

# THE EFFECT OF WORK ENVIRONMENT AND JOB STRESS ON JOB PERFORMANCE PT FEDERAL INTERNATIONAL FINANCE SLEMAN

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## Abstract

This study aims to examine and analyze the effect of work environment and job stress on the performance of employee. Data collection was done through questionnaires distributed and implemented on 30 employees of PT Federal International Finance (FIF) Sleman Data analysis in this study using the help of SPSS. Data testing techniques used in this study Sample technique that includes validity and reliability. Multiple regression is used to test hypothesis of study. Analysis results show that Work environment positively affect employee performance and job stress negatively affect job performance.

Keywords: Work environment, Job Stress, and Job performance.

## INTRODUCTION

Human resource management is a process of dealing with various issues on the scope of employees, laborers, managers and other workers to be able to support the activities of the organization or company to achieve the goals that have been determined. In the organization, human is one of the most important elements in an organization. Without a human role even though the various factors required are readily available, the organization will not run. Humans are the success factors of an organization. Therefore, the organization should give positive direction for the achievement of organizational goals. One of the factors that influence the success rate of an organization is the performance of its employees. Employee performance is an action performed by employees in carrying out the work given the company (Handoko, 2001). Every company always expects employees to have achievement, because by having employees who excel will provide an optimal contribution for the company. In addition, by having employees who excel the company can improve the performance of his company. Accordingly, the efforts of the improving employee performance have to pay attention on the work environment (Nitisemito, 2000).

According to Parlinda (1993) working conditions is a situation where a good workplace covers the physical environment and non-physical environment that can give the impression of fun, safe, peace, and so forth. If good working conditions then it can spur the emergence of a sense of satisfaction in the employee who can ultimately give a positive influence on employee performance, rather than the bad working conditions provokes employee un-satisfaction at work. Condition of a comfortable working environment will affect employees to work harder and concentration to complete tasks on schedule. The success of performance improvement requires the agency to know its performance goals. If

the performance goal is grown from the employees them-selves, it will create strength of self and support the achievement of performance easier (Mangkunegara, 2005).

According to Moekijat (2002), good and comfortable workplace provides motivation for employees to improve their performance. It reduces burnout and fatigue, so it is expected to improve employee performance. The effort of improving employees' performance is related to job stress. Stress is a condition of a person's state of tension. Stress can have a negative impact on the psychological and biological state for employees. According Robbin (2002), stress is a dynamic condition where an individual is faced with opportunities, limitations, or demands heading to the expectations of the results he/she wants to achieve. Nurdyansyah (2009) found a significant influence between the work environments on employee performance. Kusani (2008) showed that work environment has a significant effect on employee performance. Whereas Randall Schuller found that stress may decrease of job performance, increase work absenteeism and the tendency of an accident.

## **LITERATURE REVIEW**

### ***Job / Work Performance***

Performance comes from the word job performance or actual performance i.e., the actual performance or achievement that a person achieves. Understanding performance (work performance) is the result of work in quality and quantity achieved by an employee in performing its functions according to their responsibility. Scholars initiate various description of job performance. Performance is the result or output of a process (Nurlaila, 2010). According to behavioral approaches in management, performance is the quantity or quality of the resulting product or service provided By someone doing the work (Luthans, 2005). Performance is an achievement of work, namely the comparison between the work With established standards (Dessler, 2000). Performance is the result of good work In quality and quantity achieved by a person within Perform tasks according to the responsibilities given (Mangkunagara,2002). Performance is the result or success rate of a person Overall over a certain period in performing the task compared With a variety of possibilities, such as standards of work, targets or targets Or pre-determined criteria have been mutually agreed upon (Rivai and Basri, 2005). While Mathis and Jackson (2006) stated that performance on Essentially what employees do or do not do. Management Performance is the overall activity undertaken to improve performance Company or organization, including the performance of each individual and Working group in the company.

### ***Work Environment***

Working environment can be divided into two components namely physical and behavioral components .The physical environment consists of elements that relate to the office occupiers' ability to physically connect with their office environment. The behavioral environment consists of components that relate to how well the office occupiers connect with each other, and the impact the office environment can have on the behavior of the individual. According to Haynes (2008), the physical environment with

the productivity of its occupants falls into two main categories office layout (open-plan versus cellular offices) and office comfort (matching the office environment to the work processes), and the behavioral environment represents the two main components namely interaction and distraction.

Performance is the work of behavior (Armstrong, 1999). This sense of performance links between work with behavior. As Behavior, performance is a human activity directed at The implementation of the assigned organizational duties. These components can further be divided in major attributes and operationalized in the form of different independent variables. These variables will be used for analysis of their impact on dependant variable. It is generally understood that the physical design of offices and the environmental conditions at work places are important factors in organizational performance. The empirical research by Stall has also shown that when human needs are considered in office design, employees work more efficiently. One survey conducted by Brill in particular has suggested that improvements in the physical design of office buildings may result in a 5-10 percent increase in productivity and eventually increase performance. Other studies have examined the effect of physical work environment on workers' job satisfaction, performance, and health. For example Scott (2000) reported that working conditions associates with employees' job involvement and job satisfaction. Strong et al (1999) in a study observed that social, organizational and physical context serve as the impetus for tasks and activities, and considerably influence workers' performance. Researches on quality of work life have also established the importance of safe and healthy working conditions in determining employees' job performance. The influence of working environment, which is mostly composed of physical, social and psychological factors, has been extensively examined in past two decades. In a number of studies, employees' motivation, job satisfaction, job involvement, job performance, and health have been found to be markedly influenced by psycho-social environment of work organization .According to Franco performance relies on internal motivation but presence of internal factors such as necessary skills, intellectual capacity and resources to do the job clearly have an impact. As a consequence employers are supposed to provide appropriate working conditions in order to make sure the performance of employees meet the required standards. Performance of an employee at his/her workplace is a point of concern for all the organizations irrespective of all the factors and conditions. Consequently the employees are considered to be very important asset for their organizations (Qureshi & Ramay, 2006). A good performance of the employees of an organization leads towards a good organizational performance thus ultimately making an organization more successful and effective and the vice versa (Armstrong & Baron, 1998). These moderators were further investigated and strong correlations between organizational commitment and work behavior were found against self reported and for supervisory report of performance. The problems arise for the organizations when they start perceiving that their organizations are already performing at their level best and with great efficiency furthermore, there is no need for further improvement in their organizations (Summers & Hyman, 2005). Hence keeping in view these barriers must be tackled and addressed as they result in

