



THE AFFECTION OF DETERMINANT EFFECT ON EMPLOYEE PERFORMANCE

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ABSTRACT

The availability of qualified human resources in an agency or company will support optimal work results and the achievement of the company's vision and mission. One of the factors that need to be considered to keep employee performance at its maximum is to implement a work-life balance and a good work environment. This study aims to find out how work-life balance and work environment can affect employee performance with job satisfaction as a mediating variable.

The research method used is quantitative with the Structural Equation Modeling-Partial Least Square (Sem-PLS) analysis technique. The variables studied in this study are work life balance (X1), work environment (X2), performance (Y), and job satisfaction (Z). The object of this study is an employee of Bank X in Sidoarjo. The sampling technique in this study is a saturated sampling technique or census. The number of samples in this study is 58 employees of Bank X in Sidoarjo.

The results of the study showed that: work-life balance did not contribute to improving performance, the work environment contributed positively and significantly to improving performance, job satisfaction successfully mediated the influence of work-life balance on performance, the work environment did not contribute to improving performance through job satisfaction, job satisfaction also contributed positively and significantly to the improvement of the performance of Bank X employees in Sidoarjo.

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INTRODUCTION

The banking environment in recent years in line with various changes such as global economic conditions and the development of the rapidly developing business world, requires an effective and efficient management system in order to easily change or adjust to every change that is and has occurred quickly, precisely and in a targeted manner. Banks as one of the companies engaged in the

service sector need to pay attention to improving the skills, expertise and abilities of employees in order to provide excellent service to customers.

This research was conducted at Bank X in Sidoarjo. Until now, Bank X has consistently focused on services to the community, including by providing financing facilities to entrepreneurs. The performance of Bank X in Sidoarjo is as shown in Table 1.

Table 1. Target and Realization of Bank Deposit & Financing Performance

Year	Target (Billion)	Realization (Billion)	Achievement (%)
2022	83	83.2	100
2023	262.39	247.87	94.46

Source: Bank X in Sidoarjo.2024

Based on Table 1, it can be seen that during 2022 to 2023 it shows that the achievement of the performance target of the DPK & Financing section as a whole is quite good, but from 2022 to 2023 it has decreased, so it can indicate that employees have not been able to maximize their performance in working in the company. The decline in achievement is due to the addition of a target of >300% which has an impact on the increasing workload, workload and excessive working time make employees lack time to rest and gather with their families.

One of the factors that affect employee performance is work-life balance. In research conducted by Mardiani & Widiyanto (2021) and Hidayatullah (2022), it is shown that work-life balance can affect employee performance positively and significantly. In a previous study by Lukmiati, et al. (2020) stated that work-life balance has an influence on employee performance. These studies have proven that the influence of work-life balance can improve the performance of employees so that the output produced is more optimal. However, research from Saifullah (2020), and Kembuan, et al. (2021) said that work-life balance does not have a positive and significant effect on employee performance. It is the same with research from Ardiansyah & Surjanti (2020) that work-life balance has no effect on employee performance.

Based on the results of interviews with several staff, Bank X in Sidoarjo sets targets in the process of completing work every month. The achievement of this target makes employees to continue working during working holidays which causes employees to feel tired at work and do not have time to rest. Moreover, at the end of every month, according to bank employees, they are required to go home late at night, to pursue the target set by the company per month. Then it is not uncommon for employees to bring office work into their respective homes so that this becomes a problem that can result in an imbalance of time with family, because family becomes neglected for the sake of work.

The increase in employee performance is not only caused by the employee himself, but also from other factors in the agency or company. One of the important factors that must be considered in addition to paying attention to work-life balance is to create a conducive work environment. Based on previous research related to the work environment that has been carried out by Badrianto & Ekhsan (2020) and Hidayati, et al. (2021) in their research also shows that a good work environment can affect employee performance in it. However, in contrast to the research conducted by Sabilalo, et al. (2020), the results of the study show that the work environment has a negative and insignificant effect on employee performance. The study has the same results as Sihotang's (2020) research with results where the work environment has a negative and significant effect on employee performance.

