



The Effect of Work Environment, Workload, and Work Engagement on Employee Performance with Work Commitment as mediation and Generation Z as Control Variable in Batam City

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abstract

This research aims to determine the influence of work environment, workload, and work engagement on employee performance with work commitment as a mediation for generation Z. This research uses descriptive quantitative methods and 400 respondents, with generation Z as the population. SMART PLS were used as the data processing technique. The results of the analysis from this research shows that environment, workload, and work engagement have a significant positive influence on performance with work commitment as a mediation for generation Z in Batam. The usage of gender as control variables in this research is unique/different and the result shows that gender does not have a significant influence on the performance of generation Z.

Keywords: Work Environment, Workload, Work Engagement, Work Commitment, and Employee Performance, Gender

1. INTRODUCTION

In this globalized era, it is required for companies to put in more effort to increase organizational effectiveness as competition proliferates. (Atmaja, 2022). Obtaining adequate human resources is important to ensure the effectiveness of a company, considering company's performance is determined by its human resources. Therefore, employee job satisfaction is a major influential aspect. Work environment is one of the factors that influence performance (Usman et al., 2021). It refers to everything that surrounds the

1120

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employee and can affect employees in carrying out their assigned tasks, making work environment an important factor in maintaining employee’s well-being (Paramita & Tjandrawibawa, 2022).

According to Nurjaya et al., (2020), and (Huang & Yuswardi, 2022) the measure of employee performance can be seen from the quality, quantity, and effectiveness of an employee in doing his job. These factors must be considered because employees are an important focus for achieving joint goals.

As the quality of the human resources increase, company's performance and productivity will increase (Sugma, 2022). In addition to work environment, commitment of the employees is another important factor to determine satisfactory results (Kelvin & Muchsinati, 2023). For instance, poor commitment results to performance decline, increasing resignation rates and dissatisfaction at work. According to the generation theory, generation Z refers to those who are born in 1995-2010 (Dwitami & Kusumalestari, 2023). In the year we are in now, generation Z has come to productive working age. The following table states the number of labor force based on age in the city of Batam.

Tabel 1. Data on Working Productive Age in 2020 According to BPS

Productive Working Age	Number of Workers (2020)
15-19	15,305
20-24	105,752
25-29	119,379
30-34	102,585
35-39	99,874
40-44	77,837
45-49	59,886

According to Badan Pusat Statistik (2021), there are 121,057 people who are at the productive working age of fifteen to twenty-four in the year 2020. Along with high market demand, companies will attract more generation Z as human resources. From the data taken and researched by the author, it can be seen that majority of the respondents are in the banking sector. Researchers are keen in conducting this research due to inconsiderable number of studies regarding the influence of environment, burden, and work engagement on employee performance, especially in the banking sector.



2. LITERATURE REVIEW

2.1 Employee performance

Employee performance is defined as how well a person executes their job duties and responsibilities and is one vital aspect for the advancement of the company (Shalahuddin, 2013). It refers to something in the future that is influenced by current business actions, therefore, it is important to implement suitable business strategy (Widarto et al., 2022). With the right strategy from the company, it will enhance the work of its employees.

According to the research conducted by Setiawan & Aeni (2021), performance is the result of work in an organization or company in carrying out tasks, targets or company goals that have been carried out by an employee based on his responsibilities in order to achieve company goals. (Mon et al., 2021) the definitions of performance above, it can be concluded that performance plays an important role in the company which can be used to measure and increase the value of the company.

2.2 Work Environment

Work environment is the setting, social aspects, and physical condition that influence workers in performing the right tasks (Widiastuti et al., 2022). Optimal work environment conditions lead to an increase in employees' comfort, and thus, an increase in quality of performance. Work environment includes lighting, work atmosphere, room temperature and so on (Bukit, 2022).

According to Cahyaningtyas & Santosa (2021), a conducive work environment will make work comfortable so that it can improve employee performance. On the other hand, unconducive work environment will have negative impact on employee performance. Wahyu Hidayati et al., (2021) states that a good work environment will lead to longer work commitment and boost employee's performance.

