The Influence of Non-Physical Environment and Performance Appraisal on the Performance Employee Through Work Stress as an Intervening Variable

The Case of Bank Negara Indonesia (BNI) Branches in Makassar

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Abstract

This study aims to determine the direct and indirect effects of the non-physical environment and performance appraisal on the employee performance through work stress as an intervening variable. This research was conducted at the Makassar Branch of Bank Negara Indonesia using a questionnaire for 85 respondents. The analysis technique using SPSS version 20. The results show that the non-physical environment has a significant effect on work stress. Interestingly, the performance appraisal has no significant effect on work stress, while the work stress has a significant effect on performance. The non-physical environment and the performance appraisal affects employee performance with work stress as an intervening variable.

Keywords: non-physical environment; performance appraisal; work stress; employee performance

INTRODUCTION

To improve the quality of services in the financial sector, a financial institution depends on the performance of the financial staff who manage it, the bank's employees. Human resources in the banking world are the most important assets because of their role as implementing subjects and banking operational activities.

One factor that can influence the level of success of the bank itself is employee performance. Employee performance is the result of work achieved by someone in order to achieve a goal. Good performance is the optimal performance that follows procedures or procedures in accordance with established standards.

Factors that affect employee performance at each bank, including work stress. Stress is a condition of tension that affects emotions, thought processes and a person's condition. According to Handoko (2008: 200), work stress is a condition of tension that affects a person's thought processes, emotions, and conditions, the result is that excessive stress can threaten a person's ability to deal with the environment and will ultimately interfere with the execution of his duties.

Frengky research (2012) states that work stress has a negative and significant effect on employee performance, the higher the employee work stress, the lower the employee performance. Mahardiani & Pradhanawati (2013) stated the relationship of work stress with employee performance variables is negative. Cahyana & Jati (2017) states that work stress has a positive effect on employee performance.

From the initial observation of employee stress levels at PT Bank Negara Indonesia Makassar Branch is quite high, seen from the declining employee performance. The performance of the
Makassar branch of BNI Bank which was assessed was the achievement of savings, current account, deposit, loan and others targets. These performance indicator have been discussed by researchers (e.g. Aswan, 2017; Surdani, Kadir & Aswan, 2019; Jusni, Aswan, Syamsuddin & Possumah, 2019; Aswan, Jusni & Possumah, 2019). Based on this targets BNI Bank Branch Makassar will determine the level of Key Performance Indicators (KPI) of each branch which is then distributed to be individual target. Researchers found branch KPIs did not reach 100%.

Non-physical work environment in a company is very important to be considered by the leadership of the company. Although the non-physical work environment does not directly affect the company, this non-physical work environment has a direct influence on the employees who work. According to Sedarmayanti (2001), "Non-physical work environment is all conditions that occur related to work relationships, both relationships with superiors and fellow co-workers, or relationships with subordinates"

In addition, employee performance is closely related to performance appraisal. Performance appraisal is needed to know the results or the level of employee success.

This study identifies several major problems in the performance appraisal in the company, among others (1) there is no record of appraisal based on direct observations from superiors on employee performance, so that assessments are not comprehensive over time, tend to cause different perceptions and attitudes for each employee. (2) performance appraisal is often considered not objective and tends to be just a formality, the assessment procedure still contains a lot of controversy because the subjective element is dominated by the perception of superiors. (3) performance appraisal is said to be a formality because there are some employees who fill out their own performance appraisal forms (they should be filled out by the leaders).

**LITERATURE REVIEW**

A literature review for qualitative and quantitative research should consider a systematic structure. A literature review for quantitative research should contain a review of the literature in relation to variable studied, conceptual framework(s), and hypothesis testing. At the end of the session, if applicable, the author(s) should provide a research model. In review literature, it should begin with the discussion of the dependent variable(s), which is then followed by independent variables. Review literature with the use of international journal with DOI rather than a book is deliberately suggested. In each review session of studied variables, it should contain at least three international references. This is also valid in the conceptual part. To qualitative research, it begins with grand theories in relation to the research focus. (Single Space; Single Space, Single Space; Times New Roman 12)