The preliminary results at Bank X in Sidoarjo show that the employees' workspaces are still considered too narrow, the table layout is uncomfortable, too close to each other, and the condition of the workspace is very dense so that the concentration of employees is often disturbed because the tendency to always chat between employees is greater than doing the tasks that should be completed. In addition, the disproportionate system of providing remuneration in the form of salaries and benefits causes employees to be less serious in doing their work, and the lack of training programs in an effort to develop careers for employees. Employees also still feel bored and bored with the work being done, as a result of which some employees are often seen relaxing during working hours and this results in work targets that are not completed on time.

Previous research that has been conducted related to job satisfaction by Steven & Prasetyo (2020), and Mehrzad & Rostan (2021) shows that job satisfaction can affect employee performance. It

can be concluded from several previous studies that the higher the job satisfaction that employees have, the higher the performance produced. However, Annisa, et al. (2017) said the opposite, where job satisfaction does not have a positive and significant influence on employee performance.

The problems encountered in some employees at Bank X in Sidoarjo show that most employees like to mix personal problems into work, where the company is not in a position to interfere in the personal affairs of the staff, but if personal affairs are not handled properly this will interfere with work which ultimately affects the performance and job satisfaction of employees.

RESEARCH METHOD

The research method used is quantitative with the Structural Equation Modeling-Partial Least Square (Sem-PLS) analysis technique. The sampling technique in this study is a saturated sampling technique or census. The number of samples in this study is 58 employees of Bank X in Sidoarjo. The data source used in this analysis is data taken directly by distributing questionnaires to Bank X employees in Sidoarjo. The analysis steps with the Structural Equation Modeling-Partial Least Square (Sem-PLS) method include designing an outer model, designing a structural model (inner model), constructing a path diagram, converging a path diagram to the equation system, estimating the outer model and inner model, evaluating goodness of fit and hypothesis testing (resampling).