It can be seen from employees' competence to get used to their work environment hence it has significant effect on performance. Pleasant work environment is crucial to attain success in fulfilling company goals. (Heriyanti & Putri, 2021). Several efforts can be made in order to improve work environment, such as providing appropriate compensation, motivation, and education (Wijaya & Susanty, 2017).

2.3 Workload

Workload refers to the activity required to be completed by a group of employees within a certain period of time (Widiastuti et al., 2022). Several indicators in workload are



targets, work conditions, time used, and work standards. It is used to measure efficiency and effectiveness of the work of an organizational unit (Octavia et al., 2022). Calculation of workload can be identified from 3 aspects, such as physical, mental, and time use. When the ability of the employee surpasses the demands of the job, boredom arise. On the contrary, when employee's ability is lower than the demands of the job, excessive fatigue arise (Hartono & Kusuma, 2020).

Extreme workload and office activities may put employees under pressure which might directly affect employee performance (Cahyaningtyas & Santosa, 2021). However Sulastri (2020) argues that workload is an individual's assessment of a given task demand, dealing with problems that occur, and overcoming unexpected events. If the individual considers and has a positive perception, then they will perceive workload as a challenge and something useful, but if a negative perception arises, workload will be considered a pressure so that it will affect employee performance (Hendrasti et al., 2022). Thus, measurement of workload for each individual might differ and is relative. Excessive workload and employee's inability to cope will reduce their work commitment and might affect employee's performance (Kurniawan et al., 2021).

2.4 Work Engagement

Work engagement refers to employees' commitment or behavior in completing the work they do (Widarto et al., 2022). Work engagement plays an important role in an organization or company. Higher work engagement suggest that employees have maximum involvement and high morale, which will also affect long-term performance so that it can benefit the company. Work engagement might arise from employees' financial needs or interest in the field of work undertaken. When employees have an attachment to their work, it will increase their competence and proficiency in fulfilling their duties and responsibilities so that they will show their best performance (Ruhayat et al., 2022).

2.5 Work Commitment

Work commitment is an attitude or behavior that employees carry out according to applicable regulations in order to become part of the company (Sudama, 2022). It plays an important role to guarantee the continuity of the company, since it involves employee's loyalty (Ramli & Novariani, 2020).

According to (Sudama, 2022) there are three indicators to measure organizational comitment, including employee loyalty, employee desire, and pride towards the



organization. These indicators will directly affect employee performance. This is in line with the research of (Nugraheni et al., 2022) which states that organizational commitment can strengthen the influence of transformation leadership on employee performance. Organizational commitment as a mediating variable makes employees prioritize organization interests in order to be able to stay in the organization/company (Setiawan & Aeni, 2021). In addition, workers who are committed to the organization will happily become members of the organization, believe in the organization, and do their best for the organization (Yuswardi, 2020).

