad impact on employee performance and job satisfaction, this was stated by Soetjipto (2008: 87)". A pleasant work environment is very important in improving employee performance, so that the work environment is said to be good when employees can make a major contribution to the company, both directly and indirectly in the progress of the company. An unpleasant work environment will make employees have decreased performance and the time to achieve the tasks that have been given can run not according to the target given so that the results of the work system that is implemented become ineffective and inefficient, otherwise a pleasant work environment will have a good impact towards themselves and the company so that employees get satisfaction in achieving their performance and the company also gets the company goals they want to achieve, the work environment for SMEs in Kertasari village is very noisy because it is in the market area, but in general, workers in UMKM are used to it. It is very necessary to examine how it affects their performance.

## 2. LITERATUR REVIEW

# 2.1 Work Environment

According to Nitisemito (2014) the work environment is everything that is around employees and can affect them in carrying out the tasks assigned to them, for example by having air conditioner (AC), adequate lighting and so on. The work environment is something that exists in the environment of workers who can affect themselves in carrying out tasks such as temperature, humidity, ventilation, lighting, noise, cleanliness of the workplace and the adequacy of work equipment. (Isyandi, 2004: 134) According to (Simanjuntak, 2003:39) the work environment can be interpreted as the whole of the tools faced, the surrounding environment where a person works, the method of work, as the influence of work both as individuals and as a group. Meanwhile, according to (Mardiana, 2005:78) the work environment is an environment where employees do their daily work. From some of the definitions above, it can be concluded that the work environment is everything that exists around workers/employees that can affect employee job satisfaction in carrying out their work so that maximum work results will be obtained, where in the work environment there are work facilities that support employees in completing tasks that is imposed on employees in order to improve the work of employees in a company.

The work environment in a company is very important to note management. Although the work environment does not carry out the production process within a company, the work environment has a direct influence on the employees who carry out the production process. The work environment is an atmosphere where employees carry out their daily activities. A conducive work environment provides a sense of security and allows employees to work optimally. If an employee likes the work environment where he works, then the employee will feel at home at work, carry out his activities so that work time is used effectively. Conversely, an inadequate work environment will reduce employee performance.

## 2.2 Factors Affecting The Work Environment

To create a good work environment, there are several things that must be considered, namely (Siagian, 2006:63): 1. Workplace buildings 2. A spacious work space 3. Ventilation for air exchange 4. Availability of places of religious worship 5. Availability of transportation facilities specifically and generally for employees comfortable and easy According to Sedarmayanti (2011) states that in general, the type of work environment is divided into two factors, namely physical work environment factors and non-

physical work environment factors. 1. Physical Work Environment Factors a. coloring b. Information c. air d. noise e. Space f. Security g. Cleanliness 2. Non-Physical Work Environment Factors 1. Work structure 2. Work responsibilities 3. Leader attention and support 4. Cooperation between groups 5. Smooth communication According to (Suwatno and Priansa, 2013) in general the work environment consists of the environment physical work and psychological work environment. 1. Physical Environmental Factors Physical environmental factors are the environment around the worker himself. Conditions in the work environment can affect employee job satisfaction which includes: a. Workspace Plan Includes the suitability of the arrangement and layout of work equipment, this has a major effect on the comfort and work appearance of employees. b. Job Design Includes work equipment and work procedures or work methods, work equipment that is not in accordance with the work will affect the health of the work of employees. c. Working Environment Conditions Lighting and noise are closely related to the comfort of the workers at work. Air circulation, room temperature and appropriate lighting greatly affect the condition of a person in carrying out their duties. d. Level of Visual Pripacy and Acoustical Privacy A certain level of work requires a workplace that can provide privacy for its employees. What is meant by privacy here is as "personal freedom" regarding matters concerning himself and his group. Meanwhile, acoustical privacy is related to hearing. 2. Psychological Environmental Factors Psychological environmental factors are matters relating to social relations and organization.

