The Effect of Work Environment on Organizational Culture and Employee Performance

The Case of Secretariats Office of Boven Digoel District

Antoneta Cristofora Yoghant, Abdul Rakhman Laba, Andi Aswan, Bintang Balele

Abstract

Employee performance is a main concern for public organizations to provide excellent service to public communities. To reach a high employee performance, human resources is prominent key successes. This study aims to analyse the effect of work environment on organizational culture and employee performance mediated by organizational culture at Regional Secretariat Office of Boven Digoel Regency. The study applied Structural Equation Modeling (SEM) with the use of a saturated sample from seven working divisions at Secretariat Office. With respect to analysis, all weighted loading factor indicate above 0.50 and coefficient path parameters for the relationship between the work environment and organizational culture and employee performance are a positive and significant. This is also valid for the relationship between organizational culture and employee performance.

Keywords: work environment; organizational culture; employee performance

INTRODUCTION

All government organizations have challenges in managing human resources. Government agencies that have good performance are supported by qualified human resources. In contrast, not a few organizations fail to maximize organizational performance due to the HR performance factor. Thus, there is conformity between the success of the organization or the performance of the Organization with the performance of individuals or human resources. The importance of working environment in the company is the most important part because it can improve employee performance.

In particular, organizational culture can play a role in creating the radius of organizational members, developing the participation of each member with the organization and presenting the Code of work conduct for its members. Organizational effectiveness can be improved by creating a strong culture, which can be used to achieve organizational objectives. Riani (2011:7) argues that the organizational culture as the dominant value disseminated in the organization is used as the work philosophy of employees who guide organizational policies in managing employees.

A strong organizational culture supports the company's goals, otherwise weak or negatively impede the company's objectives. In a company whose organizational culture is strong, shared values are deeply understood, adhered to, and championed by most members of the organization. A (company employee). Strong and positive culture is very influential in the behavior and effectiveness of the company's performance.
Based on initial observations, the regional secretariat body of Boven Digoel as one of the government agencies in Boven Digoel district with employees originating from various tribes and cultures in Indonesia. A strong organizational culture is needed to be implemented together to support employee performance and this is not easy. Organizational culture is not separated from the existence of good physical and non-physical work environment. In addition, the non-physical work environment demonstrates the good togetherness between employees in solving work and solidarity between employees.

Based on the theory, previous research and phenomenon as a result of pre-observation, authors are interested to do research with the title of the influence of work environment on organizational culture and employee performance in the case of staff secretariat in Boven Digoel Regency.

**LITERATURE REVIEW**

**Human Resource Management**

Yani (2012:2) define that human resource management has an understanding of the planning, procurement, development, maintenance and use of human resources in an effort to achieve an individual or organizational goal. Edison et al., (2016:10) argues that human resource management is a management focused on maximizing the ability of employees or their members through strategic measures in order to improve employee/employee performance towards optimizing organizational objectives. In general, Human Resources management (SDM) can be interpreted as a science to manage relationships and work arrangements effectively and efficiently to achieve the objectives of the organization or the company. Sunyoto (2015:8) States that there are four objectives of human resources management, namely: 1. Social objectives, 2. Organizational objectives, 3. Functional objectives and 4. Personal goals.

**Work Environment**

According to Dewi & Utomo (2015) that in designing the work environment there are two things that need to be designed that is to design a physical workspace and design people who are a group of people and form a social environment. Sedarmayanti (2001) that the working environment is the whole of the tools and materials encountered, the surrounding environment where someone works, the method of working, and the arrangement of his work both as individuals and as groups.

The organizational work environment is very supportive for individuals in achieving work performance. The organizational environmental factors in question include clear job descriptions, adequate authority, challenging work targets, effective work communication patterns, harmonious working relationships, respectful and dynamic working climate, career opportunities and relatively adequate work facilities. During the work, each employee will interact with various conditions found in the working environment. Broadly, the type of work environment is divided into two, namely (Sedarmayanti, 2001) namely physical environment and non-physical environment.

There are several factors related to the work environment, namely: (Sunyoto, 2013:44): Employee relations, working environment noise level, work rules, lighting, air circulation, and security. Human resources measurement in this study include workplace, facilities, cleanliness, trust, and tranquility (Sutrisni, 2014:11).

**Organisational Culture**

Robbins in Riani (2011:7) argues that the organizational culture as the dominant value disseminated in the organization is used as the work philosophy of employees who guide organizational policies in managing employees and consumers. Organizational culture is created according to its purpose, but also not as a shackle. If the organizational culture is strong, it shows that its management has a high commitment to the importance of the culture. Decision. While weak organizational cultures usually form themselves that do not have a strong foundation and philosophy
and can only change on the basis of a moment's appetite.

The organizational cultural indicators in this study include individual initiatives, tolerance to
risky actions, directives, integrations, management support (Tika: 2010, 10-11).

