Effect of Job Satisfaction in Leadership Mediation and Work Environment on Employee Performance PT. BPR Bank Daerah Bangli (Perseroda) (Local Bank in Bangli Regency)

Made Ayu Adhi Lestari*, Ida Bagus Udayana Putra, and Gusti Ayu Sugiatni
Postgraduate Masters Program in Management, Universitas Warmadewa, Bali, Indonesia
*Email: adhilestari@gmail.com
Published: 01/03/2022

How to cite (in APA style):

Abstract—This study aims to determine the effect of leadership, work environment, on employee performance with job satisfaction as an intervening variable (mediating) on the effect of job satisfaction in mediating leadership and work environment on employee performance at PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency). This research is quantitative descriptive. The sampling technique in this study used a non-probability sampling method with a saturated sample technique. By using a sample of 65 employees of PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency). The data analysis technique used is analysis using the PLS (Partial Least Square) examination method. The results showed that Leadership has a significant positive effect on employee satisfaction. The work environment has a significant positive effect on employee job satisfaction. Leadership has a significant negative effect on employee performance. This means that an increase in leadership within the company will result in a decrease in the level of employee performance. The work environment has a positive and significant effect on employee performance. Job satisfaction has a positive but not significant effect on employee performance. Job satisfaction does not mediate the influence of leadership on employee performance, Job satisfaction does not mediate the effect of the work environment on employee performance.

Keywords: employee performance; job satisfaction; leadership; work environment

I. INTRODUCTION
In the era of the industrial revolution 4.0 and the current free market era, competition in all industrial fields is very tight so that every business actor is required to improve company performance in order to compete in a healthy manner. One sector that is experiencing rapid growth with intense competition is the banking sector, especially the growth and development of Rural Banks (BPR). The Indonesian BPR Association (Perbarindo) stated that the growth of rural banks in Bali province has exceeded the growth of commercial banks (Perbarindo, 2019).

BPR has a positive impact on the development of the Indonesian economy, especially in the activities of small, micro and medium enterprises so that they can help create jobs, equalize income and equal business opportunities in Indonesia. BPR has become part of the nation's economic development. The existence of BPR has spread in all regencies/cities in Indonesia, one of which is in Bali. Bali is one of the provinces in Indonesia with the third largest BPR asset growth in Indonesia (Widiani, 2019).

The increase in the amount of funds or assets managed by the BPR must be followed by an increase in the performance of the human resources managing the BPR. Human resources are important in company management because they are actors from all levels of planning to evaluation who are able to utilize other resources owned by the organization or company (Latief, 2012). This
also applies to BPRs, increasing sources of funds managed by BPRs demands that employee performance be more optimal so that the BPR's goal is to provide services to micro, small and medium enterprises and the surrounding community and have a positive impact on the Indonesian economy. However, the phenomenon of increasing funds managed by BPR has not been in line with the increase in the performance of BPR employees.

Companies in carrying out their activities must be able to maintain high competitiveness for their survival as companies engaged in services (services) must strive to achieve company goals. One thing that must be considered together is human resources, because employees who have high quality for the company are a determining factor for success in the company. Quality human resources are one of the strengths possessed by every organization to achieve the expected goals of the organization (Son & Surya, 2020).

Human resources are an important part in achieving organizational goals, both large and small companies. This is supported by the statement Prahasti & Wahyono (2018) which states that one of the organizational resources that have the most important role in achieving the goals of an organization is human resources. In addition, human resources are also one of the main driving forces for every operation carried out by the company. The strength of human resources in an organization is increasingly being realized so that humans are seen as the most important asset of various resources in the organization (Kurniawan, 2020). Therefore, it is necessary to have good human resource management in every organization.

HR management is important and becomes the focus of attention, one of the factors to be considered in HR development is the performance of the employees themselves (Princess, 2018). Employee performance is a very important thing in the company's efforts to achieve its goals, namely (1) quantity of output, (2) quality of output, (3) output period, (4) attendance at work, (5) cooperative attitude (Gede & Gunapatra, 2017). Where the performance of an organization depends on the performance of its employees who are the motor for the running of a company (Yuta, 2019). According to Fathoni et al. (2021) good employee performance will directly affect the performance of the institution and to improve employee performance is certainly a time-consuming and long process. The phenomenon that has occurred recently is the decline in the performance of employees amid the COVID-19 pandemic. According to Gibson (in Prahasti & Wahyono, 2018), employee performance in the company is influenced by many factors including abilities, skills, motivation, work environment, job satisfaction, job design, leadership style, rewards and so on.

