

# **The Influence of Work Environment, Work Conflict, and Job Satisfaction on Employee Performance at PT. Bank BPD Bali**

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## **Abstract**

*The purpose of this study was to determine and analyze the effect of work environment variables, work conflict, and satisfaction on employee performance at PT. Bank BPD Bali Karangasem Branch. The research was conducted at PT. Bank BPD Bali Karangasem Regency Branch Office. The population in this study consisted of all permanent employees at PT. Bank BPD Bali Karangasem Branch Office, totaling 109 people and the sample in this study were all employees of the population at PT. Bank BPD Bali Karangasem Branch Office. The data analysis method used is Partial Least Square (PLS) with SmartPLS software. The results showed that the work environment had a positive and significant effect on employee performance, job satisfaction had a significant positive effect on employee performance, work conflict had a significant negative effect on employee performance at PT. Bank BPD Bali Karangasem Branch Office.*

**Keywords:** *work environment; work conflict; job satisfaction; employee performance.*

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## **I. Introduction**

PT. Bank BPD Bali Karangasem Branch Office is a company engaged in banking whose shares are owned by the Regional Government of Bali, Government throughout Bali and Denpasar City Government. Since its inception, it has a mission to develop the economy of the Bali Region.

Based on preliminary research conducted in the PT. Bank BPD Bali Karangasem Branch Office, found several things that became phenomena or customer complaints found at BPD Bali Karangasem Branch Office, among others, service to customers (Funds) which is the task of customer service in providing information about savings products that is not clear and sympathetic. so that the customer does not fully understand the explanation from the employee. Customers often complain to tellers regarding the problem of withdrawing money at ATMs that do not come out, but the refund has been made to the savings account because there is an improvement in the system network and the customer understands this. Complaints also often occur about withdrawals from ATMs that do not come out while the savings account has been debited, but it has been explained because there is an improvement in the system network while the money has been returned to the savings book. Productive Credit Target Performance (Agricultural Sector) is also still lacking. This can be seen from the evaluation of program credit, especially the agricultural and livestock sectors, which were not achieved, this was because the Denpasar Branch office area was more dominant in the service and trade sectors. Program credit evaluation (KUR) was not achieved because this SKIM was intended for prospective customers who were not enjoying credit at other banks. Employee Satisfaction with Health with Insurance Parties is also not good. Employees are sometimes dissatisfied with the services of In Health insurance which provide drug services that do not meet employee standards. The events and circumstances above indicate a problem in terms of employee satisfaction and performance at PT. Bank BPD Bali Karangasem Branch Office. This situation is interesting to study further, especially related to the work environment, work stress and employee work conflict.

The work environment is a condition that can be prepared by the management of the company concerned when the workplace is formed by the company. In line with the company's establishment, company management should consider the work environment for company employees. Every organization or company must strive for decent and satisfactory working conditions so that employees at work can feel satisfied with the work they do (Nasution, 2013).

A good work environment and satisfying employees will encourage employees to work as well as possible so that the implementation of operational processes within the company will be able to run better too. An unpleasant work environment will affect employee performance. Employees will feel dissatisfied so that their work enthusiasm decreases. Architects, industrial engineers, and office designers have known for decades that factors such as temperature, noise levels, and the physical layout of the workspace affect an employee's performance (Robbins 2002).

Another factor that also affects employee satisfaction and performance is the emergence of conflict. Work coordination which includes depending on coworkers at work and doubts in carrying out tasks because it is not structured in the details of the task can reduce employee job satisfaction. The organizational control system which includes the weakness of managers in implementing the performance appraisal system, lack of coordination between departments, and unfair competition in obtaining awards can also reduce employee job satisfaction within the company. Therefore, it is necessary to have good conflict management by means of conflict management methods. Gitosudarmo (2000: 118) explains that there are several strategies to manage conflict in organizations. The strategy is the avoidance of force intervention, deflation, and resolution. By implementing these strategies, employee job satisfaction will be better and the company can achieve its goals. (Afrizal et al, 2014).

