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Analysis of factors affecting employee performance

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ABSTRACT

A company's human resources are a significant asset for business growth. Performance of working employees determines how far a company advances. This study aims to examine the variables that affect employees' productivity at PT Z. This study uses a quantitative, SEM-PLS methodology. A questionnaire with a 1-5 rating scale was given to 56 randomly selected respondents, who provided the data. The software SmartPLS is then used to examine the data that has been gathered. The study's latent variables included employee performance, job happiness, work culture, and work experience. The findings demonstrated that the composite reliability and AVE values were both greater than 0.5 and 0.7, respectively. Everything created for the model, it can be said, has strong discriminant validity. Each item's loading factor value is more than 0.7, indicating that all the variables are legitimate. The job satisfaction variable in the hypothesis test had no impact on worker performance. Employee performance. meanwhile, is influenced by workplace culture and experience.



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Introduction

The Company's human resources are a priceless asset. The management of the people resources itself will determine whether or not the business advances (Suprihati, 2014). A top-performing employee will be encouraged to work for the business for as long as feasible due to its advantages and the goodwill it fosters. However, along with great performance come high performance standards and methods for maximizing their potential and keeping them around (Vosloban, 2012). It is necessary to get work experience to increase performance. Employee work experience, which can be determined by the number of years of service and the types of work the employee has performed, represents the degree of knowledge and skill mastery an employee possesses. The amount of work experience can influence how they manage and complete performance responsibilities and how much money they make as an employee (Santoso, 2017). Employees with accountable skills can complete tasks with full accountability and consideration for what they generate (Suprihati, 2014).

Employee performance is influenced by work culture, job happiness, in addition towork experience. Mahanani et al., (2014) indicates that job happiness and work culture have an impact on employee performance. The workplace culture will impact the performance of employees. Work culture is implementing and actualizing a person's personality that can affect organizational performance and goals. As a result, it is important to cultivate in a person or employee's personality a sense of togetherness, openness, and professionalism that fosters a sense of comfort and kinship in the workplace and improves communication to achieve the organization's objectives effectively and efficiently. The workplace significantly impacts employee performance. In order for

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employees to feel at ease at work, organizations must establish a more favorable work environment (Fatmawati, Hartono, & Istiatin, 2020). A worker's performance at work is significantly influenced by his or her level of job satisfaction. A happy employee is more committed to his work, performs tasks more competently, and takes better care of both himself and others (Dziuba, Ingaldi, & Zhuravskaya, 2020).

Work culture is a very important factor in influencing employee performance. Work culture refers to the norms, values, beliefs, and behaviors that define how people work together in an organization (Syihabuddin, 2019). A positive and supportive work culture can increase employee motivation (Faizal, Sulaeman, & Yulizar, 2019). When employees feel that the organization's values align with their personal values, they are more likely to be motivated to contribute their best. A work culture that emphasizes personal growth and development can help employees improve their skills and knowledge (Lee, Shiue, & Chen, 2016). This can have a positive impact on their performance and career progression. The results of Adha, Qomariah, & Hafidzi (2019) research show that the work environment and work culture are positive and significant to employee performance. Acclrding to research by Anggeline et al. (2019), who found that work culture aims to alter existing human resources' attitudes and behaviors in order to help them perform better and meet future difficulties. When a positive work culture is consistently applied in an organization, it can create an environment where employees feel encouraged to give their best, collaborate well, and contribute to the success of the organization.

The longer employees work in a particular role or industry, the more knowledge and skills they develop. Employees who have diverse work experience are often more adept at problem solving (Azhar, 2020). They can deal with complex situations and find effective solutions. Extensive work experience can increase employees' competence in performing their tasks better (Sartika, 2015). So that it can affect employee performance. Work experience can cover various aspects, including experience in the same role or in different positions, the duration of experience, and the type of work that has been undertaken. According to research by Octavianus et al. (2016), who found that employee performance is influenced by work experience. Work experience is a measure of the amount of time or duration a person has invested in learning about and mastering his or her job.

Employees who are satisfied with their jobs tend to be more motivated to do a good job (Astuti & Panggabean, 2014). Satisfied employees tend to be more open to collaboration with coworkers and have better working relationships (Handayani & Astuti, 2023). This can facilitate better communication, knowledge sharing and more effective problem solving. Satisfied employees tend to focus more on their career development within the company. They strive for better opportunities and growth in their roles, which can improve their performance over time. High job satisfaction would boost workers' productivity in the company where they are employed (Damayanti, Hanafi, & Cahyadi, 2018). According to research Saputra, Bagia, Yulianthini, & SE (2016) and Rosmaini & Tanjung (2019)showing that employee performance is influenced by employee satisfaction. In contrast to the results of research Subakti (2013), there is no correlation between job satisfaction and employee performance because most workers feel unsatisfied with their jobs, particularly because the salary they receive is thought to fall short of what they require on a daily basis. The result of the research by Fauziek & Yanuar (2021) show that job satisfaction has no influence on employee performance.