Psychological conditions that affect employee job satisfaction are: a. Excessive Work Excessive work with limited or urgent time in completing a job will cause pressure and tension on employees, so that the results obtained are less than optimal. b. Poor Oversight System A poor and inefficient supervisory system can lead to other dissatisfaction, such as political instability and lack of performance feedback. c. Frustration Frustration can have an impact on hampering efforts to achieve goals, for example company expectations do not match employee expectations, if this continues it will cause frustration for employees. d. Changes in All Forms Changes that occur in work will affect the way people work, for example changes in the work environment such as changes in types of work, organizational changes, and changes in company leaders. e. Disputes Between Personal And Group This happens when both parties have the same goal and compete to achieve that goal. This dispute can have a negative impact, namely the occurrence of disagreements in communication, lack of cohesiveness and cooperation. While the positive impact is a positive effort to overcome disputes in the workplace, including: competition, status issues and differences between individuals. Both the physical and psychological work environment are equally important in an organization, these two work environments cannot be separated. If a company only prioritizes one type of work environment, a good work environment will not be created, and a bad work environment can demand more labor and time and does not support obtaining an efficient work system design and will cause the company to experience a decline, work productivity. Rustanto (2017) also explained that psychologically, each person's intrapersonal intelligence will affect their ability to be entrepreneurial, including in business at MSMEs.

## 2.3 Working Environment Indicators

The indicators of the work environment according to (Sedarmayanti: 2011) are as follows: 1. Lighting/light in the workplace 2. Temperature/air temperature in the workplace 3. Air humidity in the workplace 4. Air circulation in the workplace 5. Mechanical vibration in the workplace 6. Bad smell at work 7. Color layout at work 8. Decoration at work 9. Music at work 10. Security at work To be able to create an effective work environment in the company there are several factors that need attention Gie (2009): 1. Light Lighting that emits sufficient light properly will increase the work efficiency of employees / employees, because they can work faster, make fewer mistakes and their eyes don't get tired quickly. 2. Color Color is one of the important factors to increase the work efficiency of employees, especially color will affect their mental state. By using the right color on the walls of the room and other tools, the joy and peace of work of the employees will be maintained. 3. Air Regarding this air factor, which is often the air temperature and the amount of water vapor in the air. 4. Sound To overcome the occurrence of noise, it is necessary to put devices that have a loud sound, such as telephone typewriters, motorcycle parking, and others. In a special room, so as not to disturb other workers in carrying out their duties

#### 2.4 Definition of Performance

Performance is an important part of an organization or corporate agency. Performance can be interpreted as a description of the level of achievement of the goals, objectives, mission, vision of the company organization contained in the strategic plan of an organization. Employee performance is a real behavior that is displayed by everyone as work performance produced by employees according to their role in a company or organization. Good employee performance is a very important factor in the efforts of a company or organization to increase productivity. The performance of an employee in a corporate or organizational agency is an individual thing, because each employee has a different level of ability in

carrying out their duties. Fahmi (2018: 2) says "Performance is the result obtained by an organization, both the organization is profit oriented and non-profit oriented which is produced over a period of time." King in Uno and Lamatenggo (2014: 61), "Performance is a person's activity in carrying out the main tasks assigned to him." Mangkunegara (2017: 67) says "Performance (work achievement) 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." Another opinion is Amstron and Baron in Fahmi (2018: 2), "Performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction and making an economic contribution." Kotler (2015) says "Consumer satisfaction is consumer feelings, both in the form of pleasure and dissatisfaction arising from comparing a product with consumer expectations for the product." From the theories above, we can see that performance is the result of the work of employees in achieving the activities carried out by these employees to realize the goals, vision and mission of an organization. Therefore the researcher concludes that the notion of performance is the work of a person employees in a process or carrying out tasks according to their responsibilities in a certain period which can affect the achievement of a particular organization.

