

Exploring How Motivation and the Work Environment Drive Employee Performance: An In-depth Study of a Retail Company in Bandung

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Abstract

Research Problem: The study addresses how work motivation and work environment affect employee performance, emphasizing the crucial ways these elements shape workplace behaviors and outcomes.

Research Objective: The primary aim of this research is to explore the relationships between work motivation, work environment, and employee performance specifically within the retail sector in Bandung. By focusing on this particular context, the study seeks to understand how motivational factors and the surrounding work environment influence the performance levels of employees in retail establishments.

Method and Analysis Technique: A mixed-method approach combining surveys, interviews, and quantitative data analysis was employed to gather and analyze data. Statistical analyses such as path analysis were used to explore the relationships between the variables.

Research Findings: The research findings indicate that a supportive work environment significantly contribute to employee performance. Moreover, motivation, individual behavior, and voluntary pro-environmental actions were influenced by these factors.

Originality of the Study: The findings from this study will help illuminate how local cultural, economic, and market conditions influence employee motivation and performance within retail settings, shedding light on the unique interplay between work motivation, work environment and employee performance in this setting. The study adds to the originality of research in understanding how these factors interact and impact workplace behaviors and outcomes in a retail industry context.

Keywords : Work Motivation, Work Environment, Employee Performance

INTRODUCTION

The retail sector played a strategic role in the global business ecosystem. Acting as the final link in the distribution chain, the retail sector had the power to connect products directly with end consumers. In this context, retail not only provided goods and services but also created a satisfying shopping experience for customers. Through physical stores and online platforms, the retail sector played a crucial role in meeting daily needs and desires of consumers, enabling easier and more convenient access to various products and services.

Furthermore, the retail sector also served as a driver of both local and global economies. By offering a range of products and services, the

retail sector generated employment opportunities for thousands of people worldwide, making a significant contribution to economic growth and community development. Additionally, the retail sector served as a platform for manufacturers and suppliers to market their products widely, expanding market reach and enhancing competitiveness in the industry.

Beyond the economic aspects, the retail sector also had an important social role. Through various Corporate Social Responsibility (CSR) programs and sustainability initiatives, retail companies could play a role in supporting their communities and the environment. By engaging in responsible business practices, the retail sector could help build more inclusive, sustainable, and

environmentally conscious communities. Thus, the retail sector was not just a place to shop but also an agent of change in society at large.

The work environment in the retail sector could have a significant impact on employee motivation and performance. Factors such as company policies, organizational culture, management structure, and relationships among colleagues could influence the levels of motivation and performance among employees. Motivation is a key factor that can enhance employee performance in the retail sector. Motivated employees tend to be more committed, productive, and innovative in carrying out their daily tasks. Employee performance in the retail sector directly affects customer satisfaction and company profitability. High levels of performance can increase customer loyalty, strengthen brand image, and boost sales. The Relationship between Motivation and Work Environment: The connection between motivation and the work environment in the retail sector is closely intertwined. A supportive, collaborative, and motivating work environment can enhance employee motivation, which in turn contributes to improved individual and team performance.

Preliminary survey results indicate a decline in employee performance at the research site and a lack of significant improvement. There may be a correlation between low levels of motivation and inadequate work environment conditions leading to decreased employee performance. Factors such as incomplete facilities, disorganized workspace, and a lack of security assurance in the work environment could be the primary causes of this situation.

The lack of employee motivation and an unsupportive work environment are believed to be key contributing factors to the decline in performance at the research site. Additionally, an uncomfortable work environment and lack of support for work processes can hinder employees from reaching their optimal work potential. Improvements in motivation and enhancements to the work environment are crucial for boosting employee performance and job satisfaction. Analysis of the facilities provided at the research site revealed a significant gap in terms of comfort and workplace safety. Suboptimal workspace arrangement, inadequate facilities, and insufficient security assurance could have a negative impact on employee productivity and well-being. Research focused on formulating solutions to enhance workplace facilities and safety can help address issues related to employee performance and motivation.

