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PERFORMANCE OF EMPLOYEES : INDIVIDUAL CHARACTERISTICS AND WORK ENVIRONMENT IN PT KAWAI NIP

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Abstract

Every employee has its own personality and distinctive characteristics, so that individual characters are formed for each employee. This individual characteristic if directed properly will improve employee performance. The work environment can also affect employee performance. This study aims to determine the effect of individual characteristics and work environment on employee performance. The sample is 60 employees of PT. Kawai Nip. The sampling technique uses random sampling. Data analysis using Structural Equation Model (SEM) with SmartPLS. The results show that individual characteristics influence employee performance. This is indicated by the T-statistic value of 20.258 and the path coefficient value is 0.770. While the value of T-statistics on the influence of the work environment on performance is obtained at 1.438 and the path coefficient value is 0.091. This means that the work environment does not affect employee performance.

Keywords: Individual Characteristics, Work Environment, Employee Performance.

1. Introduction

Human Resources (HR) has an important role in the survival of the company. HR as an asset is a “glue” that holds all other assets, such as finance and other physical assets together and guides their use for better results (Mathis & Jackson, 2010). HR as a very valuable asset must improve its quality in each period so that employees are able to carry out their activities optimally (Hidayat & Cavorina, 2017).

The existence of HR is the most special thing, each employee has his own personality and characteristics that are different so that the individual characteristics of each employee are formed. These individual characteristics can affect company activities if they are not well directed (Hidayat & Cavorina, 2017). One of the characteristics of professionals is having the means to express that they have the knowledge and competencies needed in the profession (Mathis & Jackson, 2010). That is why, companies through the human resources division need to carry out one important activity, namely getting or recruiting the right professional workforce, which can be seen from individual characteristics.

HR has several external functions namely paying attention to the law, economics, technology, global, work environment, culture/geography, politics, and social (Mathis & Jackson, 2010). All external functions need to be considered, especially the work environment because it can affect employee performance. Companies must be able to create a sense of security, comfort, and satisfaction at work. A safe, comfortable and clean work environment can foster a sense of work morale and is able to have a positive influence on each of its employees (Nuryasin, Al Musadieq, and Ruhana, 2016). In addition, companies should conduct open education with employees within the limits of their respective authority and responsibilities.

Companies must pay close attention to individual characteristics and the work environment of their employees in order to create optimal employee performance. PT Kawai Nip is a company engaged in the field of nickel plating and most of its workers are men with different characteristics between individuals. Based on observations, it was found that employee performance expected by the company was not appropriate. This results in not achieving the targets set by the company. An example is an employee who is not timely in completing a given task, so the employee is considered less responsible. This results in productivity targets not being reached. Employees are also considered to be unaware of carrying out their duties and responsibilities that are not in accordance with the Standard Operational Procedure (SOP). In addition, it was found that the work environment in PT. Kawai Nip has an inadequate lighting system, humid air due to lack of ventilation, lack of concern about safety in the work environment, and poor and smooth interpersonal communication.

2. Literature Review

Individual Characteristics

According to Rival referred to Lumbanraja, et al. (2018), individual characteristics are special characters, psychological, moral or character characteristics of a person that distinguishes others. Individual characteristics are influenced by several factors, including age, sex, marital status, number of dependents, and years of service, which can be objectively and easily obtained from a person's track record (Robbins, 2017). According to Mathis and Jackson (2010), there are four individual characteristics that can generally influence a person in choosing his career, namely: interests, self-image, personality, and social background. This study uses five indicators of individual characteristics from Robbins (2017), namely ability, personality, problem-solving, integration of internal factors, the need to achieve achievement, and the need for group acceptance.

Work Environment

The work environment is very important to note. According to Robbins (2017), the environment is an institution or outside force that has the potential to influence organizational performance, the environment is formulated into two namely general and specific environments. Nitisemito Adapted Nuraini (2013) states that the work environment can affect work morale and results in a job completed quickly. The work environment is divided into two, namely the physical and non-physical work environment (Sedarmayanti, 2009). The work environment is a physical environment where employee work affects the performance, safety, and quality of their work-life (Barry & Jayheizer in Muchtar, 2016). The work environment indicators in this study are based on Nderi and Kirai (2017), namely occupational health and safety, interpersonal communication, reward management, and workplace conditions.