**Work Stress**

Gibson (1996: 339) put stress as a force or stimulus that suppresses individuals who give rise to a response (response) to tension ". Cary Cooper from the University of Manchester Institute of Science & Technology (in Towner, 2002: 19) states "stress is too much pressure for us" Soewondo (2003: 19) states that work stress is a condition where there is one or some factors in the workplace that react with workers that interfere with physiological conditions and behavior. Job stress will arise if there is a gap between an individual's abilities and the demands of his job. Stress is the gap between individual needs and their fulfillment from the environment. Stress itself is a condition in which an individual experiences a failure resulting in psychological changes in shape that affect one's emotions and thought processes due to pressures faced both from within and from outside the organizational environment.

**Non-Physical Environment**

Sedarmayanti (2011: 31) states that "non-physical work environment is all conditions that occur relating to work relationships, both with superiors and with fellow colleagues or relations with subordinates". This non-physical work environment is an environment that cannot be ignored.
According to Nitisemito (2011: 171) "Companies should be able to reflect conditions that support cooperation between superiors, subordinates and those who have the same position status in the company. The conditions that should be created are a family atmosphere, good communication and self-control. Fostering good relationships between co-workers, subordinates and superiors must be done because we need each other. Work relationships that are formed greatly affect psychological employees. then it can be said that the non-physical work environment is a work environment that cannot be captured by the five human senses. However, this non-physical work environment can be felt by workers through relationships between workers and with superiors.

**Performance Appraisal**

Performance appraisal is a process of comparing employee performance with standards set by the organization (Veithzal 2010: 23). According to Noe, et al (quoted by Veithzal 2010: 23) that performance appraisal is only one part of a broad performance management process. Job performance evaluation is a way for companies to evaluate the results of their employees' work carried out in a certain period in a systematic, orderly and harmonious manner. Regarding the skills of existing employees in the company both qualitatively and quantitatively.

**Performance**

According to Indra Bastian (2006: 274) states that performance is a picture of achieving the implementation of an activity / program / policy in realizing the goals, objectives, mission, and vision of the organization. The list of things to be achieved is stated in the formulation of an organization's strategic planning. In general, performance is an achievement achieved by an organization in a certain period. Sinambela (2012: 136), argues that employee performance is defined as the ability of employees to do certain skills. So it can be argued that performance is a result of work achieved by an employee in accordance with standards and criteria that have been set in a certain period of time.

**RESEARCH METHOD**

**Research Design**

This research uses a quantitative research approach. Quantitative research is research that basically uses a deductive-inductive approach. This approach departs from a theoretical framework, the ideas of experts, and understanding of researchers based on their experience, then developed into problems raised to obtain justification (verification) or rejection in the form of field empirical data documents.

**Population and Samples**

The population in this study were employees (front liners) of PT Bank Negara Indonesia (Persero) Tbk Makassar Branch as many as 83 people. The sample is part of the number of characteristics possessed by the population so that it can represent the population. The sampling technique in this study is the census that the entire population into a sample (85 employees) consists of 42 permanent employees and 43 contract employees.

**Data Collection Method**

a. Observation Method

The method of observation is systematic observation and recording of symptoms that appear on the research object. In this study the authors use direct observation of the location of the study, especially at the BNI branch office in Makassar.

b. Questionnaire Method (Questionnaire)

Questionnaires, which are data collection techniques using a list of questions that have been prepared before, then distributed to each respondent to be filled or answered.

c. Review the document
In this study researchers used secondary data collection techniques obtained from documents and other secondary data sources that can support primary data obtained through questionnaires and interviews.

**Data Analysis Method**

Data collection techniques used in this study used a survey method with a questionnaire as a research instrument. Data analysis techniques were performed with qualitative analysis, quantitative used multiple regression analysis, validity test, reliability test, F test, T test, and path analysis.