Various studies conducted by academics and researchers have provided a profound understanding of the interplay between the work environment, motivation, and employee performance. These investigations have revealed that the work environment encompasses numerous factors, such as organizational culture, management practices, physical workspace, and interpersonal relationships among colleagues. Each of these elements can either enhance or hinder employees' motivation and performance levels. A study by López-Cabarcos and colleagues (2022) highlights the importance of work environment variables and leadership behavior in enhancing employee performance. Their findings underscore the significance of a conducive work environment and effective

leadership in improving performance. A positive work environment creates a space where employees feel valued, safe, and motivated to perform at their best. Elements such as open communication, teamwork, and recognition of achievements contribute significantly to job satisfaction and engagement. Moreover, effective leadership plays a pivotal role in shaping this environment. Leaders who are supportive and approachable foster trust and collaboration among team members. They inspire employees by providing clear guidance, setting achievable goals, and encouraging professional development. This, in turn, enhances overall productivity as employees are more inclined to invest their energy and commitment to the organization's success.

On the other hand, research by Kitsios and Kamariotou (2021) indicates that job satisfaction is a key driver of motivation among public health workers. This study emphasizes the importance of job satisfaction in motivating employees to deliver their best performance. Hedlund and the team (2010) investigated motivation for improving the work environment, focusing on internal consistency and factors influencing motivation. Their findings contribute to understanding how motivation impacts efforts to enhance the work environment. Additionally, research by Pheng and Chuan (2006) delved into environmental factors affecting the performance of project managers in the construction industry. Their study underscores the critical role that environmental elements play in optimizing performance outcomes. By examining aspects such as organizational culture, communication structures, and the availability of resources, the

researchers demonstrated how these factors can either facilitate or hinder the effectiveness of project managers.

Research by Aung and colleagues (2023) has revealed the detrimental impact of demotivating managerial practices on job satisfaction and performance in the construction industry in Myanmar. Their empirical evidence highlights the adverse effects of demotivation on employee well-being and performance. A study conducted by Pardoe and colleagues (2018) examined how staff motivation and the work environment influence government capacity to adapt to climate change in developing countries. Their research emphasizes the role of motivation and the work environment in strengthening adaptive capacity. Survey data provided by Mgamal and Al-Matari (2021) regarding the impact of COVID-19 concerns on employee work performance, job motivation, job satisfaction, and psychological conditions in two Middle Eastern countries. Their data offer insights into how external factors can affect employee well-being and performance. Research by Fernández-Muñiz and colleagues (2017) investigated the role of safety leadership and working conditions in safety performance in the process industry. Their study highlights the importance of leadership and working conditions in ensuring safety outcomes. A study by Van der Hauwaert and colleagues (2022) explores the impact of enabling performance measurement on self-directed work motivation and manager performance. Their research underscores the role of performance measurement in enhancing motivation and performance. Pak and colleagues (2019) conducted a review of quantitative studies

on the influence of Human Resource Management on employees' ability, motivation, and opportunities to continue working. Their review provides insights into how HR practices can influence employee motivation and long-term tenure in the workplace.

While there are studies focusing on the influence of individual factors, further in-depth research is needed to understand how motivation and the work environment interact and mutually influence each other in the context of employee performance. By formulating clear research problems focused on motivation and the work environment, it is hoped that this research can provide valuable insights into improving employee work performance.

METHOD

The study was conducted over a 6-month period using a quantitative method that adopted a survey approach. The main focus of this research was to examine the relationship between work motivation, the work environment, and employee performance in a retail company located in the city of Bandung.

To operationalize these variables effectively, work motivation was assessed using a framework based on Maslow's hierarchy of needs. This included measuring various components such as Physical and Biological Needs, the Need for Safety and Security, Social Needs, the Need for Recognition, and Self-Actualization Needs. This comprehensive measurement approach allows for a nuanced understanding of how different motivational factors contribute to employee engagement and productivity.

The work environment was evaluated from both physical and non-physical perspectives. Physical aspects included factors like workspace layout, lighting, and ergonomics, while non-physical elements encompassed aspects such as company culture, communication practices, and team dynamics. By considering these two dimensions, the study aimed to capture a holistic view of the work environment's influence on employee motivation and performance.