**Employee Performance**

Etymologically, performance comes from performance. The term performance of the word job
performance or actual performance (work achievement or actual achievement achieved by a person)
is the result of work in quality and quantity achieved by an officer in carrying out his duties in
accordance with the responsibilities given to him. Employees who work in an organization with good
performance then the effectiveness or success of an organization will be achieved (Guswandi et al.,
2020). To know the success in carrying out the work needs to be done performance assessment
(Firmansyah et al., 2020). Performance is a level of success in carrying out tasks and the ability
to achieve a set goal. Performance is said to be good and successful if the desired goal can be achieved
well. Davis in Darodjat (2015:113) Explains the factors affecting performance achievement are:
1. Human Performance = ability + Motivation
2. Motivation = attitude + situation
3. Ability = knowledge and skills

The employee performance indicators used in this study include quality of work, job
knowledge, cooperation, and dependability (Faustino, 2003:142).

**RESEARCH METHOD**

**Location and Research Design**

This type of research is quantitative, where the study used a survey method with a pathway
analysis technique to figure out the influence of independent variables and dependent variables in the
regional secretariat of Boven Digoel County. While the time it takes to conduct research takes about
three months from November to January 2020.

**Population or Samples**

Population in this study was 110 employees in 7 staff of the Boven Digoel District secretariat.
The samples used in this study were all employees of the District secretariat of Boven Digoel or
commonly called a saturated sample so that the samples in this study were 110 respondents.

**Data Collection Method**

As a complement to this discussion, it is necessary to have data or information both inside
and outside the company. Researchers use data collection methods through the dissemination of
questionnaires to respondents in this case all employees of the Boven Digoel District secretariat in
the following ways: observation, interviews, documentation, questionnaires.

**Data Analysis Method**

Method applied in the research is quantitative research with the use of path analysis. The
variables studied are the work environment, organizational culture and employee performance.
Direct effect was analyzed with the relationship between work environment and organizational
culture and employee performance as well as the organizational culture and employee performance.

**EMPIRICAL RESULTS**

**Description of Respondent**

Respondents in this research was the secretariat of the District of Boven Digoel, samples in
this study, as many as 11 Respondents in this research was the secretariat of the District of Boven
Digoel, samples in this study of 110 respondents but when the questionnaire was given only 100
respondents who returned Kuesionerya to researchers at because the officer did not enter the office
and other reasons. So only 100 kuesioer are used for data processing. 0 respondents but when the
questionnaire was given only 100 respondents who returned Kuesionerya to researchers at because the officer did not enter the office and other reasons. So only 100 kuesioer are used for data processing.

The description of the respondent's response are associated with the organizational environment (X) organization (Y1) variable, employee performance (Y2), can be seen in the table below:

<table>
<thead>
<tr>
<th>X Axis (variables)</th>
<th>Y1.1</th>
<th>Y1.2</th>
<th>Y1.3</th>
<th>Y1.4</th>
<th>Y1.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>3.515</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2</td>
<td>3.515</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X3</td>
<td>3.596</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X4</td>
<td>3.808</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X5</td>
<td>3.354</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: primary collecting data by the author (2020)

**Figure 1.** Responses of respondents to the Work Environment

<table>
<thead>
<tr>
<th>Y1 Axis (indicators)</th>
<th>Y1.1</th>
<th>Y1.2</th>
<th>Y1.3</th>
<th>Y1.4</th>
<th>Y1.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1.1</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Y1.2</td>
<td></td>
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<td></td>
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<tr>
<td>Y1.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1.5</td>
<td></td>
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</tr>
</tbody>
</table>

Source: primary collecting data by the author (2020)

**Figure 2.** Response of Respondents to Organizational Cultures

<table>
<thead>
<tr>
<th>Y2 Axis (indicators)</th>
<th>Y2.1</th>
<th>Y2.2</th>
<th>Y2.3</th>
<th>Y2.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y2.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y2.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y2.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y2.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: primary collecting data by the authors (2020)

**Figure 3.** Response of Respondents to Employee performance

Overall, the graphs above show that the responses of the three related respondents of the existing variables are categorized as well where each indicator has the score not less than 3.5. Therefore, the indicators used in this research can be used as a reference to be continued and
processed.

Validity and Reliability

The validity test in SmartPLS is assessed based on the loading factor of the indicators that measure the construct, rule of thumb used for maximum initial research factor if the value is ≥ 0.30 (level of minimal), for loading factor ± 0.40 better and > 0.50 is considered already very good. Or the t-statistic value Rangenyadua times greater than the default values of the error. The higher the value of loading factor the more important the role of loading in interpreting the matrix of factors. The validity test result of the respondent's response can be seen in the following table.