**EMPIRICAL RESULTS**

**Path Analysis Test Results**

The direct influence of the non-physical environment (X1) and performance appraisal (X2) on work stress (Y1)

**Table 1. Model I Regression Test Results**

<table>
<thead>
<tr>
<th>Model 1</th>
<th>Independent Variable</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>non-physical environment</td>
<td>0.284</td>
<td>2.417</td>
<td>0.018</td>
</tr>
<tr>
<td></td>
<td>performance appraisal</td>
<td>0.147</td>
<td>1.246</td>
<td>0.216</td>
</tr>
</tbody>
</table>

Source: SPSS processed

**Table 2. Determination Coefficient Test Results**

<table>
<thead>
<tr>
<th>Model 1</th>
<th>Variable</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>non-physical environment, performance appraisal</td>
<td>0.067</td>
</tr>
</tbody>
</table>

Source: SPSS processed

Based on the beta value of the influence of non-physical environment variables (X1) of 0.284 and performance assessments (X2) of 0.147 on work stress. Referring to the model 1 regression output it can be seen that the non-physical environment of work stress with a t-test of 2,417 and the significance of 0.018 means that it has a direct and significant effect while the performance appraisal of work stress with a t-test of 1,246 and the significance of 0.216 means that it has no significant effect. The coefficient of determination obtained by 0.067, this means that any change in work stress, can be explained by variables X1 and X2 which is 67% and the remaining 33% is explained by other factors not explained in this study.

The direct effect of non-physical environment (X1) performance appraisal (X2) and work stress (Y1) on employee performance (Y2)

**Table 3. Model II Regression Test Results**

<table>
<thead>
<tr>
<th>Model 2</th>
<th>Independent Variable</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>non-physical environment</td>
<td>0.303</td>
<td>3.222</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>performance appraisal</td>
<td>0.231</td>
<td>2.512</td>
<td>0.014</td>
</tr>
<tr>
<td></td>
<td>work stress</td>
<td>0.533</td>
<td>6.237</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: SPSS processed

**Table 4. Determination Coefficient Test Results**

<table>
<thead>
<tr>
<th>Model 2</th>
<th>Variable</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>non-physical environment, performance appraisal, work stress</td>
<td>0.449</td>
</tr>
</tbody>
</table>

Source: SPSS processed

From the results of the regression test the magnitude of the influence of the non-physical environment variable (X1) was 0.303 and the performance appraisal (X2) was 0.231 and work stress (Y1) was 0.533. Referring to the model 2 regression output it is known that the non-physical environment variable obtained by t-test was 3,222 and the significance of 0.002 meant that it had a significant effect on performance then the performance evaluation variable was obtained by t-count
by 2.512 and the significance of 0.014 meant that it had a significant effect on performance while the work stress variable was obtained by t-count of 6.237 and the significance of 0.000 means that it has a significant effect on employee performance. The coefficient of determination obtained by 0.449 which shows that the percentage contribution of the influence of independent variables on the dependent variable contributions X1, X2 and Y1 to Y2 of 44.9% and the remaining 55.1% is the contribution of other variables not examined.

**Figure 1. Path Analysis Final Model**

**Table 5. Hypothesis test**

<table>
<thead>
<tr>
<th>No</th>
<th>Hypothesis</th>
<th>Coefficient Value</th>
<th>Significance</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Non-Physical Environment of Work Stress (X1 → Y1)</td>
<td>0.284</td>
<td>0.018</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Performance Appraisal of Work Stress (X2 → Y1)</td>
<td>0.147</td>
<td>0.216</td>
<td>Hypothesis Rejected</td>
</tr>
<tr>
<td>3</td>
<td>Work Stress on Employee Performance (Y1 → Y2)</td>
<td>0.533</td>
<td>0.000</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Non-Physical Environment on Employee Performance through Work Stress (X1 → Y2 through Y1)</td>
<td>0.650</td>
<td>0.016</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>5</td>
<td>Performance Appraisal of Employee Performance through Work Stress (X2 → Y2 through Y1)</td>
<td>0.903</td>
<td>0.087</td>
<td>Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Source: SPSS processed