Employee Performance

It is important to study the relationship between performance, human and situation factors. This is done to better understand work effectiveness. Performance is a very big factor affecting the profits of several organizations (Bevan, 2012). Bernadin and Russell (1998) set limits on performance as "a record of outcomes that result in the specification of functions or work activities over a certain period of time". Employee performance indicators are taken according to Robbins (2017), namely satisfaction with salary, satisfaction with leaders, the number of results, quality of results, work knowledge and initiative.

3. Methods

Research Subjects

This study uses a quantitative approach. The population in this study were employees of PT. Kawai Nip, with a total sample of 60 respondents. The sampling method uses random sampling.

Methods and Procedures for Data Collection and Processing

Data collection techniques with questionnaires and interviews. Measurement of variables using a Likert scale. The analytical method used is Structural Equation Modeling (SEM), with SmartPLS.

Operational Definition

Individual characteristics. This study uses five indicators of individual characteristics from Robbins (2017), namely ability, personality, problem-solving, integration of internal factors, the need to achieve achievement, and the need for group acceptance. Ability is the capacity of individuals to carry out various tasks in a job. Personality is the way individuals react and interact (including their overall attitudes, expressions, feelings, temperament, characteristics, and behavior) with others. Problem-solving is a high-level cognitive process that requires more control than routine or basic creativity processes.

Problem-solving can be done face to face with the aim of identifying the problem and solving it through open discussion. The integration of internal factors is that individuals believe that they can have full control over what happens to themselves. Integration of internal factors such as self-respect, autonomy, and respect. The need to achieve achievement is the drive to excel and achieve success. Accepted needs can be interpreted as needs for love, ownership, acceptance, and friendship.

Work environment. The work environment indicators in this study are based on Nderi and Kirai (2017), namely occupational health and safety, interpersonal communication, reward management, and workplace conditions. Occupational health and safety is an effort to protect employees and people who are in the workplace so that they are always healthy and safe, and that all production resources can be used safely and efficiently (Kepmenaker No. 463 / MEN / 1993). Occupational health and safety sub-indicators include medical benefits, insurance, and modern equipment. According to Echols (1997), the meaning of reward management is giving rewards, gifts, or rewards. Management reward includes financial, non-financial, and recognition.

Interpersonal communication is communication made between individuals with the aim of exchanging ideas or thoughts. Sub indicators of interpersonal communication include employee attitudes, friendliness, and emotions. Finally, what is meant by workplace conditions according to Stewart and Stewart (1983) is a set of conditions or work environment conditions of a company that is a place of work for employees who work in that environment. Sub indicators of workplace conditions include active affirmation, accommodation, and teamwork.

Employee performance. Employee performance indicators are taken according to Robbins (2017), namely satisfaction with salary, satisfaction with leaders, the number of results, quality of results, work knowledge and initiative. The meaning of the satisfaction indicator with a salary is a condition where employees are satisfied with the salary they get. According to Andini (2006), salary satisfaction is a multidimensional construct of satisfaction and consists of four sub-dimensions, namely salary levels, salary increases, benefits, and payroll structure and administration. Satisfaction with leaders is employees who are satisfied with the performance of their leaders. Leaders have a large role in the performance of their employees. One of the leaders' roles is to influence employees to understand and carry out tasks effectively and efficiently in order to achieve company goals. The yield quantity is the amount of output produced by an employee in a certain period of time.

Quality results are the output produced by an employee according to predetermined standards. The quality of these results can be measured by the level of efficiency and effectiveness of an employee in work supported by other resources. The work knowledge is anything that is obtained by employees both from the results of education in the classroom or work experience in the field, which is useful for the continuity of the implementation of employee duties. The initiative is a person's attitude towards a condition that requires rapid response without waiting for other people's orders/leaders. Employees who have high initiative usually have the ability to make decisions with the right consideration without having to be told by others.

Framework

HR is an important element for a company. High employee performance leads to high company performance, so that company goals are achieved. That is why companies need to make various efforts so that

employees produce maximum and optimal performance. One way is to ensure that the company has employees with good individual characteristics.

