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Motivation and Work Environment in the era of flexibility: Optimizing Employee Engagement for Maximum Performance at PT. Mandiri Andalan Utama

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Abstract: Creating a work environment that supports productivity while maintaining employee engagement. Companies need highly motivated human resources to provide good performance to achieve maximum work performance. Good performance can be created from an effective and efficient work environment. This study aims to determine Motivation and Work Environment in the Era of Flexibility in Optimizing Employee Engagement for Maximum Performance at PT Mandiri Andalan Utama located at Jl. Sultan Iskandar Muda No. 30 A-B Arteri Pondok Indah Kebayoran Lama, South Jakarta 12240. The data collection methods used in this research are observation, interview and questionnaire. The population was 40 employees, and the number of samples used in this study were 40 respondents, using the non-probability sampling method with saturated sample technique. The data analysis methods used in this study are measurement models (outer models), structural models (inner models) and SmartPLS criteria. Based on the results of the study Motivation has an insignificant effect on Employee Engagement, Work Environment has a significant positive effect on Employee Engagement, Motivation has an insignificant effect on Performance, Work Environment has an insignificant effect on performance, Employee Engagement has no effect on mediating the relationship between motivation and performance, Employee Engagement has no effect on mediating the relationship between Work Environment and performance.

Keywords: Motivation, Work Environment, Employee Engagement, Performance.

INTRODUCTION

In the digital era, human resource management (HRM) has developed significantly, causing major changes to human life in the economic, social, political, technological, cultural and other fields. In addition, human resource management (HRM) is a planned and organized approach to managing employees in an organization. It includes a series of processes and practices that aim to maximize employee performance and achieve the organization's strategic goals. (Nuraeni, Nuraeni, Supardi, 2024).

Human resource management (HRM) has an important role in determining the needs of Human Resources and to keep pace with technological changes (Sudiantini et al., 2023).

Basically, Human Resources (HR) is one of the important resource assets in an organization which is the spearhead to achieve organizational goals. The importance of HR in organizations is not only related to day-to-day operational aspects, but also to the organization's ability to compete, adapt, and survive in a dynamic competitive environment.

The success of the company is influenced by employee performance in carrying out their duties and functions. (Murdih, Nuraeni, & Yusuf, 2024). Competent human resources in a company are seen from the results of the employee's performance (Mangkunegara p. 67 in Silas, Adolfina, and Lumintang 2019).

Performance is the result of work in quality and quantity achieved by an employee in carrying out his obligations to the company. Performance is the result obtained by an organization, both profit oriented and non-profit oriented organizations produced during one period of time (Kusumaningrum Sari, 2019: 22). Employee performance evaluation can be carried out in various ways, including assessing the level of productivity and target achievement, as well as considering the responsibilities given to him. (Da'wat, Mujibu; Nuraeni, Nuraeni; Yusuf, 2023).

PT Mandiri Andalan Utama is a company engaged in outsourcing labor, especially in the banking industry, in assessing the performance of its employees, measured based on the ABU rating. Table 1.1 is the employee performance data.

Table 1.1
Employee Performance Data of PT Mandiri Andalan Utama
2021-2023 Period

No	Indicator	Year		
		2020	2021	2022
1.	Quality Of work	75%	84%	79%
2.	Work Quantity	95%	85%	77%
3.	Attendance	89%	93%	82%
4.	Productivity	91%	86%	78%
	Average	88%	87%	79%
	Value	B	B	C

Source : PT Mandiri Andalan Utama 2020-2022

Table 1.2
Employee Performance Appraisal Categories
PT Mandiri Andalan Utama

Value	Category
90 - 100	Very Good(SB)
81 - 89	Good (B)
71 - 80	Fair (C)
51 - 70	Less good (KB)
0 - 50	Very Poor (SKB)

Source : PT Mandiri Andalan Utama 2020-2022

Based on table 1.1. employee performance data of PT Mandiri Andalan Utama in 2020 with a percentage of 88%, in 2021 with a percentage of 87%, and in 2022 with a percentage of 79% has decreased by 9% from 2020 and 8% from 2021. Thus performance can be defined as the results of work and effort achieved, both individually and collectively, by employees of an organization in accordance with the authority and obligations given, with the aim of achieving the vision, mission, and objectives of the organization with perseverance, independence, and problem solving. ability within the specified time limit, morally, ethically, and legally without violating any law. (Nuraeni, Nuraeni, Mariyam Siti, 2019).