It would be interesting to learn more about the elements that affect employee performance, particularly at PT Z, a growing business that needs research to enhance staff performance. The goal of this study is to examine the elements that affect PT Z employees' performance. A similar study entitled "Analysis of Factors That Influence Employee Performance (Study On Permanent Employees In Operational Section Of PT WIM Cycle Indonesia -Surabaya)" was carried out by Prasetya (2018). In this study, multiple linear regression was used to investigate the variables work ability, work experience, motivation, leadership, communication, and organizational climate. While using the PLS SEM analysis method, this study looks at the variables Work experience, Work Culture, Job Satisfaction, and Individual Performance. The conclusion of this study is that firm management can use it as a guide for creating methods to increase employee performance.

Method

The SEM-PLS approach was used in this research data analysis. 56 respondents from PT Z employees filled out a Likert scale 1–5 questionnaire which was used to obtain data. Likert scale is a measurement scale developed by Likert (1932). The Likert scale has four or more question items combined to form a score/value that represents individual traits, such as knowledge, attitudes, and behavior (Budiaji, 2013). Work experience, Work Culture, Job Satisfaction, and Individual Performance are some of the four latent variables used in this study. Figure 1 depicts the model used in this study.

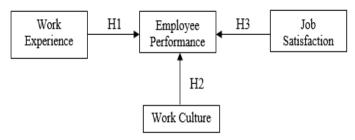


Figure 1. Research Hypothesis Model

The hypothesis in this study is

- H1 = Work experience affects the performance of PT Z employees
- H2 = Work culture influences the performance of PT Z company employees
- H3 = Job satisfaction affects the performance of PT Z employees

Results And Discussion

First, it must be determined that everything developed in the model has good discriminant validity by evaluating the AVE value acquired, which must be larger than 0.5. This will evaluate the discriminant validity and reliability of the data measurement instrument. For the reliability to be categorized as very good, the composite reliability value obtained must also be higher than 0.7.

Table 1. AVE Value, Cronbach's Alpha and Composite Reliability

Latent Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Employee performance	0.876	0.908	0.713
Job satisfaction	0.863	0.892	0.735
Work culture	0.832	0.89	0.732
Work experience	0.836	0.893	0.736

Table 1 demonstrates whether the AVE and composite reliability values obtained in this study satisfy the criteria for drawing inferences about the validity and reliability of the instruments used and their ability to accurately assess each latent variable.

Table 2. Cross Loading Value

	Employee Performance	Job Satisfaction	Work Culture	Work Experience
EP1	0.873			
EP2	0.793			
EP3	0.891			
EP4	0.816			
JS1		0.821		
JS2		0.79		
JS3		0.952		
WC1			0.936	
WC2			0.878	
WC3			0.74	
WE1				0.859
WE2				0.928
WE3				0.781

The next step is to determine each item's validity by examining the Cross Loading Value, also known as Factor Loading, which is displayed in Table 2 and serves as a validator. The indicator is deemed to have strong validity if the Cross loading value for each indication is more than or equal to 0.7. The study's instruments are all reliable and meet the requirements. In Figure 2, the Cross Loading value is also represented by a path model.

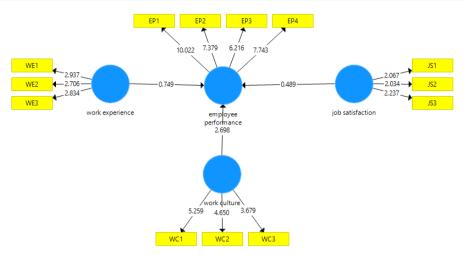


Figure 2. Path Model

The hypothesis is then put to the test by examining the p-value from the Bootstrapping analysis. For the proposed hypothesis to be accepted, the p-value must be less than 0.05. Table 3 displays the outcomes of the testing of the hypotheses.

Table 3. Hypothesis Testing And Interpretation

Hypothesis	Latent Variable	P Values	Result
H1	Job Satisfaction -> Employee Performance	0.625	Hypothesis Rejected
H2	Work Culture -> Employee Performance	0.007	Hypothesis Accepted
H3	Work Experience -> Employee Performance	0.004	Hypothesis Accepted

Table 3 shows the P-Value along with the conclusions of hypothesis testing between variables. The accepted hypothesis is the hypothesis of the relationship between work culture and employee performance, work experience and employee performance. While the hypothesis that was rejected was the relationship between job satisfaction and employee performance.