Conflicts that occur in company life, if not handled seriously will have a very significant impact on efforts to achieve company goals, including low employee performance and decreased employee productivity. According to Robbins (2002) the nature of conflict is divided into two, namely functional conflict and dysfunctional conflict. Functional conflict is conflict that supports group goals and improves group performance while dysfunctional conflict is conflict that can hinder group performance. Conflict in employees can come from outside or within the individual employee. Conflicts from within the individual employee in the form of a discrepancy between the personality and the task assigned will cause a role conflict within him. Conflicts that come from outside the employees, for example, conflicts between employees both in one unit and another. If this conflict is not handled carefully and appropriately, it will be able to put employees in an awry atmosphere which will ultimately have an impact on decreasing work motivation, so that it can affect the performance achieved.

## **II. Literature Review**

### **Employee Performance**

Irianto (2001) suggests that what is meant by employee performance is the result of many individual tasks/jobs made continuously by employees in one period. Furthermore, performance can be said to be a result shown by employees to the organization about the achievements or setbacks that have been achieved by employees. The measure of achievement used can be related to the standard of implementation of tasks that have been set by the company, it can also be linked to the achievement of achievements in the previous period. In this study an assessment of the performance of employees at PT. Bank BPD Karangasem Branch Office is measured by three criteria, namely (1) the amount of work completed, (2) the quality of the work, (3) timeliness.

### **Job Satisfaction**

Job satisfaction is a positive feeling about work resulting from an evaluation of its characteristics (Robbins & Judge, 2015: 46). According to Handoko (2012: 193), job satisfaction is a pleasant or unpleasant emotional state in which employees view their work. Job satisfaction reflects a person's feelings towards his job. Greenberg and Baron (2003) in Suyasa (2012) suggest one approach to measuring job satisfaction by using the Job Description Index (JDI). JDI is a measurement questionnaire in which it indicates satisfaction by expanding aspects of the work by using a Likert scale consisting of 5 aspects of work, namely salary, promotion, co-workers, work and supervision.

### **Work Environment**

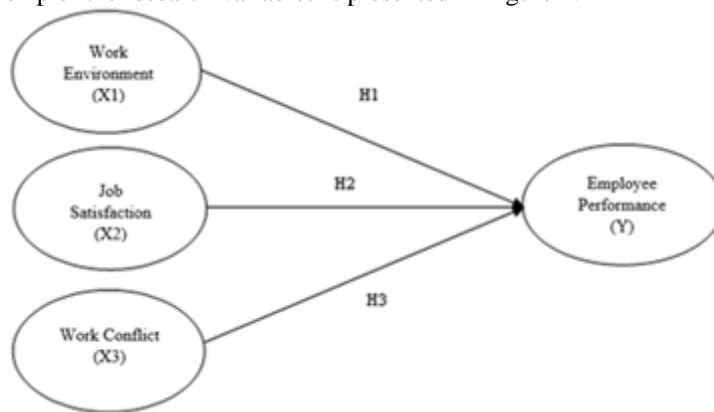
Nitisemito (1992) states that the work environment is everything that is around the workers and that can affect them in carrying out the tasks assigned. The work environment consists of the physical and non-physical environment attached to employees so that they cannot be separated to get good employee performance. According to Sedarmayanti (2009), the physical work environment is all physical conditions that exist around the workplace that can affect employees either directly or indirectly. While the non-physical work environment is all conditions that occur related to work relations, both relationships with superiors and with

colleagues, or relationships with subordinates. In this study, indicators were taken, namely work atmosphere, relationships with colleagues, availability of work facilities, lighting, air circulation, noise, unpleasant odors, and security.