RESULTS AND DISCUSSIONS

RESULT

1. Outer Model Test Result

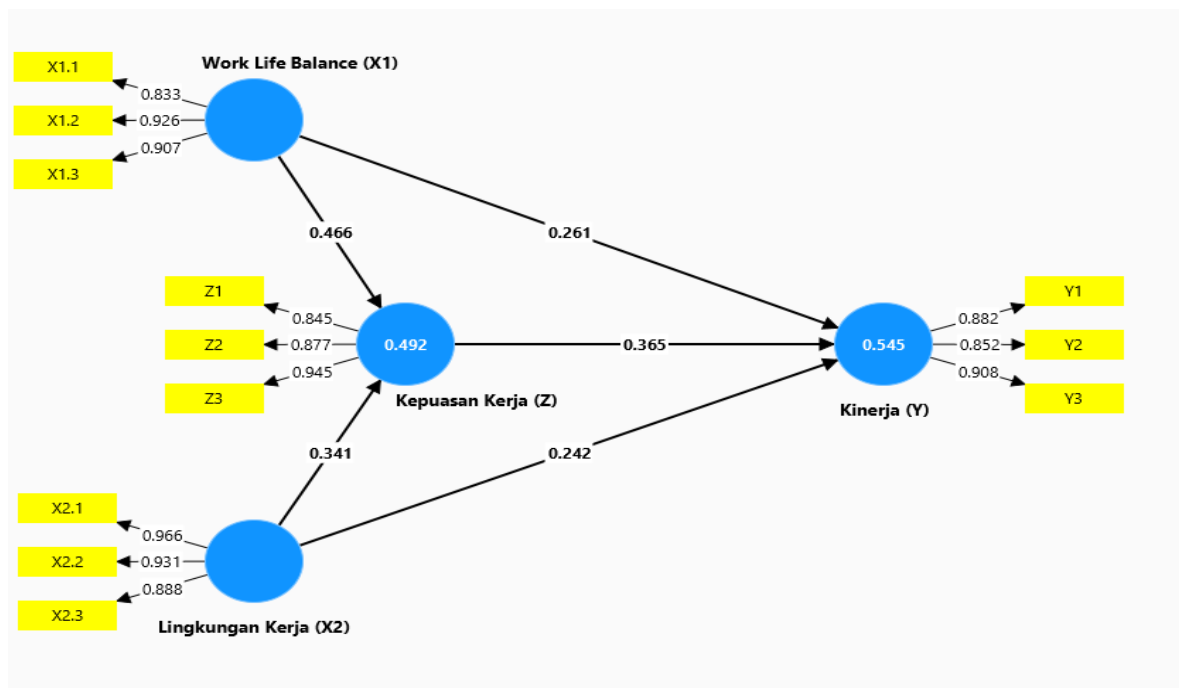


Figure 1. Outer Model Testing

Table 2. Outer Loading

Item/Variable	Job Satisfaction (Z)	Performance (Y)	Work Environment (X2)	Work Life Balance (X1)
X1.1				0.833
X1.2				0.926
X1.3				0.907
X2.1			0.966	
X2.2			0.931	
X2.3			0.888	
Y1		0.882		
Y2		0.852		
Y3		0.908		
Z1	0.845			
Z2	0.877			
Z3	0.945			

Source: Primary data processed, 2024

The results of the analysis in the table above show that all indicators in the research variables have a loading factor of > 0.5, so the indicator is declared valid.

Table 3. Cross Loadings

Item/Variable	Job Satisfaction (Z)	Performance (Y)	Work Environment (X2)	Work Life Balance (X1)
X1.1	0.572	0.522	0.447	0.833
X1.2	0.551	0.581	0.472	0.926
X1.3	0.575	0.533	0.410	0.907
X2.1	0.538	0.592	0.966	0.451
X2.2	0.530	0.571	0.931	0.450
X2.3	0.531	0.447	0.888	0.494
Y1	0.560	0.882	0.482	0.555
Y2	0.626	0.852	0.501	0.499
Y3	0.582	0.908	0.550	0.567
Z1	0.845	0.530	0.435	0.562
Z2	0.877	0.654	0.572	0.593
Z3	0.945	0.591	0.510	0.539

Source: Primary data processed, 2024

From the cross loading results in the table above, it shows that the correlation value of the indicator with its variables is greater than the correlation value of the indicator with other variables. Thus, all constructs or latent variables already have good discriminant validity.

Table 4. Average Variance Extracted (AVE) and Composite Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Job Satisfaction (Z)	0.868	0.874	0.919	0.792
Performance (Y)	0.855	0.856	0.912	0.776
Work Environment (x2)	0.920	0.927	0.950	0.863
Work Life Balance (X1)	0.867	0.868	0.919	0.791

Source: Primary data processed, 2024

The test results show that the AVE value for the construct (variable) has a > value of 0.5, so it is valid and has a composite reliability value of > 0.7. So that it is reliable.

2. Inner Model Test Result

Table 5. R-Square

	R-Square	R-Square Adjusted
Performance (Y)	0.545	0.519
Job Satisfaction (Z)	0.492	0.473

Source: Primary data processed, 2024

R2 value (Performance) = 0.545, this can be interpreted that the model is able to explain the performance phenomenon/problem by 54.50%. While the rest (45.50%) is explained by other variables (other than Work Life Balance, Work Environment and Job Satisfaction) that have not been included in the model and errors. This means that Performance is influenced by Work Life Balance, Work Environment and Performance by 54.50% while 45.50% is influenced by variables other than Work Life Balance, Work Environment and Job Satisfaction.

The results of the Q-square calculation in this study are 0.76886 or 76.886%, thus it can be concluded that the model in this study has a relevant predictive value, where the model used can explain the information in the research data of 76.886%.