On the other hand, the work environment is another factor that can affect employee performance. A good and adequate work environment can improve employee performance. The conceptual framework of this study can be seen in Figure 1.

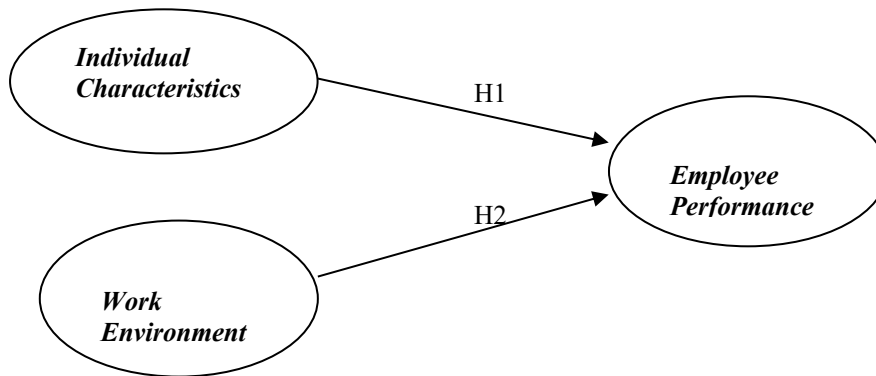


Figure 1. Theoretical Framework

Source: Researcher data, 2019.

H1: there is a significant influence between individual characteristics and employee performance

H2: there is a significant influence between the work environment and employee performance

4. Results and Discussion

Outer Model Analysis

The outer model can be analyzed using five criteria, namely loading factor, composite reliability, average variance extracted (AVE), AVE square root, and cross-loading. Outer models in this study can be seen in Table 1, while the final research model image of direct influence can be seen in Figure 2.

Table 1. Results of Assessment Criteria and Standard Values on the Outer Model

Criteria	Research Result
1 Loading factor	All indicators have a loading factor ≥ 0.7
2 Composite reliability	Individual characteristics = 0.832 Work environment = 0.871 Employee performance = 1.000
3 Average variance extracted (AVE)	Individual characteristics = 0.714 Work environment = 0.629 Employee performance = 1.000
4 Square root AVE	All AVE square root values of latent variables are greater than the correlation of other latent variables
5 Cross loading	All indicators have a greater correlation on latency alone than correlation to other latencies

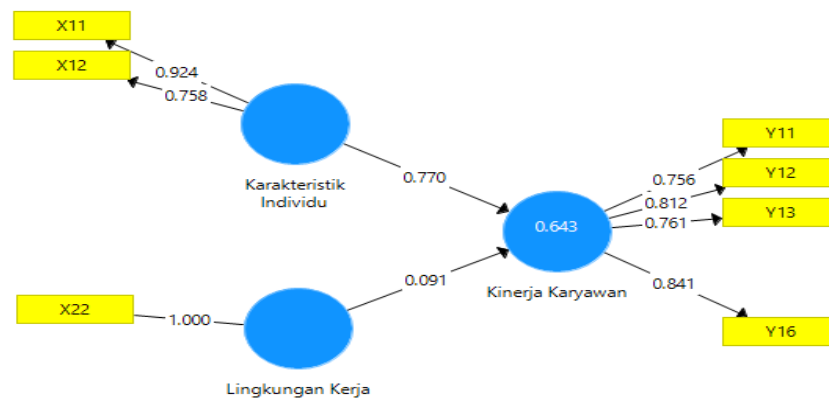


Figure 2. Outer Model Results

Source: Output Smartpls, 2019.

Based on Figure 2, it can be seen that the latent variable of individual characteristics is strongly influenced by two indicators, namely ability (X11) and personality (X12). This is consistent with the statement of Robbins (2017) who said that individual characteristics are influenced by abilities (physical and intellectual) and personality (heredity, environment, situation, and personality traits). In addition, the results of this study corroborate the results of the research of Lumbanraja, et al. (2007) that individual characteristics can be influenced by physical factors (body shape, physical health level, and ability) and psychological factors (intelligence, talent, personality, and education level). The results of this study illustrate that increasing the ability and improving the personality of employees of PT. Kawai Nip is expected to improve individual characteristics, so that employee performance can be achieved optimally.