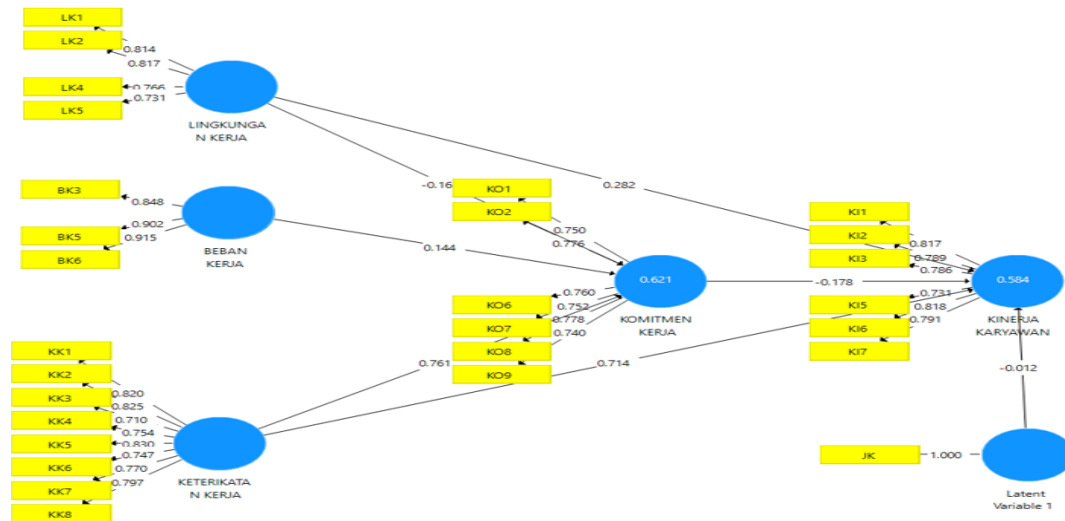
3. RESEARCH METHOD

In this study, generation Z who are at working age in Batam City are used as the target population. Based on the opinion of Hair Jr. et al., (2021), the appropriate sample size depends on the total questions in the study multiplied by 10. There are 39 questions, therefore 390 (39x10) samples required.

The sample is part of the number and characteristics possessed by the population. It is a number of individuals selected from the population as a representative part of all members of the population. A good sample has representative properties of the population (Femila Hutami, 2021). In this study, majority of the sample is Generation Z in the banking sector.

The method of distributing questionnaires through electronic media (google forms) is one of the methods used. In distributing the questionnaire, the Likert Scale pioneered by Rensis Likert was used to measure respondents' perceptions. From each answer will be given a score. This study conducted the PLS-SEM research method. PLS-SEM is a method for evaluating whether there is a relationship between these constructs. The following is a research model.





4. RESULT

4.1 Demographic Characteristic of the Respondents.

Researchers managed to collect as many as 400 respondents to conduct this research. The population used for this research is generation Z in Batam City which will be used as primary data. The data obtained is processed using PLS SEM. From the results of distributing questionnaires, it can be concluded that most of the respondents are female and on average 21-24 years old. In this study, generation Z who filled out the questionnaire had an average of undergraduate education and worked in the banking sector.

Table 2 Research Questionnaire Distribution Data

Description	Total
Questionnaires distributed	400 Lembar
Questionnaires that can be used for analysis	400 Lembar

Gender	Total	Percentage
Male	171	42,8%
Female	229	57,2%
Age		
17 - 20 years	90	22,5%
21 - 24 years	213	53,3%

25 - 27 years	97	24,2%
Last Education		
SMA	101	25,3%
SMK	76	19%
Diploma	92	23%
Bachelor	131	32,7%
Salary		
< 4.500.000	60	15%
4.500.000 - <5.000.000	118	29,5%
5.000.000 - <5.500.000	141	35,3%
5.500.000 - <6.000.000	47	11,7%
> 6.000.000	34	8,5%
Field of business		
Banking Sector	97	24,3%
Hospitality	67	16,8%
Manufactory	70	17,5%
Enterpreneur	90	22,5%
Food and Beverages	55	13,7%
Others	21	5,2%

Source : primary data processed (2023).

Table 3 Reliability Test Result (Composite Reliability and Cronbach Alpha)

Variable	Composite Reliability	Cronbach Alpha	Result
Work Environment	0,864	0,790	Reliable
Workload	0,918	0,868	Reliable
Work Engagement	0,927	0,909	Reliable
Work Commitment	0,891	0,854	Reliable
Employee Performance	0,908	0,879	Reliable
Gender	1,000	1,000	Reliable

Source : primary data processed (2023).

According to (Hair Jr. et al., 2021), a variable is said to be reliable if it has a composite reliability value above 0.7. In testing, all variables show reliable results because they have a composite reliability value above 0.7.