The success of the company is determined by several factors, one of which is employee performance (Darmayoga, Suwandana, & Adi, 2020). This is because the more employees who have high performance, the overall productivity of a company will increase so that goals can be achieved and realized (Ariarni & Afrianty, 2017; Kridharta & Rusdianti, 2017; Sarastini & Suardikha, 2017). Employee performance is influenced by several factors, both internal and external factors. Rasmuji & Putranti (2017) states that the performance of human resources will be fulfilled if job satisfaction as an element that affects performance can be achieved perfectly. Job satisfaction can be a driving factor for increasing employee performance in the company. Job satisfaction is a (positive) attitude of workers towards their work, which arises based on research on work situations (Rashid & Tanjung, 2020). According to Masram & Mu‘ah (2017:117) job satisfaction is an affective or emotional response to various aspects or aspects of one's work so that job satisfaction is not a single concept. If an employee has obtained satisfaction from his work, he will feel happy to work (Siagian & Khar, 2018). Job satisfaction has a unidirectional relationship when it is associated with more productive performance (Noor et al., 2016). According to Tjandra, Setiawati (in Rasmuji & Putranti, 2017) proves that job satisfaction is influenced by the work environment, leadership and work motivation.

Research result Bastian (2017) stated that until now the performance of BPR is still not optimal. Surveys conducted Bastian (2017) in Cirebon found that the performance of BPR employees had not reached 100% of the ideal score but only 75.1%. This number is not bad, but also not very good so that the findings of this survey are in line with the results of the interviews conducted (Gede & Priartini, 2018). Phenomenon found from research Bastian (2017) as well as Gede & Priartini (2018); Sayekti & Kartika (2016) shows that BPR should pay great attention to employee performance. Simanjuntak (2015) states that the performance of employees or employees is influenced by three factors, namely: the first is the individual competence factor, the
organizational support factor and the third factor is management support. One form of management factors that affect employee performance is the leadership factor.

Leadership is one of the factors that affect employee performance. This is supported by a statement from Rofiliana & Rofiuddin (2021) which states that increasing employee performance has many factors that influence it, including leadership. According to Griffin in Gede & Gunapatra (2017) the notion of leadership is divided into two concepts. Leadership is needed by humans, because there are limitations and advantages and some have limited ability to lead (Yuta, 2019). Good leadership will affect the process of carrying out a good job and refer to good employee performance as well (Happy et al., 2018). The performance of employees must also be directed, guided and supervised by the leadership so that all processes of implementing activities are carried out properly. Leadership has a role as a dynamic force that drives, motivates and coordinates organizational companies in achieving goals (Siagian & Khair, 2018). Research conducted by Rofiliana & Rofiuddin (2021) stated that leadership has a positive and significant direction on employee performance and job satisfaction. Fathoni et al. (2021) states that leadership has a significant effect on job satisfaction and employee performance.

Another factor that affects employee performance is the work environment. This is supported by a statement from Rofiliana & Rofiuddin (2021) which states that another component of driving an employee's performance is the work environment. In general, the understanding of the work environment is the conditions and atmosphere in which these employees carry out their duties and work to the maximum (Siagian & Khair, 2018). The importance of the work environment for performance because a good and positive and empowering work environment can increase employee productivity (Sengkey, Roring, & Dotulong, 2017). Employees who feel comfortable working in a comfortable and safe work environment will feel at home working so that they can carry out their duties effectively and efficiently. With a comfortable work environment for employees, employee performance will be better (Happy et al., 2018). Research conducted by Sengkey et al. (2018) proves that the work environment has a significant effect on employee performance. In addition, research conducted by Fathoni et al. (2021) proves that the work environment has a significant effect on employee performance.

This research was conducted at PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency), having its address at Jalan Merdeka No. 27 Bangli, which is a company of one of the Regional Government Owned Enterprises (BUMD) in Bangli Regency. Based on the results of the initial research, the researchers obtained data on the development of loans provided by PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency) with a comparison of 2019 and 2020 and 2021. The data on credit development provided can be seen in the following table:

Table 1. Data on Development of Loans Disbursed in 2019 – 2020 (In Thousand Rupiah)

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Plan</th>
<th>Realization</th>
<th>Deviation</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2019</td>
<td>112,683,336</td>
<td>114,891,461</td>
<td>2.208,125</td>
<td>1.96</td>
</tr>
<tr>
<td>2</td>
<td>2020</td>
<td>120,588,403</td>
<td>123,870,302</td>
<td>3,281,899</td>
<td>2.72</td>
</tr>
<tr>
<td>3</td>
<td>2021</td>
<td>129,787,905</td>
<td>121,769,716</td>
<td>(8,018,189)</td>
<td>(6.18)</td>
</tr>
</tbody>
</table>

Source: PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency)

Based on table 1 above, it shows the development of loans provided for 2019 the realization exceeded the plan of Rp. 2,208,125 or 1.96% and for 2020 the realization of loans has also exceeded the plan of Rp. 3,281,899 or 2.72%. The achievement of the credit targets given in 2019 and 2020 occurred due to increased employee productivity which also had an impact on employee performance and at the same time affected the company's performance. Meanwhile, if viewed in 2020, the credit target provided has not reached the target of Rp. 8,018,189 or 6.18%.