**Work Conflict**

Winardi (1994), states that conflict is an opposition or conflict between people, groups or organizations. Robbins (2002) states conflict as a process that begins when one party feels that the other party has negatively influenced, or will soon influence. negatively; something that caught the attention of the first party. Based on the theory of Kreitner and Kinicki (2001), they distinguish work conflict into four types of conflict, namely (1) Personality conflict, namely interpersonal conflict that is driven by personal displeasure or incompatibility, (2) Value conflict is conflict due to different views on certain values. , (3) Intergroup conflict is a conflict between work groups, teams and departments, (4) Cross-Cultural conflict is a conflict that occurs between different cultures.

The structural relationship of the research variables is presented in Figure 1.



**Figure 1. Research Concept Framework**

Furthermore, research hypotheses can be arranged as follows:

- H1: There is a significant positive effect between the work environment on employee performance at PT. Bank BPD Bali Karangasem Branch.
- H2: There is a significant positive effect between job satisfaction on employee performance at PT. Bank BPD Bali Karangasem Branch.
- H3: There is a significant negative effect between work conflict on employee performance at PT. Bank BPD Bali Karangasem Branch.

**III. Research Methods**

Research on the effect of work environment variables, work conflict, and satisfaction on employee performance was conducted at PT. Bank BPD Bali Karangasem Branch. The population in this study consisted of all permanent employees at PT. Bank BPD Bali Karangasem Branch Office, totaling 109 people and the samples used in this study were all employees of the population at PT. Bank BPD Bali Karangasem Branch Office. The data analysis method used is Partial Least Square (PLS) with the calculation process assisted by the SmartPLS software application program. The stages of testing the results of questionnaire data collection are carried out through (1) evaluation of the measurement model or outer model, (2) evaluation of the structural model or inner model, (3) hypothesis testing.

**IV. Results And Discussion**

**Data Analysis Results**

Composite reliability aims to test the reliability value between the indicator blocks of the constructs that form it. Composite reliability results are said to be good, if the value is above 0.60 as presented in Table 1. The results of the analysis show that the composite reliability values for the four variables that make up the research model are all above 0.60. This means that all the reflexive indicators that make up the research model are reliable.

**Table 1. Composite Reliability Test Results**

Variable	Composite Reliability
Work Environment (X1)	0.7335
Job Satisfaction (X2)	0.7750

Work Conflict (X3)	0.8813
Employee Performance (Y)	0.8318

Source: processed data

The calculation of convergent validity aims to determine the items that make up the indicators of all latent variables. The results of the convergent validity test are measured based on the magnitude of the loading factor value (outer loading) of the construct indicator.

The discriminant validity test is to compare the value of the square root of average variance extracted ( $\sqrt{AVE}$ ) of each construct with the correlations between other constructs in the model. If the initial measurement values of the two methods are better than the values of the other constructs in the model, it can be concluded that the construct has a good discriminant validity value or vice versa. The test results in Table 2 show that all AVE roots in the research variables have a value greater than the correlation coefficient value of each variable, so it can be concluded that this measurement meets the requirements of discriminant validity.

**Table 2. Discriminant Validity Test Results**

Variable	AVE	$\sqrt{AVE}$	Laten Variable Correlation			
			X1	X2	X3	Y
Work Environment (X1)	0.3575	0.5979	0	0	0	0
Job Satisfaction (X2)	0.4631	0.6805	0.3919	0	0	0
Work Conflict (X3)	0.6525	0.8078	-0.0794	-0.1385	0	0
Employee Performance (Y)	0.5019	0.7085	0.3285	0.4132	-0.2300	0

Source: processed data

The Goodness of Fit (GoF) test of the structural model on the inner model uses the R-Square value to test the variables used in the model so that it can be seen how much influence the exogenous variables have on the endogenous variables. The results of the analysis show the  $R^2$  value of 0.2323. This means that 23.23% of the variation in the service quality variable (dependent variable) can be explained by the variables used in the research model, namely work environment, job satisfaction, and work conflict, while the remaining 76.77% is explained by other variables outside the research model.

Furthermore, the results of research hypothesis testing are presented in Table 3 and Figure 2.