3. Hypothesis Test

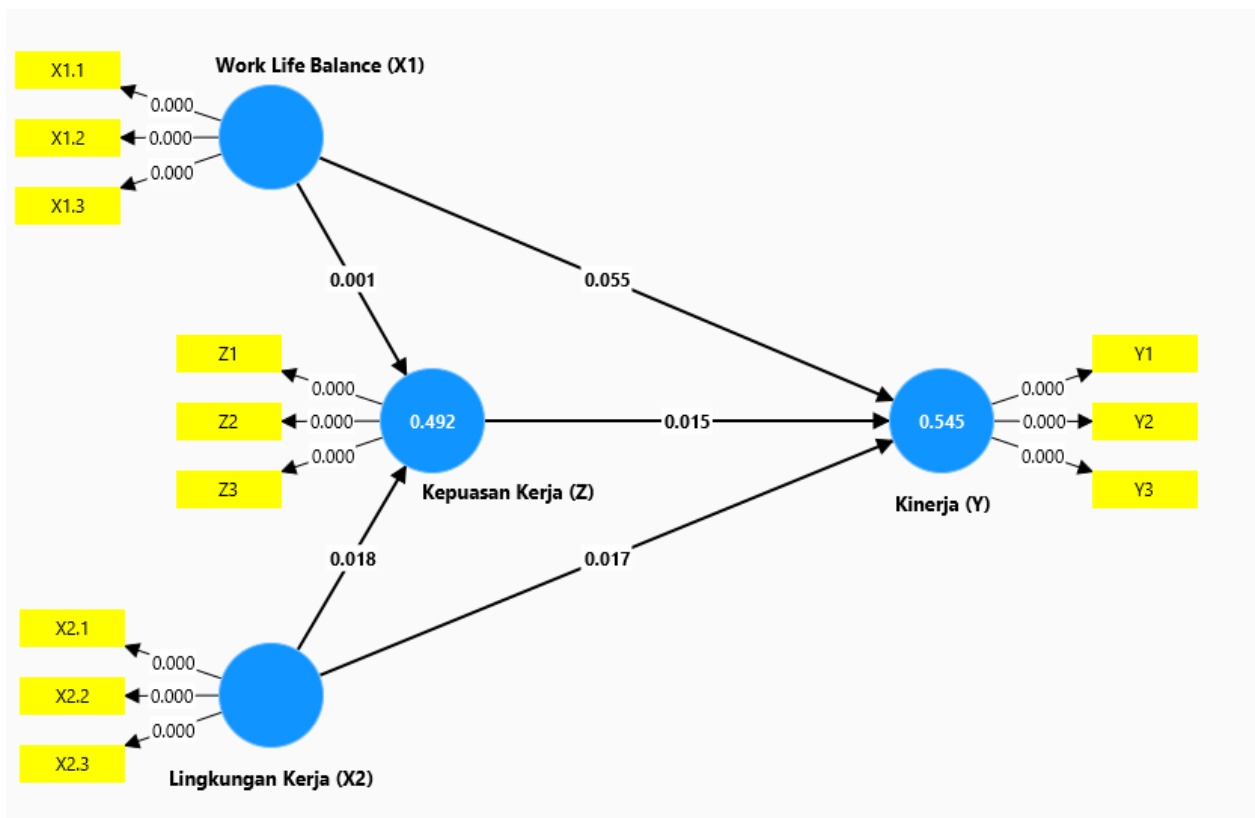


Figure 2. Constructed Hypothesis Test

Table 5. P-Values

Hypothesis	Original Sample (O)	T-Statistics	P-Values	Decision
Work Life Balance (X1) -> Performance (Y)	0,261	1,923	0,055	Non-Significant
Working Environment (X2) -> Performance (Y)	0,242	2,382	0,017	Significant
Work Life Balance (X1) -> Job Satisfaction (Z) -> Performance (Y)	0.170	2.214	0.027	Significant
Work Environment (X2) -> Job Satisfaction (Z) -> Performance (Y)	0.124	1.502	0.133	Non-Significant
Job Satisfaction (Z) -> Performance (Y)	0,365	2,438	0,015	Significant

Source: Primary data processed, 2024

H1: Work Life Balance has a Positive and Insignificant Effect on Performance with a path coefficient of 0.261 where the value of p-values = 0.055 is greater than the value of $\alpha = 0.05$ (5%). With a T-Statistic value of 1.923, this value is less than 1.96 (at a significance level of 5%). This shows that Work Life Balance does not have an influence to improve the performance of Bank X in Sidoarjo.