On the performance side, employee productivity was measured through various criteria, including job quantity, work quality, level of responsibility, ability to collaborate with others, and demonstrated initiative. By examining these factors, the research sought to provide insights into how motivation and work conditions impact overall employee effectiveness in the retail sector. This structured approach not only enhances the reliability of the findings but also helps identify areas for improvement that can drive better performance outcomes in the organization.

The research focuses on a retail company operating in the city of Bandung and includes a sample of 100 employees from the organization. The data collected from these employees will undergo thorough validity and reliability tests to ensure its quality and robustness. This step is crucial in confirming that the instruments used for data collection are accurately measuring the intended variables, thereby enhancing the credibility of the results.

Once the data quality is established, the analysis will be carried out using path analysis techniques. This method allows for the examination of complex relationships between

variables, enabling researchers to assess how work motivation and the work environment collectively influence employee performance. By employing path analysis, the study can effectively illustrate not only direct relationships but also indirect influences that may exist among the variables.

Ultimately, the goal of this research is to offer deep insights into how work motivation and work environment impact employee performance specifically within the retail sector in Bandung. The findings are expected to have practical implications for retail companies, informing management practices and policies designed to enhance employee motivation and improve overall performance. By understanding these dynamics, retail businesses can create more effective strategies to foster a motivating work environment, ultimately leading to higher productivity and job satisfaction among their employees.

RESULTS AND DISCUSSION

Based on the characteristics of the respondents, the data shows that 61% of the respondents are male, while 39% are female. Therefore, the number of male respondents is greater than the number of female respondents. Most employees fall within the age range of 22 to 27 years, with 46 individuals or 46% of the 100 respondents, followed by 28 to 33 years with 35 individuals or 35% of the respondents, and above 34 years with 9 individuals or 9% of the respondents. From the data above, it can be concluded that the average age of employees still falls within the productive range. The number of respondents with a high school/equivalent education level is 63

individuals or 63%, Bachelor's degree holders are 30 individuals or 30%, and Master's degree holders are 7 individuals or 7%. Hence, it can be inferred that employees have varying levels of education.

The results of the data quality test involving validity and reliability testing in this research indicate important aspects related to the survey instrument used to measure motivation, the work environment, and employee performance. When measuring motivation, the correlation between motivation items/instruments ranges from 0.458 to 0.686. This range signifies a significant positive correlation between the items used to measure motivation. Additionally, the Cronbach's alpha value of 0.902, exceeding the generally accepted threshold, demonstrates a high level of consistency and reliability in measuring motivation.

Next, for the work environment, the correlation between work environment items/instruments ranges from 0.300 to 0.690. Despite variations in the correlations between items, this range indicates a significant relationship between the items used. The Cronbach's alpha value of 0.869 indicates good consistency in measuring the work environment. As for employee performance, the correlation between employee performance items/instruments ranges from 0.515 to 0.767, reflecting a strong relationship between the items used to measure performance. The high Cronbach's alpha value of 0.914 indicates a very high level of reliability in measuring employee performance, confirming excellent consistency in the measurement tool.

The results of the path analysis calculations can be illustrated as follows:

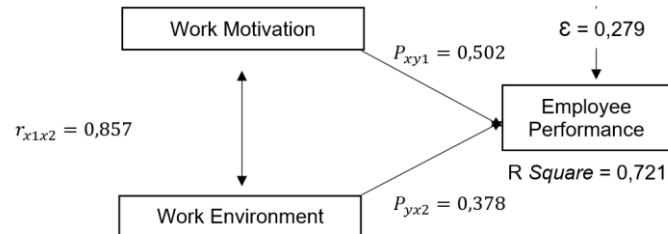


Figure 1: Path Analysis

Based on the findings of this research, it can be concluded that motivation significantly affects employee performance, exhibiting a direct influence of 25.2%. Additionally, motivation has an indirect influence of 16.3% through its relationship with the work environment. This brings the total impact of motivation on employee performance to an impressive 41.5%. Conversely, the work environment demonstrates a direct influence of 14.3% on employee performance, while also exerting an indirect influence of 16.3% through its connection with motivation. This means the total impact of the work environment on employee performance is calculated at 30.6%.