#### 2.5 Performance Indicator

Meanwhile, according to Miner in Edison (2017: 192), To achieve or assess performance, there are dimensions that become benchmarks, namely: 1. Quality, namely: error rate, damage, accuracy. 2. Quantity, namely: the amount of work produced. 3. Use of time at work, namely the rate of absence, tardiness, effective working time/lost working hours. 4. Cooperation with others in work. From the various performance measurements that have been described, the researchers concluded that with performance measurement, we will know how the results achieved by an employee in carrying out the company's achievement targets. With these measurements, it can also facilitate the company in assessing the performance of each employee. Based on the explanation of the experts above, the researchers took the right indicators to support this research so that it ran smoothly. The indicators that the researchers took were: 1. Quality 2. Quantity. 3. Use of time at work 4. Cooperation with others at work

#### 3. RESEARCH METHOD

## 3.1 Types of Research

The approach used in this study is a quantitative approach, as quantitative research is defined as a study conducted using a deductive-inductive approach that departs from a theoretical framework, expert ideas, or understanding of researchers based on their experience which is then developed into problems and their proposed solutions, to obtain justification in the form of empirical data support in the field. In other words, quantitative research always involves data in the form of numbers. The data in the form of numbers is then processed statistically and analyzed so that certain conclusions can be drawn. The type of research used in this research is correlational research. Correlational research is research that aims to determine the relationship between a variable and other variables. The relationship between one and several other variables Elkaf, (2005), is expressed by the magnitude of the correlation coefficient and statistical significance (significance). The existence of a correlation between two or more variables does not mean that there is influence or a causal relationship from one variable to another. Positive correlation means that a high value in one variable is associated with a high value in another variable. Negative correlation means that a high value in one variable is associated with a low value in another variable.

## 3.2 Data Collection, Population, and Sample Size

The population or universe is the entire object under study, whether in the form of people, things, events, values, or things that happen. The population as a generalization area consisting of objects/subjects that have a certain quantity or characteristic determined by the researcher to be studied and then conclusions drawn. The population in this study were all MSME employees in the village of Kertasari. The sampling technique is a sampling technique. To determine the sample to be used in research, there are various techniques that can be used. In this study, the sampling technique used purposive sampling technique. Purposive Sampling technique is a sampling technique with certain considerations. With the consideration that MSME workers are not included as business owners because they will have different perceptions of answers. The number of samples of this study were 100 people

#### 3.3 Data analysis technique

Data analysis is a series of activities for reviewing, classifying, systematizing, interpreting, and verifying data so that a phenomenon has social, academic and scientific value. This data analysis is carried

out after the data is obtained from the sample through the instrument, and will be used to answer research problems or to test the proposed hypotheses. This study uses multiple linear regression analysis techniques because there are two independent variables and one dependent variable. After the data is said to be normal and linear, the data is analyzed using data analysis techniques that are in accordance with the problem formulation. The data analysis technique used in this study is simple linear regression analysis.

#### 4. RESULTS AND ANALYSIS

Regression analysis was performed to calculate the average estimate and the value of the dependent variable (dependent) based on the value of the independent variable. Linear regression in this study is defined as a causal relationship between two variables, namely one independent variable and one dependent variable in more detail:

Figure 3. Tabel Coefficients

Coefficients <sup>a</sup>										
		Unstandardized Coefficients		Standardized Coefficients						
Model		В	Std. Error	Beta	t	Sig.				
1	(Constant)	26.544	5.494		6.358	.000				
	Working Environment	.354	.595	.834	9.245	.000				

a. Dependent Variable: Performance

Source: SPSS data processing ver.25

Y = 28.09 + 0.149X. That is, based on these equations it can be explained that:

- 1) The constant is 26.544, meaning that the consistent value of the Performance variable is 26.544
- 2) X regression coefficient of 0.595 states that if there is an additional 1% of the value of the working environment variable, the value of the Performance variable can increase by 0.595. The regression coefficient is positive. therefore it can be interpreted that the direction of the influence of the independent variable (X) on the dependent variable (Y) is Positive.