H2: The Work Environment has a Positive and Significant Effect on Performance with a path coefficient of 0.242 where the value of p-values = 0.017 is smaller than the value of $\alpha = 0.05$ (5%). With a T-Statistic value of 2.382, this value is greater than 1.96 (at a significance level of 5%). This shows that the better the level of the Work Environment, the higher the Performance at Bank X in Sidoarjo.

H3: Work Life Balance has a Significant Positive Effect on Performance through Job Satisfaction at Bank X in Sidoarjo with a path coefficient of 0.170 where the value of p-values = 0.027 is smaller than the value of $\alpha = 0.05$ (5%). With a T-Statistic value of 2.214, this value is greater than 1.96 (at a significance level of 5%). This shows that Work Life Balance affects Performance through Job Satisfaction at Bank X in Sidoarjo.

H4: The Work Environment has a Positive and Insignificant Effect on Performance through Job Satisfaction at Bank X in Sidoarjo with a path coefficient of 0.124 where the value of p-values = 0.133 is greater than the value of $\alpha = 0.05$ (5%). With a T-Statistical value of 1.502, this value is smaller than 1.96 (at a significance level of 5%). This shows that the Work Environment does not have an influence to improve Performance through Job Satisfaction at Bank X in Sidoarjo.

H5: Job Satisfaction has a Positive and Significant Effect on Performance with a path coefficient of 0.365 where the value of p-values = 0.015 is smaller than the value of $\alpha = 0.05$ (5%). With a T-Statistical value of 2.438, this value is greater than 1.96 (at a significance level of 5%). This shows that the more Job Satisfaction increases, the more Performance at Bank X in Sidoarjo increases.

DISCUSSION

Direct Effect of Work Life Balance (X1) on Employee Performance (Y)

Based on the results of hypothesis testing, it shows that Work Life Balance has no influence on improving Employee Performance at Bank X in Sidoarjo, in the sense that the good or bad Work Life Balance does not affect Employee Performance at work.

Based on the results of this study, which shows that, although Work Life Balance does not contribute to improving Performance at Bank X in Sidoarjo, this does not mean that Work Life Balance is not important. On the contrary, this is an input for Bank X in Sidoarjo to pay more attention to the work balance of employees in the company so that employees can complete their work optimally.

So that the results in this study are in line with research conducted by Ardiansyah & Surjanti (2020) that work-life balance has no effect on the performance of employees. However, it is not in line

with research conducted by (Lukmiati, et al. 2020) stating that work-life balance has an influence on employee performance.

Direct Influence of Work Environment (X2) on Employee Performance (Y)

The results in this study show that the Work Environment contributes to Employee Performance at Bank X in Sidoarjo. This can be interpreted that the Work Environment has an influence in improving Employee Performance at Bank X in Sidoarjo, when the Work Environment is good and good, Performance will follow.

Previous research conducted by Kusuma (2021) stated that all aspects of the work environment, both physical and non-physical work environments together, can affect employee performance. The work situation is an important thing in the company, because the work situation that is created according to the needs of employees and feels conducive, will have an impact on more optimal performance activities. In this study, the implementation of the work environment is able to encourage employee performance. Thus, this study agrees with Badrianto & Ekhsan (2020) and Hidayati, et al. (2021) who state that the work environment has an influence on employee performance.