**Table 3. Path Coefficient of Work Environment, Job Satisfaction, Work Conflict, Performance**

Relationship Between Variables	Path Coefficient	T-Statistics	Information
Work Environment → Performance	0.192	6.061	significant
Job Satisfaction → Performance	0.314	8.880	significant
Work Conflict → Performance	-0.171	4.801	significant

Source: processed data

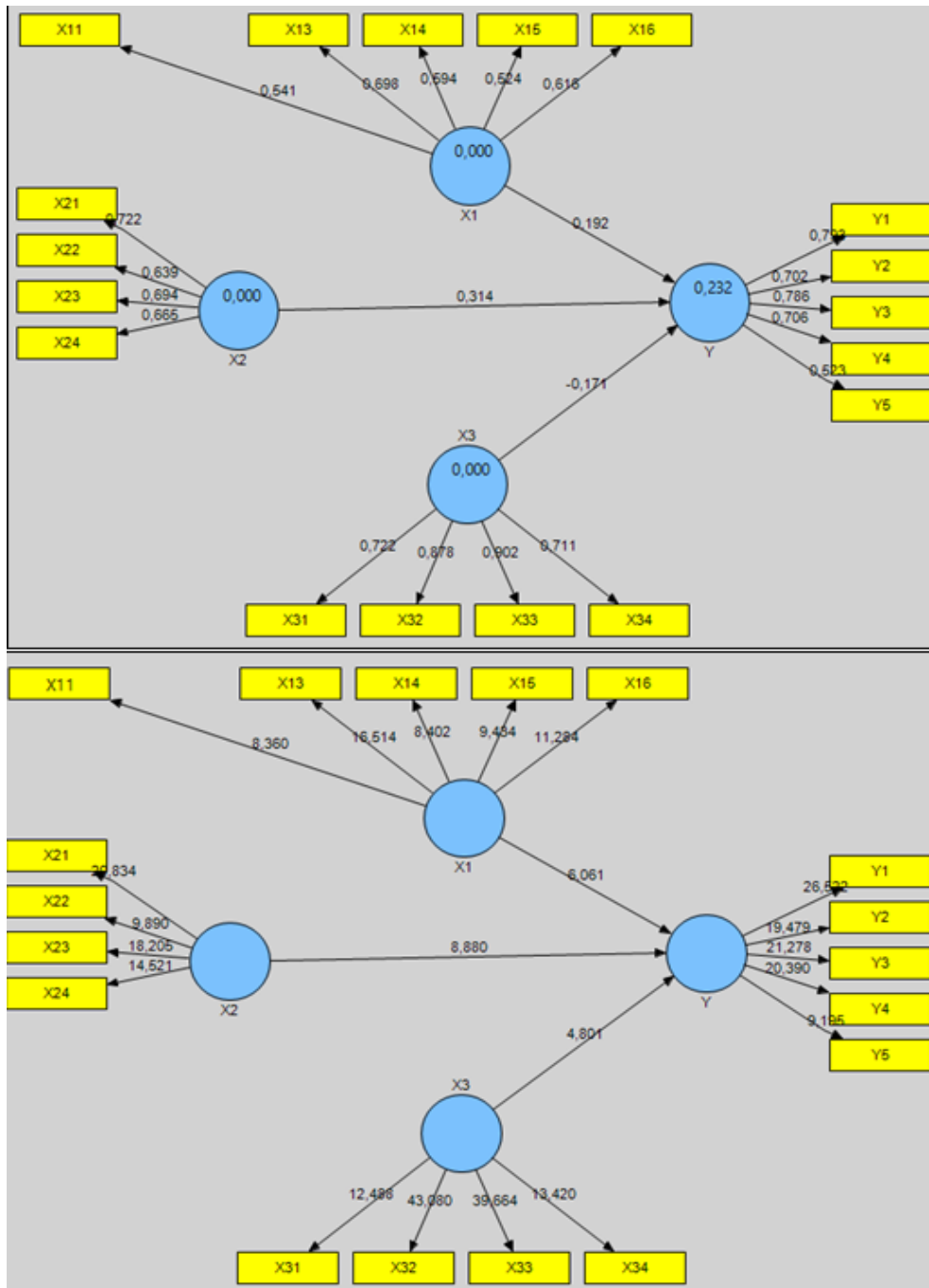


Figure 2. SmartPLS Output

Source: processed data

The results of hypothesis testing with PLS analysis produce a path coefficient of direct influence of the work environment on employee performance with a value of 0.1917 and t-statistics 6.0609. The t-statistics value of 0.0609 is greater than 1.96 (alpha 5%), it can be concluded that the work environment has a significant positive effect on employee performance. Thus, hypothesis 1 (H1) which states that the work environment has a significant positive effect on employee performance can be accepted. This implies that improving the quality of the work environment can improve employee performance.

Hypothesis testing resulted in the path coefficient of the direct effect of job satisfaction on employee performance showing a value of 0.3144 with t-statistics of 8.8801. Because the t-statistics value of 8.8801 is greater than 1.96 (alpha 5%), then hypothesis 2 (H2), which states that job satisfaction has a significant positive effect on employee performance can be accepted. This implies that increasing employee job satisfaction is able to improve employee performance.

Hypothesis testing resulted in the path coefficient of the direct effect of work conflict on employee performance showing a value of -0.1712 with t-statistics 4.8009. Because the t-statistics of 4.8009 is greater than 1.96 (alpha 5%), then hypothesis 3 (H3) which states that work conflict has a significant negative effect on employee performance can be accepted. This implies that an increase in work conflict has an impact on decreasing employee performance.

## V. Discussion

The results of the analysis show that the work environment has a significant positive effect on employee performance. These results indicate that the work environment of PT. Bank BPD Bali Karangasem Branch which is perceived by employees based on indicators of room arrangement, communication relations, facilities and infrastructure, lighting, air circulation, noise, unpleasant odors, and security is proven to be able to improve employee performance, as measured by indicators of work results, work targets, thoroughness, presence, and mutual assistance.