**DISCUSSION**

1. **Effect of Non-Physical Environment on Work Stress**

   Based on the results of the study showed that the non-physical environment directly has a significant effect on employee work stress at PT Bank Negara Indonesia (Persero) Tbk Makassar Branch, this can be seen from the t-count of 2.417 greater than t-table namely 1.988 and the Standardized Coefficient Beta which shows the magnitude of the contribution of non-physical environmental variables to work stress is 0.000 less than alpha 0.050 so H1 is accepted. Then it can be concluded that there is a significant positive influence on the non-physical environment on work stress, meaning that a good work environment will encourage someone to work better and be positive. Most of the employees of PT Bank Negara Indonesia (Persero) Tbk Makassar Branch feel the relationship between fellow employees and superiors has been going quite well, it's just that the implementation of working hours from this study is known to be not up to standard and insufficient rest periods. This is in line with the research conducted by Afini (2017) stating there is a real and positive relationship between work environment and work stress, meaning that the worse the environmental conditions, the higher the employee stress.

2. **Effect of Performance Appraisal on Job Stress**

   Based on the results of the study showed that performance appraisal did not significantly influence the work stress of employees at PT Bank Negara Indonesia (Persero) Tbk Makassar Branch.
5. Effect of Performance Appraisal on Employee Performance through Job Stress

The results showed that indirectly performance appraisal had a significant effect on employee performance through work stress so that H5 was accepted. This shows that if the performance appraisal received by a good employee will also have a good impact on employee performance, the employee can avoid work stress. If work stress acts as an intervening variable between performance appraisal received by a good employee will also have a good impact on employee performance through work stress so that H5 was accepted. This shows that if the performance appraisal system has a negative and significant effect on work stress.

3. Effect of Job Stress on Employee Performance

Based on the results of the study showed that work stress has a positive and significant effect on employee performance at PT Bank Negara Indonesia (Persero) Tbk Makassar Branch, this can be seen from the t count of 6.237 greater than t table namely 1.988 and Standardized Coefficient Beta which shows the amount of contribution Job stress variable on employee performance is 0.000 smaller than alpha 0.050, it can be concluded that there is a positive and significant influence between work stress on employee performance so that H3 is accepted. This condition illustrates that stress can have positive consequences, stress is not something that must be avoided. At a certain level of stress it is necessary, if there is no stress at work, employees will not feel challenged with the result that performance will be low. Employees will exert all abilities to achieve high and thus be able to complete the task well. For a leader, the pressures given to an employee must be related to whether the stress caused by these pressures is still in a normal state. According to Robbins (2008: 369) stress itself does not have to be bad, although it is usually discussed in a negative context, stress also has a positive value which is an opportunity offering potential results. This is in line with the research conducted by U.S. Mandagie, Kawet & Uhing (2016) that work stress has a positive and significant effect on employee performance.

4. Effect of Non-Physical Environment on Employee Performance through Work Stress

Based on the results of the study indicate that indirectly the non-physical environment significantly influence employee performance through work stress so that H4 is accepted. In accordance with the opinion of A. Dale Timpel in Mangkunegara (2013: 5) states that performance consists of internal and external factors, where internal factors are factors related to one's traits, while external factors are factors that affect the performance of a person who originates from the environment. In accordance with the opinion of Sedarmayanti (2001: 31) that the non-physical work environment is all the conditions that occur relating to relationships with colleagues or relations with superiors / subordinates. The existence of a good work environment will be satisfying for employees and become the basis for increasing effectiveness in work. These results also provide empirical evidence that the non-physical environment as a support for work if the implementation of working hours in accordance with standards, adequate rest periods, relations between employees and superiors go well can provide morale in this case will provide stimulation to one's nerves to work by reducing their stress levels and this will support increased performance. So it can be concluded that the non-physical environment has a significant influence on employee performance through work stress, the better the non-physical environment will improve employee performance and lower work stress.
appraisal on performance, the higher the employee's performance will be. This is also supported by research conducted by Burney and Matherly (2007) who examined the performance measurement system, information that is appropriate to the job and employee behavior response (role stress) and performance. The better performance appraisal received by employees will increase employee performance and decreased work stress.

CONCLUSION

Based on the results of research and discussion that has been stated, it can be concluded that the non-physical environment has a positive and significant effect on work stress. The performance evaluation has no significant effect on work stress. The job stress has a positive and significant effect on employee performance. The non-physical environment indirectly influences employee performance through work stress. The performance appraisal indirectly affects employee performance through work stress.

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