PT Mandiri Andalan Utama needs to pay attention to factors that can affect employee performance including work motivation. Work motivation according to (McClelland translated by Suwanto 2020: 161) is “A set of forces both from within and from outside a person that encourages to start work behavior according to a certain format, direction, intensity and period of time.

Apart from motivation, good work environment conditions are one of the factors that can support employee performance. (Scott (1981) in Torang 2014: 27) states, the work environment is all forms of relationship dependence that can make the organization survive around the system in which it is located. Pre-research conducted by researchers found that the physical work environment, namely in the layout of the workspace is still not optimal so that it is suspected that employees feel uncomfortable. A work environment condition is said to be good if employees can carry out activities optimally, healthily, safely, and comfortably. Therefore, determining and creating a good work environment will greatly determine the success of achieving organizational goals.

The next factor in this research that can affect employee performance, namely employee engagement, is employee involvement in work comprehensively, both emotionally, cognitively, and behaviorally. Employee engagement is a relationship that shows employee connection to organizational values and commitment (Wahyuni, 2019). As the results of research by Septi Diana and Agus Frianto (2021) employee engagement has a positive and significant effect on employee performance. Employee engagement has become a significant concern, and research shows that organizations have difficulty maintaining employee engagement due to decreased productivity (Garton & Mankins, 2023). (Silvia, Rifzaldi, Sulaeman, & ..., 2024).

In conducting research, determining a framework is very necessary to guide researchers in conducting this research. The framework of thinking is compiled based on literature review and research results relevant to this research, the framework of this research includes the following:

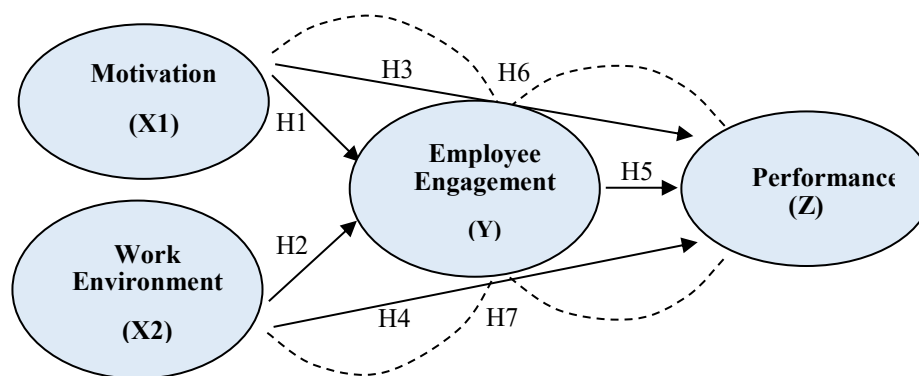


Figure 2.1
Thinking Framework

The hypotheses that can be put forward in this study are as follows:

- Motivation affects Employee Engagement at PT. Mandiri Adalan Utama
- Work Environment affects Employee Engagement at PT. Mandiri Adalan Utama
- Motivation affects employee performance at PT. Mandiri Adalan Utama
- Work Environment affects employee performance at PT. Mandiri Adalan Utama
- Employee Engagement affects employee performance at PT. Mandiri Adalan Utama
- Motivation affects employee performance through Employee Engagement at PT. Mandiri Adalan Utama

- g. Work Environment affects employee performance through Employee Engagement at PT. Mandiri Adalan Utama

METHOD

This research method uses quantitative research methods with independent variables of Motivation and Work Environment, the mediating variable in this study is Employee Engagement and the dependent variable in this study is Performance. The data source in this study is primary data by distributing questionnaires. The location of this research was conducted at PT Mandiri Andalan Utama which is located at Jl. Sultan Iskandar Muda No. 30 A-B Arteri Pondok Indah Kebayoran Lama, South Jakarta 12240.

The sampling technique used in this study was non-probability sampling with saturated samples, totaling 40 respondents. The analysis method used is SmartPLS.