From the initial observations it was stated that the leader at PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency) has not performed its management function properly. It is proven by the presence of several employees who submit their complaints to the Head of General Affairs and HR where employees complain because when they want to discuss/ask for instructions to their superiors regarding the problems encountered in...
carrying out their duties, the leaders often cannot provide solutions and sometimes even act “very stupid” or don't care. In addition, to the leadership factor, another factor that influences performance is the work environment. Physical work environment at PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency) From the initial observations, it can be seen that the office building is quite large, but the workspace is not large and representative. Most of the space in the office ± 4x4 m2 is used for 4 to 5 employees, each has a work desk. There is no work desk distance between employees and the distance to walk is 50 cm, this sometimes makes it difficult for employees to move, especially if one of the employees is receiving guests in the office space. Plus there is a file cupboard that is placed in one corner of the room, making the space look more crowded and crowded. This will also affect the work concentration of employees which will have an impact on work results.

Research conducted by Rofiliana & Rofiuddin (2021) shows the results that leadership and work environment have a positive and significant direction on employee performance. Research conducted by Fathoni et al. (2021) shows the results that leadership and work environment have a significant effect on employee performance. Research conducted by Kurniawan (2020) shows the results that the work environment has a significant positive effect on employee performance. Research conducted by Happy et al. (2018) shows the results that there is a positive and significant influence partially leadership and work environment on employee performance. In contrast to the research conducted by Rahmayanti & Afandi (2016) which shows the results that there is no positive effect of leadership and work environment variables on employee performance. Research conducted by Manikkottama et al., (2019) showed the results that the work environment had a negative and significant effect on employee performance.

The problems above and several theories as well as previous research, the research needs to be conducted whether leadership and work environment factors can affect the performance of employees of PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency) with job satisfaction as an intervening variable. Therefore, this study aims to determine the effect of leadership, work environment, on employee performance with job satisfaction as an intervening variable (mediating) on the effect of job satisfaction in mediating leadership and work environment on employee performance at PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency).

II. METHOD

Research is a systematic investigation to increase a number of knowledge. The main objective of the research is to solve the previously defined problems. In determining the problem must be done objectively, rationally and avoid making up thinking. This research was conducted at PT. BPR Bank Daerah Bangli (Local Bank in Bangli Regency). The scope of this research includes a discussion of human resource management, especially regarding leadership, work environment, job satisfaction and employee performance. The research was conducted from September 2021 to completion. There are several variable identifications of this research. They are 1) the independent variable (exogenous variable) (X) is a variable that affects or causes changes in the dependent variable (endogenous variable). In this study, the exogenous variables or independent variables are leadership (X1) and work environment (X2). 2) Intervening variable (M) or mediating variable is a variable that mediates the relationship of an exogenous (free) variable to an endogenous (bound) variable. In this case, the intervening variable is job satisfaction (M). 3) The dependent variable (endogenous variable) is a variable that is influenced by the independent variable (independent variable). The dependent variable is employee performance (Y). Variable is the object of research, or what is the point of attention of a study (Arikunto, 2006:118). The operational definition of a variable aims to provide a more specific understanding of the variable. In addition, the operational definition of variables also aims to avoid errors in interpreting the variables studied.
III. RESULTS AND DISCUSSION

Table 1. Summary of Questionnaire Distribution and Return

<table>
<thead>
<tr>
<th>Description</th>
<th>Number of Questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaire sent</td>
<td>65</td>
</tr>
<tr>
<td>Responded Questionnaire</td>
<td>60</td>
</tr>
<tr>
<td>Incomplete questionnaire</td>
<td>5</td>
</tr>
<tr>
<td>Total returned and usable questionnaires</td>
<td>60</td>
</tr>
<tr>
<td>Rate of return (response rate)</td>
<td>92%</td>
</tr>
</tbody>
</table>

Source: primary data processed (2020)

Based on Table 1, above, it shows that a total of 65 questionnaires were distributed. The returned questionnaires were 60 questionnaires or 92 percent. Thus, it was concluded that the return on the questionnaire was 92 percent. This culinary return rate belongs to the high category.

The results of this study have shown that leadership has a significant positive effect on employee satisfaction, the work environment has a significant positive effect on employee job satisfaction, leadership has a significant negative effect on employee performance, the work environment has a positive and significant effect on employee performance, job satisfaction has a positive but not significant effect on employee performance, job satisfaction does not mediate the influence of leadership on employee performance, and job satisfaction does not mediate the effect of the work environment on employee performance. The results of this study indicate that job satisfaction according to the results of the study has different effects on employee performance depending on the validity of the factors mediated by job satisfaction.