In the latent variable of the work environment, there is only one indicator that greatly influences the work environment, namely interpersonal communication (X22). White (2001) states that organizations must ensure a physical layout that covers all employee needs, such as communication and privacy, formality and informality, functionality and cross-discipline. According to Nitisemito (2000), a company must be able to reflect the conditions that allow cooperation between superiors, subordinates, and colleagues at the same level. The condition is that the company must create a family atmosphere, good communication, and self-control. The work environment supports a new way of working and a flexible workplace that displays ease of communication and interpersonal access, in contrast to a fully private office, and this change is to openwork plans that have encouraged employee productivity in parallel with closing office space (Becker, 2002). The results of this study support the research conducted by Al-Omari and Okasheh (2017) who found that a flexible and well-planned workplace was conducted to facilitate communication between employees. The results of this study illustrate that employees who work by maintaining good communication between employees, both with superiors, subordinates, or fellow colleagues, will be able to influence the conditions of the work environment to be better, comfortable, and serene, so as to achieve optimal performance in PT. Kawai Nip.

The results of this study also found that the latent variable of employee performance was influenced by four indicators, namely satisfaction with salary (Y11), satisfaction with the leader (Y12), outcome quantity (Y13), and initiative (Y16). This is consistent with the results of Nagaraju and Pooja's (2017) research that salaries are very influential on employee performance. The results of other studies conducted by Samson, Waiganjo, and Koima (2015) can be concluded that the ability of leaders in allocating time to make complete notes in clarifying the role of their main function, can increase satisfaction with their leaders. Frese and Fay (2001) produce research that the future workplace will require more people to show initiative, and the concept of performance and organizational behavior today is more reactive than desired. This means that initiatives can improve the active performance of employees so that organizational performance will increase as well.

Inner Model Analysis

The inner model analysis will answer one provisional estimate that it is suspected that employee

performance is directly affected by individual characteristics and work environment. In this direct influence model, there is one endogenous variable, namely employee performance. The results of the research criteria and standard values in the inner model can be seen in Table II.

Table 2. Results of Assessment Criteria and Standard Value on the Inner Model

Criteria	Research Result
1 R ² for endogenous latent variables	R ² for employee performance = 0.643
2 Estimated path coefficient	T-statistic value: Individual characteristics -> employee performance = 20.258 Work environment -> employee performance = 1.438 Coefficient Value: Individual characteristics -> employee performance = 0.770 Work environment -> employee performance = 0.091

Source: Output Smartpls, 2019.

In Table 2 it is known that the influence of individual characteristics and work environment on employee performance gives an R2 of 0.643. the value of R2 can be interpreted that the latent variability of employee performance can be explained by the latent variability of individual characteristics and work environment by 64.3%, while 35.7 percent is explained by other variables outside the variables studied.

The bootstrapping technique is used to answer the hypotheses raised in this study. Figure analysis data with bootstrapping can be seen in Figure III.

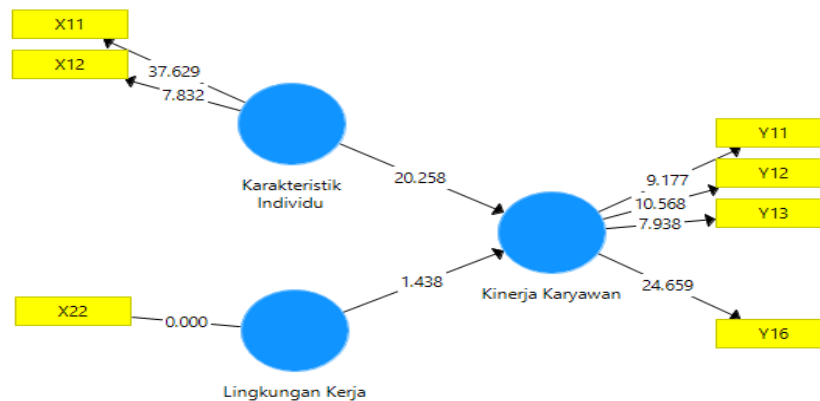


Figure 3. Inner Model Results with Bootstrapping Technique

Source: Output Smartpls, 2019.