RESULTS AND DISCUSSION

Outer Model

Table 1. Convergent Validity

CODE	Employee Engagement	Performance	Work Enviroment	Motition
EE1	0.801			
EE2	0.831			
EE3	0.841			
EE4	0.835			
EE5	0.817			
EE6	0.856			
EE7	0.870			
K1		0.754		
K2		0.803		
K3		0.875		
K4		0.871		
K5		0.925		
K6		0.895		
K7		0.906		
K8		0.840		
LK1			0.765	
LK2			0.884	
LK3			0.773	
LK4			0.868	
LK5			0.769	
LK6			0.838	
LK7			0.838	
M1				0.742
M2				0.703
M3				0.859
M4				0.738
M5				0.754
M6				0.728
M7				0.725
M8				0.792
M9				0.828
M10				0.796
M11				0.821
M12				0.805
M13				0.776
M14				0.812
M15				0.855

Source : SmartPLS 4

The *loading factor* Value of all question items > 0,70, then all statement items are declared valid convergent.

Table 2. Discriminant Validity

CODE	Employee Engagement	Performance	Work Enviroment	Motition
EE1	0.801	0.416	0.810	0.581
EE2	0.831	0.523	0.683	0.412
EE3	0.841	0.452	0.760	0.567
EE4	0.835	0.624	0.756	0.497
EE5	0.817	0.462	0.676	0.450
EE6	0.856	0.471	0.742	0.538
EE7	0.870	0.453	0.819	0.659
K1	0.494	0.754	0.509	0.346
K2	0.605	0.803	0.630	0.509
K3	0.508	0.875	0.512	0.385
K4	0.385	0.871	0.380	0.284
K5	0.544	0.925	0.548	0.405
K6	0.410	0.895	0.405	0.326
K7	0.522	0.906	0.526	0.365
K8	0.443	0.840	0.427	0.284
LK1	0.703	0.546	0.765	0.490
LK2	0.759	0.403	0.884	0.488
LK3	0.672	0.527	0.773	0.434
LK4	0.777	0.598	0.868	0.508
LK5	0.698	0.369	0.769	0.471
LK6	0.785	0.447	0.838	0.487
LK7	0.758	0.464	0.838	0.570
M1	0.394	0.252	0.299	0.742
M2	0.700	0.331	0.725	0.703
M3	0.476	0.423	0.464	0.859
M4	0.494	0.411	0.425	0.738
M5	0.344	0.211	0.344	0.754
M6	0.283	0.311	0.267	0.728
M7	0.432	0.388	0.424	0.725
M8	0.438	0.156	0.396	0.792
M9	0.408	0.403	0.418	0.828
M10	0.548	0.213	0.472	0.796
M11	0.638	0.543	0.588	0.821
M12	0.640	0.315	0.620	0.805
M13	0.421	0.355	0.382	0.776
M14	0.454	0.343	0.419	0.812
M15	0.504	0.257	0.514	0.855

Source : SmartPLS 4

Based on the discriminant validity data above, the diagonal value is the AVE square root value and the value below is the correlation between constructs. The AVE square root value in the table above is higher than the correlation value, so it can be concluded that the model is valid because it has met discriminant validity. Another way to measure discriminant validity is to look at the square root value of average variance extracted (AVE), the recommended value is above 0.50. The following is the reliability test value seen from the AVE value in the table below:

Table 3. AVE Test Result

Variable	Average variance extracted (AVE)	ket
Motivation	0.614	Valid
Work Environment	0.674	Valid
Employee Engagement	0.699	Valid
Performance	0.740	Valid

Source : SmartPLS 4

Based on the table above, it provides an AVE value above 0.50 for all constructs. Employee Engagement has an AVE of 0.699. Performance has an AVE of 0.740. The work environment has an AVE of 0.674 and motivation has an AVE of 0.614. so it can be concluded that all variable constructs have sufficient AVE values and all constructs have values above > 0.50.

Table 4. Reliability Test

Variable	Cronbach's alpha	Composite reliability (rho_c)
Motivation	0.955	0.960
Work Environment	0.918	0.935
Employee Engagement	0.928	0.942
Performance	0.949	0.958

Source : SmartPLS 4

Where Cronbach's Alpha is $0.9 > 0.6$ and the Composite Reliability value is $0.9 > 0.7$, thus the data is declared reliable.