Indirect Effect of Work-Life Balance (X1) on Employee Performance (Y) Through Job Satisfaction (Z)

The results of this study show that Work Life Balance contributes to Employee Performance through Job Satisfaction at Bank X in Sidoarjo. This can be interpreted that Work Life Balance has an influence in improving Employee Performance when mediated by Job Satisfaction at Bank X in Sidoarjo. Employees who are able to balance their personal life with their work and have high job satisfaction, will certainly improve Employee Performance for the better. Good Job Satisfaction will also produce good morale and work productivity, so Bank X in Sidoarjo must play an important role in achieving the Work Life Balance of its employees. A suitable balance between work commitments and family can create company productivity.

This study shows that Work Life Balance is an important component in supporting Employee Performance, but the effect of Work Life Balance becomes more influential when combined with high Job Satisfaction. This shows that the balance between personal life and work is very important in creating optimal working conditions to increase employee productivity and work results. By providing adequate support for employees' work and personal lives, Bank X in Sidoarjo can create conditions that not only increase productivity, but also strengthen employee loyalty to the company. The combination of good Work Life Balance and Job Satisfaction will result in high work morale, consistent work productivity, and long-term success for the company.

Bank X in Sidoarjo needs to continue to invest in creating a supportive work-life balance and ensuring that employee job satisfaction remains a priority to support the achievement of the company's targets.

Thus, this study agrees with Sayekti (2019) who stated that job satisfaction successfully mediates work-life balance in influencing employee performance.

Indirect Influence of Work Environment (X2) on Employee Performance (Y) Through Job Satisfaction (Z)

Based on the results of this study, which shows that, although the Work Environment does not have an influence in improving Performance through Job Satisfaction at Bank X in Sidoarjo, this does not mean that the Work Environment is not important. On the contrary, this is an input for Bank X in Sidoarjo to improve the quality of the work environment in accordance with the needs of employees so that it feels conducive, employees who are satisfied will have an impact on performance activities.

The results of this study are not in line with the research that has been conducted by Kusumastuti et al. (2019) and Najib (2020) who stated that job satisfaction mediates the relationship between the work environment and employee performance.

Direct Effect of Job Satisfaction (Z) on Employee Performance (Y)

The results of this study show that Job Satisfaction contributes to Employee Performance at Bank X in Sidoarjo, this can be interpreted that Job Satisfaction has an influence in improving Employee Performance at Bank X in Sidoarjo. Employees of Bank X in Sidoarjo feel happy if the work is completed correctly, so that they feel comfortable and satisfied with their work, then it can be concluded that Job Satisfaction can affect the Performance of Bank X Employees in Sidoarjo.

This study shows that the level of satisfaction felt by employees has an important role in increasing their productivity and work results. The results of this study show that Job Satisfaction has an influence on

Employee Performance at Bank X in Sidoarjo. Employees who are satisfied with their jobs tend to feel more comfortable, motivated, and able to provide optimal performance. Bank X in Sidoarjo must continue to maintain and improve employee job satisfaction through policies that support work-life balance, motivating rewards and create a more conducive and inclusive work environment. By paying attention to these factors, Bank X can ensure that their employees continue to deliver the best performance, which ultimately supports the overall success of the company.

Thus, this study agrees with research from Steven & Prasetio (2020) which states that job satisfaction has an influence on employee performance. Job satisfaction is in the highest category because the needs of employees are met properly and in accordance with the regulations in the company.

CONCLUSION

Bank X in Sidoarjo is expected to further improve the quality of the work environment in accordance with the needs of employees so that it feels conducive and pay more attention to the work balance of employees in the company so that the performance of Bank X in Sidoarjo employees can improve better than before and get increased satisfaction at work, employees who are satisfied will have an impact on performance activities.

This research has several limitations, such as the limited scope of the research, which is focused only on Bank X in Sidoarjo. So it may not apply to other regions that have the same industry, namely banking due to different conditions. For future researchers who want to research with the same title or the same object, it is expected to take more samples so that the research results can be more valid and accurate. And develop research results and add other variables that can affect Work Life Balance, work environment, employee performance, and job satisfaction to strengthen the research results.

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