Relationship Between Job Satisfaction And Employee Performance

A positive emotional state and a liking for one's work define job satisfaction. Job satisfaction at work refers to the happiness experienced at work as a result of receiving work outcomes, placement, care, equipment, and a pleasant working atmosphere. With the amount of compensation, they will obtain from their employment, so they may meet their demands, employees who are satisfied outside of the workplace are those that like their jobs. If employees' requirements are addressed at work, job satisfaction will result. When analyzing one's work or experience, job satisfaction is a joyful emotional state or pleasant emotions. High job satisfaction would boost workers' productivity in the company where they are employed (Damayanti et al., 2018). The study's findings demonstrate that the hypothesis is disproved, indicating that there is no relationship between employee performance and work happiness. According to Subakti (2013), there is no correlation between job satisfaction and employee performance because most workers feel unsatisfied with their jobs, particularly because the salary they receive is thought to fall short of what they require on a daily basis. Additionally, management does not offer incentives to workers.

While high job satisfaction often has a positive impact on performance, the relationship between the two is not always direct and simple. Each person has their own view of what makes them satisfied in a job. Some employees may highly prioritize salary and benefits, while others may be more concerned with career development or opportunities for growth (Fyn, Heady, Foster-Kaufman, & Hosier, 2019). These different job satisfaction factors can affect motivation at work. When in a company that provides less opportunity for growth but provides high salaries and benefits, employees who prioritize high salaries and benefits will be more motivated to perform well than employees who prioritize career-development. The results of this study support Fauziek & Yanuar (2021) research which found that job satisfaction has no influence on employee performance.

A Connection Between Workplace Culture and Worker Performance

The study's findings support the idea that if workplace culture is improving, employee performance will also be improving. The work culture in place is excellent. This study is consistent with that of Anggeline et al. (2019),

who found that work culture aims to alter existing human resources' attitudes and behaviors in order to help them perform better and meet future difficulties. Good corporate culture will result from a strong work culture, which also shows that the culture already has solid foundations that have been infused and realized in daily operations. It is similar to any value that one should possess. In order to motivate employees to carry out their job duties and obligations appropriately or properly, efforts to evaluate work cultural values are believed to have a true relationship with employee performance. Work culture is the implementation and actualization of an individual's personality that can affect organizational performance and goals. As a result, it is important to cultivate in an individual's or employee's personality a sense of togetherness, openness, and professionalism that fosters comfort, kinship, and improves communication with the workplace in order to achieve the objectives of creating an effective and efficient organization (Mahanani et al., 2014).

Relationship Between Employee Performance and Work History

The study's findings suggest that there is a relationship between employee effectiveness and work experience. This study supports that of Octavianus et al. (2016), who found that employee performance is influenced by work experience. Work experience is a measure of the amount of time or duration a person has invested in learning about and mastering his or her job. For the objective of achieving successful work results and raising employee productivity, work experience is required to raise the effectiveness of human resources inside the organization. An employee gains experience the longer they are employed by a company. Employees that have a lot of work experience will have greater abilities when performing their jobs, be more motivated at work, and perform at a high level. The work products and work attitudes in accomplishing the work are included in this employee performance. The competence, knowledge, and abilities of employees in performing a job are only a few of the characteristics that play a part in how well employees perform at work (Ilham, 2022). Every employee has their own motivation to do their job. Companies and managers need to understand the factors that influence their employees and ensure that the efforts made can support the desired performance improvement. Future research can examine other factors that are believed to have an impact on employee performance, such as work environment, salary, training, etc.

Conclusion

According to the results of the research, job experience and workplace culture are the main variables affecting PT Z employees' performance is unaffected by their level of job happiness. Workplace culture refers to the attitudes and behaviors of human resources that PT Z has created in an effort to motivate employees to carry out their jobs and responsibilities effectively. The adoption and actualization of one's personality at work might have an impact on the company's performance and goals. Employee performance at PT Z can be enhanced by a positive work environment. Because employees' abilities are closely correlated with the amount of time they spend at work, the work experience variable has an impact on how well they perform. Your ability to perform the task increases with time spent at it. Employees with job experience will be more motivated to work since they have greater competence, knowledge, and abilities that will enable them to perform at a high level. Since most employees feel unsatisfied with their jobs—particularly because the money they get is thought to fall short of their minimum needs—the job happiness variable has little impact on employee performance. Additionally, management does not offer incentives to workers. Future study ideas could examine other factors that are believed to have an impact on employee performance, such as the work environment, pay, training, etc.

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