Table 4. Average Variance Extracted (AVE)

Variable	AVE	Result
Work Environment	0,613	Valid
Workload	0,790	Valid
Work Engagement	0,613	Valid
Work Commitment	0,577	Valid
Employee Performance	0,623	Valid
Gender	1,000	Valid

Source: primary data processed (2023).

The Validity test is used to determine the accuracy of the data in the study. Of the total sample of 400 respondents, the AVE value is above 0.5, therefore it is declared valid. Average Variance Extracted (AVE) testing is done to determine the construct. The AVE value must be above 0.5 to qualify for validity. All the results of the AVE value of the data that has been tested are above 0.5 so it can be concluded that all the data used is valid.

Table 5 Direct Effect Test Result

X --> Y	T-Statistic	P-Value	Result
Workload -->Employee Performance	2,476	0,002	Signifikan
Workload-->Work Commitment	3,439	0,110	Signifikan
Work Engagement-->Employee Performance	16,360	0,000	Signifikan
Work Engagement --> Work Commitment	23,131	0,000	Signifikan
Work Commitment --> Employee Performance	3,105	0,001	Signifikan
Work Environment --> Employee Performance	6,911	0,000	Signifikan
Work Environment -->Work Commitment	3,534	0,025	Signifikan
Gender-->Employee Performance	0,722	0,025	Tidak Signifikan

Source: primary data processed (2023).

Table 4.5 Indirect Effect Test Result



X-->M -->Y	T-Statistic	P-Value	Result
Workload -->Work Commitment --> Employee Performance	2,476	0,013	Signifikan
Work Engagement --> Work Commitment -->Employee Performance	2,948	0,003	Signifikan
Work Environment --> Work Commitment --> Employee Performance	2,283	0,022	Signifikan

Source: primary data processed (2023).

5. DISCUSSION

From the research results, it can be seen that all variables are reliable and valid because they have a composite reliability value above 0.7 and an AVE value above 0.5. With the tendency of generation Z to be efficient, practical, instant, and accustomed to technology, a good work environment is an important factor for them, this is in line with the research conducted by Cintia & Gilang (2016), which states that the work environment has a significant effect on employee performance. In addition to a good and comfortable work environment, the appropriate workload also has a significant effect on the performance of generation Z which is in line with the research of Syardiansah (2022). Along with the times, access to spending is increasingly available so that this can increase the financial needs of generation Z indirectly. With financial needs, generation Z's attachment to work will automatically increase which will also significantly affect generation Z's performance, which is in line with the research of Ruhiyat et al., (2022). In addition, the results of the work commitment variable have a significant effect on performance, which is related to research by Hariroh et al., (2022). The results of the research for the control variables studied were insignificant, this proves that gender does not have a major or significant effect on employee performance, especially for Generation Z in the banking sector.

6. CONCLUSION

The results of this study indicate the influence of Workload, Work Environment and Work Attachment on employee performance in Batam City, especially Gen Z with Work Commitment as mediation. In the era of globalization where many companies are starting to develop, and technological advances have become commonplace, companies need a new



generation, namely generation Z. With the characteristics of generation Z that easily adapt to technology, it will make it easier for the company to achieve its goals. Companies that employ generation Z must pay attention to the importance of the work environment and the amount of workload given, besides that job attachment is also needed to improve the performance of generation Z.

According to the results discussed, it can be concluded that the work environment has a significant positive effect on performance, because a supportive environment will make employee performance increase. Second, workload has a significant positive effect because the right workload can improve employee performance. Third, employees who have an attachment to their work can work more optimally to improve their performance so that the results obtained are significantly positive. The fourth, employee commitment has a significant positive effect on performance. Fifth, the work environment has a significant positive effect on employee performance with work commitment as mediation. The sixth, workload has a significant positive effect on employee performance with work commitment as mediation. The seventh, work attachment has a significant positive effect on employee performance with work commitment as mediation. And the last is the control variable where the results obtained turns out that the Gender Control variable has no significant effect on the performance of Generation Z workers in Batam, especially in the banking sector.

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