In Table 2 can be seen as the T-statistic value of 20,258 (greater than the T-table) and the path coefficient value of 0.770 with a confidence level of 95% ($\alpha = 0.05$). Based on the results of the study it can be concluded that hypothesis 1 (H1) is accepted, which means that individual characteristics affect employee performance. While the value of T-statistics on the influence of the work environment on employee performance was 1,438 (smaller than the T-table) and the path coefficient value was 0.091 with a 95% confidence level ($\alpha = 0.05$). This means that hypothesis 2 (H2) is rejected which shows the work environment does not affect employee performance.

H1: There are Effects of Individual Characteristics on Employee Performance

Based on Table III it can be concluded that there is an influence between individual characteristics and employee performance. This is consistent with the results of research conducted by Jalil, Achan, Mojolou, and Rozaimie (2015) that employee characteristics can affect performance, the difference is that this study makes

the younger generation (Generation Y) as the object of research. This study is also supported by the results of Lumbanraja, Lubis, and Siahaan (2018) research that there are significant results that influence the characteristics of individuals on employee performance. The results of this analysis mean that the improvement of individual employee characteristics, especially in terms of increasing ability and improving employee personality will affect performance improvement. The hypothesis about the influence of individual characteristics on employee performance becomes evident. PT employees. Kawai Nip who has good individual characteristics are those who have good ability and good personality.

H2: There is an Effect of the Work Environment on Employee Performance

Based on the results of the analysis using bootstrapping techniques, it can be concluded that the work environment has no effect on employee performance. This result is supported by the results of the research of Hatani, et al. (2018). In this study, good communication between employees (as part of support to the work environment) cannot improve employee performance.

5. Conclusion

There is a significant influence between individual characteristics and employee performance. This means that if the individual characteristics at PT. Kawai Nip is considered by management, will improve employee performance. This can be done by way of organizing pieces of training that can improve individual characteristics.

The work environment does not affect employee performance. This means that the good/bad work environment at PT. Kawai Nip will not affect employee performance. In fact, employee complaints about poorly lit lighting systems, humid air due to lack of ventilation, lack of concern about safety in the work environment, and poor and smooth interpersonal communication did not affect their performance. This happens because the majority of employees think that PT. Kawai Nip is a Japanese company that when building its factory must prioritize the health and safety of its employees. Then regarding interpersonal communication, employees feel they can work professionally, even though there are personal problems with coworkers, as well as they will not affect their performance.

Individual characteristics at PT. Kawai Nip is very much influenced by ability and personality. This means that if the management of PT. Kawai Nip enhances the ability and personality of employees so that it can improve individual characteristics which will ultimately improve employee performance. This can be done by conducting training as needed so that the ability of employees can increase. In addition, management can also conduct motivational themed training that can change the way employees view their work.

Indicators that greatly affect the work environment are interpersonal communication. This means that good/bad interpersonal communication cannot affect the work environment at PT. Kawai Nip This is because of employees at PT. Kawai Nip works professionally. If they experience personal problems between individuals, so that communication deteriorates, this will not worsen the working environment, and will not affect their performance.

Performance of employees of PT. Kawai Nip is influenced by four indicators, namely satisfaction with salary, satisfaction with leaders, the number of results, and initiative. Therefore, management needs to pay attention to whether the salaries that employees earn are in accordance with their workload, in accordance with similar companies in the vicinity, and other considerations. Management also needs to train and supervise the performance of leaders, so employees are satisfied with their leaders, both in terms of attention/appreciation, how to train their employees and others. Management needs to pay attention to the quantity of work of employees of PT. Kawai Nip, because with the quantity target achieved, certain employees expect to get more bonuses/incentives, so management needs to provide training on how to get employees to reach their quantity targets. Finally, management needs to pay attention to the level of employee initiative. Employees need to be given training or examples/examples in taking initiatives, which decisions can be taken alone (initiatives) without the need for leader approval, and which decisions require leader approval.

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