Path analysis and hypothesis testing, it is expected that Ho is rejected or sig value < 0.05 (or t statistic value > 1.96 with a significant level of 0.05) which is expected to be Ho rejected or sig value < 0.05 (or t value statistic > 1.96 with a significance of 0.05).

Table 2. Direct Effect Test Results

<table>
<thead>
<tr>
<th>Direct Influence</th>
<th>Original Sample (O)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership (X1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction (M)</td>
<td></td>
<td>0.588</td>
<td>6,473</td>
<td>Significant Positive</td>
</tr>
<tr>
<td>Employee Performance (Y)</td>
<td></td>
<td>-0.256</td>
<td>2,365</td>
<td>Significant Negative</td>
</tr>
<tr>
<td>Job Satisfaction (M)</td>
<td></td>
<td>0.027</td>
<td>0.244</td>
<td>Positive Not significan</td>
</tr>
<tr>
<td>Employee Performance (Y)</td>
<td></td>
<td></td>
<td>0.807</td>
<td></td>
</tr>
<tr>
<td>Work Environment (X2) Job Satisfaction (M)</td>
<td>0.241</td>
<td>2,252</td>
<td>0.025</td>
<td>Positive Significant</td>
</tr>
<tr>
<td>Work Environment (X2) Employee Performance (Y)</td>
<td>0.872</td>
<td>13,485</td>
<td>0.000</td>
<td>Positive Significant</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2021
Based on Table 2, it shows that:

Leadership has a positive effect of 0.588 on job satisfaction, and the relationship is significant at the 0.05 level because the T-Statistic value is greater than 1.96, which is 6.473.

Leadership has a negative effect on employee performance by -0.256, and the relationship is significant at the 0.05 level with a t-value of 2.365.

Job satisfaction has a positive effect of 0.027 on employee performance, but the relationship is not significant at the 0.05 level with a t-value of 0.244 which is smaller than the T-table value of 1.96.

The work environment has a positive effect of 0.241 on job satisfaction, and the relationship is significant at the 0.05 level with a t-value of 2.252, which is greater than the T-table value of 1.96.

The work environment has a positive effect of 0.872 on employee performance, and the relationship is significant at the 0.05 level with a t-value of 13.485, which is greater than the T-table value of 1.96.

The Effects of Mediation Analyzed Include The Analysis of Direct and Indirect Effects

The analysis in this study uses the examination method. The examination method is done by doing two analyzes, namely the analysis involving the mediating variable and the analysis without involving the mediating variable. The method of examining the mediating variable with the coefficient difference approach is carried out as follows:
(a) examining the direct effect of the Independent Variable on the Dependent Variable in the model by involving the mediating variable, (b) examining the effect of the Independent Variable on the Dependent Variable in the model without involving the mediating variable, (c) examine the effect of the independent variable on the mediating variable, and (d) examine the effect of the mediating variable on the dependent variable.

If (c) and (d) are significant, and (a) are not significant, then the intervening variable is said to be a complete mediation variable. If (c) and (d) are significant and (a) are also significant, where the coefficient of (a) is smaller (down) than (b) then the intervening variable is said to be a partial mediation variable. If (c) and (d) are significant and (a) are also significant, where the coefficient of (a) is almost the same as (b) then the intervening variable is said to be not a mediating variable.

If one (c) or (d) or both are not significant, then it is said not to be a mediating variable (Solimun, 2010; Hair et al., 2010).

IV. CONCLUSION

Based on the research results above, the conclusions of this study are 1) Leadership has a significant positive effect on employee satisfaction. This means that the better the leadership, the higher the level of employee satisfaction. 2) The work environment has a significant positive effect on employee job satisfaction. This means that the better the work environment, the level of employee job satisfaction also increases. 3) Leadership has a significant negative effect on employee performance. This means that an increase in leadership within the company will result in a decrease in the level of employee performance. 4) The work environment has a positive and significant effect on employee performance. This means that the better the work environment, the level of employee performance also increases. 5) Job satisfaction has a positive but not significant effect on employee performance. The higher the job satisfaction, the employee's performance also increases. 6) Job satisfaction does not mediate the influence of leadership on employee performance. This means that there is no indirect influence of leadership on employee performance through job satisfaction. The better the leadership in the company, the employee's job satisfaction will increase, but the increasing job satisfaction of the employee's performance does not increase. 7) Job satisfaction does not mediate the effect of the work environment on employee performance. This means that there is no indirect effect of the work environment on employee performance through job satisfaction. The better the application of leadership in the company, the higher the job satisfaction, but job satisfaction increases but employee performance does not increase.

REFERENCES


Bahagia, R., Putri, L. P., & Rizdwansyah, T.