The results of the analysis state that job satisfaction has a significant positive effect on employee performance. This indicates that the job satisfaction of employees of PT. Bank BPD Bali Karangasem Branch as measured by indicators of suitability for type of work, salary suitability, recognition of competence, administrative system, relationships between co-workers, and working conditions/environment can encourage employee performance improvement.

The results of the analysis of the effect of work conflict on employee performance showed significant negative results. This indicates that the work conflict of employees of PT. Bank BPD Bali Karangasem Branch, which is measured based on indicators: work coordination, view of value, operational view, and perception of organizational goals can reduce employee performance.

## VI. Conclusion

Based on the results of the above discussion, it can be concluded that work environment has a positive significant effect on employee performance, employee job satisfaction has a significant positive effect on employee performance, work conflict has a significant negative effect on employee performance at PT. Bank BPD Bali Karangasem Branch. Furthermore, it is recommended that the work environment be improved, especially in the arrangement of the environment, infrastructure, lighting and air circulation. Increased employee job satisfaction, especially in the placement of employees in accordance with their competencies, so that there is recognition of employee competence, improvement of the administrative system and salary adjustments. Improve coordination among employees, the need for a common view of values, operational views and organizational goals, to avoid greater conflicts.

An important implication of this research is the proof of several previous research results related to the work environment, job satisfaction, and work conflict, which can affect employee performance. The results of the analysis show that employees' perceptions of the work environment, job satisfaction, and work conflict are all perceived as low by the employees of PT. Bank BPD Bali Karangasem Branch Office. The low employee perception of the work environment, job satisfaction and work conflict was in line with the low employee performance. So clearly the results of this study found that the work environment, job satisfaction, and work conflict affect the performance of employees at PT. Bank BPD Bali Karangasem Branch Office.

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