underdeveloped competencies and more over lead towards, finally the organizational ineffectiveness. Ultimate success or failure of an organization is determined majorly by the performance of their employees. (Bartlett & Ghoshal, 1995)

Hypotheses 1 : work environment have a positive effect on job performance significantly

### ***Job stress***

Stress is an unwanted reaction people have to severe pressures or other types of demands placed upon them. A huge and multi fields literature points a lot of key factors such as work environment, management support, work load etc., in determining the stressful the work can be and its effect on employee physical and mental health (Ganster & Loghan, 2005). According to Anderson (2002) work to family conflicts is also a predecessor which creates stress in employees of an organization. Job related stress can create an difference between demands on families and the ability of families to provide material security for them (McCubbin & Figley, 1983). While there is a significant body of research which deals with work and family there is relatively little research (e.g., Jacobson, 1987) which deals specifically with perceived job insecurity (i.e., concerns or fears about job loss) and marriage and family life (e.g., Buss & Redburn, 1983). Stress condition which happens when one realizes the pressures on them, or the requirements of a situation, are wider than the irrecognition that they can handle, if these requirements are huge and continue for a longer period of time without any interval, mental, physical or behavior problems may occur (Health & Safety Executive UK). Stress exists in every organization either big or small the work places and organizations have become so much complex due to which it exists, work place stress has significant effects over the employees job performance, and the organizations in Uk are trying to cope with this scenario, (Anderson, 2003). Eleven forces are used as an antecedents of stress by researches (Overload, Role vagueness, Role conflict, Responsibility for people, Participation, Lack of feedback, Keeping up with quick technological change, Being in an innovative role, Career growth, Organizational structure and environment, and Recent episodic events..) Overload :excessive work or work that is outside one's capability. Ivancevich & Donnelly (1975) studied the link between anxiety stress with satisfaction and performance of employees, that lower anxiety stress improves performance of employee's which he studied in different managerial level of an organization. (Beehr, Jex, Stacy & Murray, 2000) found the relationship between occupational stressors an the performance of employees of an organization as well as it can affect the employees psychologically. (Jamal, 1984) studied a association between job stress and job performance between managers and blue - collar employees. Stress on job can be stated as the outcome of an individual due to the working environment from which he feels unsecured. Different relationships are projected between job stress and performance: U-shaped and curvilinear, positive linear, negative linear and no relationship between the stress and performance. A random sample of 305 blue - collar and 325 managerial workers in Canadian firm are surveyed through structured questionnaire. Variables used for this study were job stress, job performance, and organizational

commitment. A negative linear relationship between job stress and job performance was found. Very limited evidence is seen for curvilinear or no association. (Coleman, 1976). The stress itself will be affected by number of stressors. Nevertheless, Beehr and Newman (1978) had defined stress as a situation which will force a person to deviate from normal functioning due to the change (i.e. disrupt or enhance) in his/her psychological and/or physiological condition, such that the person is forced to deviate from normal functioning. From the definition that has been identified by researchers, we can conclude that it is truly important for an individual to recognize the stresses that are facing by them in their career. Some demographic factor may influence the way a university academic staff act in their workplace.

Hypotheses 2 : Job stress have a negative effect on job performance significantly

Job stress has been also viewed as dysfunctional for organizations and their members (Kahn, Wolfe, Quinn, Snoek, & Rosenthal, 1964). Although stress has been variously viewed as an environmental stimulus to an individual (Kahn et al., 1964) Selye, 1956 defined stress as an individual's reaction to an environmental force that effect an individual performance. Job related stress can be mostly immobilizing because of its possible threats to family functioning and individual performance.

Hypotheses 3 : work environment and Job stress have impact to Job performance

## **METHOD**

This research uses quantitative method. The Data Collection Tool is a tool used for collecting data. This study employed 66.7% male and average 20-30 years old (76.6%), 60% have high school education, 90% work for 1-10 years. Validity and Reliability test is used to make sure that the instruments are usable. The value of cronbach's alpha of all variables tested value is already above than 0.60, it can be concluded that all the variables in this study ie work environment, work stress and employee performance pass in reliability test and declared reliable.

The result of regression analysis found that the effect of work environment on job performance is significant ( $\beta=0.617$ ), and work stress found negatively related to job performance ( $\beta=-0.004$ ).

## **LIMITATION AND SUGGESTION**

This study test the employees working at PT Federal International Finance in Sleman Yogyakarta Region regarding the effect of working environment and job stress on performance work ( job performance). However the limitations could be considered as an opportunity for future research on the effect of work environment and job stress on performance work in different units. It may also include both public and private sectors.

The study explored only the effect of the work environment and job stress on work performance (Job Performance) at PT Federal International Finance Sleman. Therefore, other reports should conduct study in other companies or institutions are located up country.

Also further study should aim to improve Work performance / job performance through work environments and minimize job stress.

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