Inner Model

Table 5. R-Square Test

	R-square
Employee Engagement	0.822
Performance	0.366

Source : SmartPLS 4

The table above shows the R-Square value. For the variable R-square value of Employee Engagement, a value of 0.822 is obtained. This result shows that 82.2% of employee engagement variables can be influenced by Motivation and Work Environment while 17.8% is influenced by other variables outside of those studied. Meanwhile, performance obtained a value of 0.366. This result shows that 36.6% of the performance variable is influenced by Motivation and Work Environment while 63.4% is influenced by other variables outside the study.

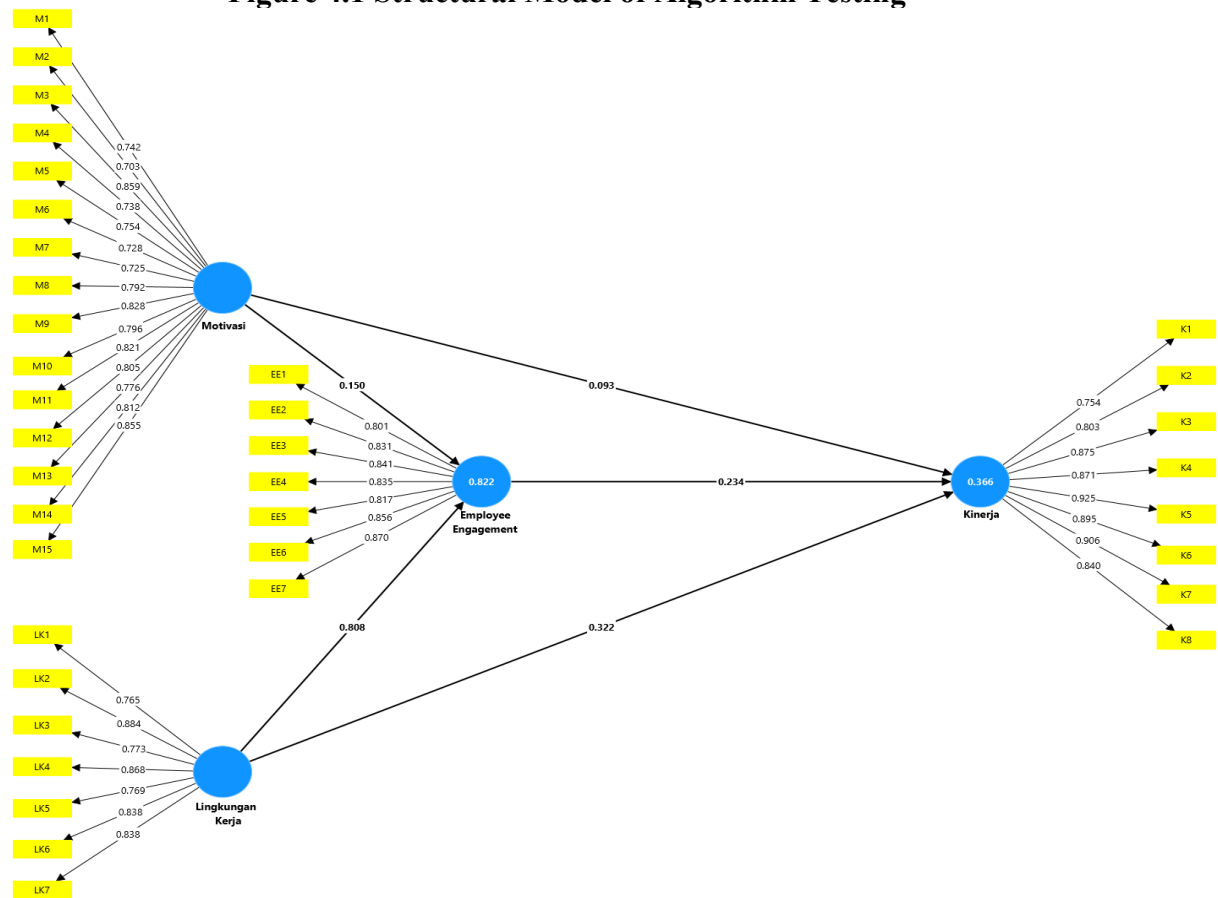
Table 6. F-Square Test

	Employee Engagement	Performance	Work Environment	Motivation
Employee Engagement		0.015		
Performance				
Work Enviroment	2.345	0.031		
Motivation	0.081	0.008		

Source : SmartPLS 4

The effect of Employee Engagement on performance of 0.015 is considered to have a weak effect, then the effect of the Work Environment on Employee Engagement and Performance of 2.345 and 0.031 is considered to have a large and weak effect. Then the effect of motivation on employee engagement and performance of 0.081 and 0.008 both are considered to have a weak effect.