**Table 1. Validity Test**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Original Samples(0)</th>
<th>Statistic (1 /STDEV I)</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.1 Work Environment</td>
<td>0.924</td>
<td>51.499</td>
<td>0.000</td>
</tr>
<tr>
<td>X1.2 Work Environment</td>
<td>0.944</td>
<td>78.829</td>
<td>0.000</td>
</tr>
<tr>
<td>X1.3 Work Environment</td>
<td>0.946</td>
<td>103.474</td>
<td>0.000</td>
</tr>
<tr>
<td>X1.4 Work Environment</td>
<td>0.770</td>
<td>12.674</td>
<td>0.000</td>
</tr>
<tr>
<td>X1.5 Work Environment</td>
<td>0.895</td>
<td>32.504</td>
<td>0.000</td>
</tr>
<tr>
<td>Y1.1 Organizational Cultures</td>
<td>0.839</td>
<td>28.740</td>
<td>0.000</td>
</tr>
<tr>
<td>Y1.1 Organizational Cultures</td>
<td>0.915</td>
<td>83.779</td>
<td>0.000</td>
</tr>
<tr>
<td>Y1.1 Organizational Cultures</td>
<td>0.916</td>
<td>45.612</td>
<td>0.000</td>
</tr>
<tr>
<td>Y1.1 Organizational Cultures</td>
<td>0.737</td>
<td>12.450</td>
<td>0.000</td>
</tr>
<tr>
<td>Y1.1 Organizational Cultures</td>
<td>0.820</td>
<td>17.940</td>
<td>0.000</td>
</tr>
<tr>
<td>Y2 2 Employee performance</td>
<td>0.894</td>
<td>65.629</td>
<td>0.000</td>
</tr>
<tr>
<td>Y2 2 Employee performance</td>
<td>0.695</td>
<td>5.649</td>
<td>0.000</td>
</tr>
<tr>
<td>Y2 2 Employee performance</td>
<td>0.835</td>
<td>10.633</td>
<td>0.000</td>
</tr>
<tr>
<td>Y2 2 Employee performance</td>
<td>0.863</td>
<td>28.678</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Data processing by the author (2020)

The table shows the environment variables, organizational culture and performance of each employee has the load value (original sample) of the above factor 0.5 and is categorized as excellent (valid) for further testing of the hypothesis.

**Table 2. Reliability Test**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach’s Alpha</th>
<th>Reabilitas Komposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Cultures</td>
<td>0.900</td>
<td>0.927</td>
</tr>
<tr>
<td>Employee performance</td>
<td>0.850</td>
<td>0.894</td>
</tr>
<tr>
<td>Work Environment</td>
<td>0.938</td>
<td>0.954</td>
</tr>
</tbody>
</table>

Source: Data processing by the author (2020)

Based on the table above it can be seen that each Cronbach Alpha research variable consisting of 0.938 working environment, organizational culture 0.900 and employee performance 0.850 all variables have a Cronbach alpha value greater than 0.7 so that the extracts in this study are otherwise reliable or valid.

Path Analysis Results

In this research is done after the bootstrapping then obtained the value of estimation coefficient to contact the line in the structural model that is processed with Smart PLS and after the processing of data can be presented result of processed data path coefficient and specific indirect effect as follows the tables below:

**Table 3. Direct Effect**

<table>
<thead>
<tr>
<th>Path</th>
<th>Original Samples(0)</th>
<th>T Statistic</th>
<th>P Value</th>
<th>Result</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Environment → Organizational culture</td>
<td>0.417</td>
<td>3.727</td>
<td>0.000</td>
<td>Significant</td>
<td>Accepted</td>
</tr>
<tr>
<td>Work Environment → Employee performance</td>
<td>0.457</td>
<td>3.863</td>
<td>0.000</td>
<td>Significant</td>
<td>Accepted</td>
</tr>
<tr>
<td>Organizational Cultures → Employee Performance</td>
<td>0.852</td>
<td>27.053</td>
<td>0.000</td>
<td>Significant</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Data processed, 2020
**Table 4. Indirect Effect**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Samples (0)</th>
<th>T Statistic</th>
<th>P Value</th>
<th>Results</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Environment -&gt; Organizational Cultures -&gt; Employee performance</td>
<td>0.355</td>
<td>0.451</td>
<td>0.001</td>
<td>Significant</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Data processing by the author (2020)

Based on the results of the path coefficient analysis, the overall hypothesis testing results can be seen in the following table:

**Table 5. Hypothesis Test Result**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Work Environment =&gt; Organizational Cultures</td>
<td>Significant</td>
</tr>
<tr>
<td>H2 Work Environment =&gt; Employee performance</td>
<td>Significant</td>
</tr>
<tr>
<td>H3 Organizational Cultures =&gt; Employee performance</td>
<td>Significant</td>
</tr>
<tr>
<td>H4 Work Environment =&gt; Organizational Cultures =&gt; Employee performance</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Data processing by the author (2020)

**DISCUSSION**

*The Influence of environmental work on organizational cultures*

Based on statistical test results for work environment, it was concluded that the working environment had a positive and significant influence on organizational culture. It shows that if the working environment is getting better it will improve the organizational culture. The results of the study also showed respondents' responses to the working environment on organizational cultures that showed an average high/good respondent response although there were still those showing a doubtful response and disagreeing on the organizational culture that is currently perceived towards the working environment. Based on the results of interviews and observations with the found officers said that for the work environment in the Office of the Secretariat District District Boven Digoel is not good so that it is based on organizational culture.