Next, in this study, hypothesis testing is carried out with the aim of testing whether or not there is a positive relationship between the independent variable, namely working environment (X) and the dependent variable, namely performance (Y). To test the proposed hypothesis, the statistical test used is the t-test or Partial Test and Coefficient of Determination. The statistical hypothesis testing is done by t-test or Partial Test as follows:

working environment has a positive and significant influence on performance. The regression coefficient or T count for the working environment variable is 9.245, which is greater than the T table, which is 1.660. After testing the partial test or T-test, the coefficient of determination analysis will then be carried out in order to determine the quadratic correlation and to find out how much influence the X variable has on Y, as follows:

Figure 5. Tabel Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.482a	.694	.747	8.73540

a. Predictors: (Constant), Kualitas Pelayanan

Source: SPSS data processing ver.25

Based on figure 5. above, it shows that the coefficient of determination is 69.4%. This means that 69.4% of the customer satisfaction variable can be influenced by the service quality variable, while 30.6% is influenced by other factors not examined.

In general, the research that the researchers did has a pretty good signal. This condition can be seen from the many responses from employes who were used as respondents in this study with the agreeable value quite a lot to do with service quality which has an influence on customer satisfaction. This research is carried out using regression coefficients or also often referred to as T arithmetic. The regression coefficient or T variable in this study can be explained, namely the working environment as an independent variable of 1.691 which is greater than T in the table which is 1.660. The influence of working environment as an independent variable (X) on performance as the dependent variable (Y), based on the results of the t-test conducted in this study, the results show that the independent variable, namely working environment, has an effect on the dependent variable, namely performance. positive and significant to the smooth production. The results of the study were significant at the level of 0.000, it was because 0.000 <0.05, so it was concluded that Ho was rejected and Ha was accepted. The hypothesis in this study is that working environment has a significant

effect on performance where this is in accordance with the hypothesis Ha. The t value indicates that the results of the research on working environment (X) have a positive and significant effect on performance (Y).

The results of this study are not different from the previous research by Liyas (2020) which clearly explained that the relationship between the dependent variable and the independent variable is shown by the equation: y = a + bX. The descriptive results of respondents' responses to the work environment variable were 4.17 which was agreed upon and the employee performance variable was 4.13 which was agreed upon. Y = 17,676 + 1,180X, it can be seen that the constant is 17,676. This means that when the work environment is ignored or zero, the employee's performance is 17,676, while the work environment (X) on employee performance is positive as evidenced by the result b = 1,180 which means that every increase in one work environment unit will be able to improve employee performance at PT. Bank Danamon Indonesia, Tbk Simpang Pasar Bawah Branch with 1,180 units. The R-square value (coefficient of determination) is 0.590. This shows that the work environment contributes to the influence of employee performance at PT. Bank Danamon Indonesia, Tbk Simpang Pasar Bawah Branch by 59%. And the T test of 6.788 is greater than the 2.037 table with a significant level of 0.000 less than 0.05. This study has results that are not different from or in line with Januar Efendi Panjaitan & Ai Lili Yuliati, (2016) which explains that (1) work environment and discipline have a positive effect on employee performance, (2) work environment has a positive effect on work discipline, (3) work environment has a positive effect on employee performance, and (4) work discipline has a positive effect on employee performance at CV Puspa.

#### 5. CONCLUSION

The results of this study explain that the physical and non-physical work environment has a positive and significant effect on the performance of employees at MSMEs in Kertasari Village. The value of the influence of the work environment on employee performance is 69.4%. The results of this study are in line with previous studies which can explain the positive and significant influence of the physical and non-physical work environment on the performance of employees at MSMEs in Kertasari village. Thus, a work environment that looks bad does not negatively affect the performance of employees because employees already feel used to and are happy with their work environment.

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