Figure 4.1 Structural Model of Algorithm Testing



Source: SmartPLS 4

Hypothesis Test or Statistical Test

Table 7. Hypothesis Test

		Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Motivation	->	0.150	0.183	0.124	1.213	0.225
Employee Engagement						
Work Environment	->	0.808	0.779	0.119	6.774	0.000
Employee Engagement						
Motivation-> Performance		0.093	0.142	0.209	0.443	0.658
Work Environment ->		0.322	0.331	0.354	0.909	0.363
Performance						
Employee Engagement ->		0.234	0.189	0.389	0.602	0.547
Performance						
Motivation -> Employee		0.035	0.041	0.089	0.396	0.692
Engagement	->					
Performance						
Work Environment ->		0.189	0.144	0.313	0.605	0.545
Employee Engagement ->						
Performance						

Source : SmartPLS 4

Based on the table above, the following hypothesis can be conclude :

- Hypothesis testing H1 (It is suspected that Motivation has an effect on Employee Engagement). Based on the table above, it can be seen that the t-statistic value is 1.213

- (<1.96) and the p-value is 0.225 (>0.05) so it can be said that Motivation has no significant effect on Employee Engagement.
- Hypothesis testing H2 (suspected Work Environment affects Employee Engagement). Based on the table above, it can be seen that the t-statistic is 6.774 (>1.96) and the p-value is 0.000 (<0.05) so it can be said that the Work Environment has a significant positive effect on Employee Engagement.
 - Hypothesis testing H3 (Suspected Motivation affects performance). Based on the table above, it can be seen that the t-statistic value is 0.443 (<1.96) and the p-value is 0.658 (>0.05) so it can be said that motivation has no significant effect on performance.
 - Hypothesis testing (It is suspected that the work environment affects performance). Based on the table above, it can be seen that the t-statistic value is 0.909 (<1.96) and the p-value is 0.363 (>0.05) so it can be said that the work environment has an insignificant effect on performance.
 - Hypothesis testing (It is suspected that Employee Engagement affects performance). Based on the table above, it can be seen that the t-statistic value is 0.602 (<1.96) and the p-value is 0.547 (>0.05) so it can be said that Employee Engagement has no significant effect on Performance.
 - Motivation on performance mediated by Employee Engagement and the result is an insignificant effect. This can be seen by looking at the t-statistic value of 0.396 (<1.96) and the p-value of 0.692 (>0.005). So it can be said that employee engagement has no effect on mediating the relationship between motivation and performance.
 - The work environment on performance mediated by Employee Engagement and the result is an insignificant effect. This can be seen by looking at the t-statistic value of 0.605 (<1.96) and a p-value of 0.545 (>0.005). So it can be said that Employee Engagement has no effect on mediating the relationship between Work Environment and Performance.

CONCLUSION

- Motivation has an insignificant effect on Employee Engagement. The company must be able to build strong social relationships between fellow employees and leaders.
- Work Environment has a significant positive effect on Employee Engagement. Companies must pay attention to the layout of the workspace so that employees feel comfortable and at work.
- Motivation has an insignificant effect on performance. Companies need to improve work facilities, compensation and workflow to support employee efficiency and productivity.
- The work environment has an insignificant effect on performance. Companies need to improve the need for adequate work tools and a conducive work atmosphere.
- Employee Engagement has an insignificant effect on Performance. Companies need to increase employee engagement through such as skills training and performance-based rewards.
- Employee Engagement has no effect on mediating the relationship between motivation and performance. Companies need to develop competence, empowerment and provide motivation to increase self-confidence to improve employee performance
- Employee Engagement has no effect on mediating the relationship between Work Environment and Performance. Companies need to pay attention to the work atmosphere, relationships between employees so that performance productivity can increase.

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