The results of this research are supported by the opinion that is said by Alex S. Nitisemito (2006), the company should be able to reflect the working environment that can support employees' performance and cooperation between superiors, subordinates and who have the same position status in the company. The conditions that should be created are family atmosphere, good communication, and self-control.

The results were also supported by the research of Ali (2018) under the title of analysis of the influence of environmental and organizational culture of employees' performance in the office of Bank Indonesia Special region of Yogyakarta.

*The Influence of Work Environment on Employee Performance*

Based on statistical test results for the working environment variable to employee performance it was concluded that the working environment partially had a significant positive influence on performance. Based on these results, indicating if the working environment is better then it will improve employee performance. The results showed respondents' responses to the working environment and employee performance which showed an average response of high/good respondents even though there were still those showing response hesitant, disagreed and strongly disagreed on the performance of employees who were currently perceived towards the work environment. Based on the results of interviews and observations with the staff said that for the work environment related to the performance of employees shows that the working environment in the secretariat of the District Boven Digoel is not good so it affects the performance of employees.

This is in accordance with the theory expressed by Anwar Prabu Mangkunegara (2010), namely that the working environment has a very close relationship to the employees' performance, the achievement motifs that employees need to be grown from within themselves and from the work environment, because the achievement motif that is grown from within itself will create a power of...
self and if the situation of the work environment also supports the performance. Performance can also be used as the basis for providing a system of division of labor or responsibility (Fatma et al., 2020). An employee has a good performance if the employee is able to do the same job or exceeds the standards or criteria that have been set together in the organization (Junaidin et al., 2019).

The results were also supported by the research of Diana Khaifani (2013) under the title of environmental influence on work performance of BAPPEDA employees. The results of the analysis show that the work environment is important and significant to the employee's performance. 

The Influence of Organizational Cultures on Employee Performance

The results showed respondents' responses to the organizational culture against employee performance that demonstrated a high average response from respondents/good although there were people who showed questionable, disagreed and highly disagreed responses to the performance of employees who were currently perceived in organizational culture. Based on the results of interviews and observations with employees found to say that for organizational culture related to employee performance shows that employees at the Boven District Secretariat have an organizational culture that is less so impacting performance.

These results are in line with the theory expressed by Wibowo (2015) employee performance determined by internal environmental conditions and external organizations, including organizational culture. Therefore, the ability to create organizational cultures is able to encourage employee performance in completing assigned tasks. On the other situation, an employee does not perform well if the work is less than the standards or criteria that have been set together (Hardiyono et al., 2017)

These results are also supported by the research of Arianty (2015) with the title of cultural influence of the organization towards employee performance.

The Influence of Work Environment on Organizational Culture and Employee Performance

From the research results shows the working environment variables are positive and significant to the employee's performance variables if in mediation by the organizational culture. Based on these results, indicating if the working environment is better then it will improve employee performance if in mediation by the organizational culture. The results showed respondents' response to the implementation of the work environment, organizational culture and employee performance which showed an average response of high/good respondents even though there were still those showing the response of hesitation, disagreeing and strongly disagreeing of the organizational culture and personnel performance currently perceived towards the work environment. Based on the results of interviews with officials of the regional secretariat of Boven Diogel District that was found to say that for the working environment associated with organizational culture and employee performance, the work environment is less comfortable and has an impact on the culture of its organization and employees' performance.

This research is in line with the theory that is being pointed out by Veithzal Rivai and Ahmad Fawzi Mohd. Basri in Oktaviani and Rahardjo (2014) stated that the working environment is an organizational element as a social system that has a strong influence on the establishment of individual behaviors in the organization and affects employees' performance.

The results are also supported by the research of Oktaviani and Rahardjo (2014) with the title analysis of the influence of environmental and organizational culture of employees' performance on the resources cooperative of Central Java.

CONCLUSION

The results of the study can be concluded that the working environment variable has a positive and significant influence on the organizational culture and employee's performance at the secretariat of the Boven Digoel District. Organizational culture has a positive and significant impact on employee performance. The Working environment positively and significantly affect the employee's performance if mediated by the organizational culture.
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pertama. Penerbit: Perpustakaan Siswa, Yogyakarta