These results highlight the importance of both motivational factors and the work environment in fostering employee performance. The significant total impact of motivation indicates that enhancing employees' intrinsic and extrinsic motivational factors can lead to notable improvements in their performance. At the same time, the work environment also plays a vital role in shaping how employees perform, suggesting that organizations should focus on creating a positive and supportive atmosphere that enhances motivation.

The research results indicate that motivation has a significant impact on employee performance. With a total direct impact of 41.5%, motivation emerges as a key factor that needs to be considered in enhancing employee performance. Therefore, company management should pay special attention to employee motivation to boost their performance.

Although its direct influence is lower compared to motivation, the work environment also makes an important contribution to employee performance, with a total impact of 30.6%. Thus, companies need to ensure that a conducive and supportive work environment is also well taken care of to enhance employee performance.

The discovery that motivation also influences the work environment, and vice versa, highlights the importance of treating both factors holistically. Companies must recognize and actively engage with the interplay between motivation and the work environment to effectively enhance employee performance. The research findings clearly indicate that both motivation and the work environment significantly influence employee performance, offering valuable insights into the key factors that shape effectiveness in the workplace.

By understanding this dynamic relationship, organizations can implement targeted strategies that enhance motivational factors—such as providing recognition, opportunities for development, and creating an inspiring culture—while simultaneously optimizing the work environment to promote collaboration, support, and resources necessary for success. This dual focus not only improves individual performance but also fosters a more cohesive and productive workplace overall.

Moreover, companies that prioritize this interaction can better address the specific needs and preferences of their workforce, leading to increased job satisfaction and reduced turnover rates. Ultimately, by leveraging the insights from the research, organizations can create a more engaged and high-performing workforce, driving success and growth in an increasingly competitive landscape. Understanding the contributions of motivation and the work environment is essential for creating a strategy that supports both employees and the organization's objectives. A study conducted by Zacharias, Rahawarin & Yusriadi (2021) demonstrates how the reconstruction of culture and organizational environment influences employee performance. Findings from the study by Kusumah, Indrayanto & Setiawan (2021) highlight the roles of mediation and moderation in assessing employee performance. Additionally, research by Sidharta (2023) also indicates how motivation plays a role in employee performance with knowledge sharing as a mediator.

The research conducted by Hajjali et al. (2022) provides a deep understanding of how

work motivation, leadership style, and employee competencies contribute to job satisfaction and employee performance. These findings align with the research by Budzanowska-Drzewiecka & Tutko (2021) which focuses on the influence of individual motivation on employees' voluntary pro-environmental behavior at work. Thus, these research results strengthen the idea that work motivation plays a key role in enhancing employee performance and influencing pro-environmental behavior in the workplace

A study conducted by Na-Nan & Sanamthong (2020) highlights the importance of self-efficacy—the belief in one's capabilities to execute tasks successfully—as a critical factor impacting how employees perform in their roles. The study found that when employees possess high self-efficacy, they are more likely to perceive greater support from their workplace. This perception of support can create a positive feedback loop, where employees feel more motivated to apply what they have learned during training effectively. Consequently, they are more inclined to transfer their new skills and knowledge to their job, thereby enhancing their overall performance. These findings align with the research by Hersona & Sidharta (2017) that emphasizes the impact of leadership function, motivation, and work discipline on employee performance. Therefore, this research strengthens the understanding that factors such as self-efficacy, workplace support, motivation, and work discipline play crucial roles in shaping employee performance in the workplace. Additionally, Tran et al.'s (2021) study found that a supportive work environment positively contributes to job performance.

CONCLUSION

Based on the presented research findings, it can be concluded that factors such as work motivation and the work environment have a significant impact on job satisfaction and employee performance. The findings indicate that a conducive work environment can enhance employee performance. Additionally, individual motivation also plays a crucial role in shaping the expected pro-environmental behavior.

Furthermore, this investigation can serve as a foundation for future studies aiming to develop tailored interventions to boost employee performance in the retail sector. As the retail landscape continues to evolve, understanding the dynamics of motivation and environment at a local level is essential for creating effective strategies that enhance employee engagement and productivity. Thus, this research not only fills a gap in the literature but also paves the way for more targeted and effective management practices in the retail sector of Bandung.

To improve employee performance and create a productive work environment, company management is advised to pay attention to several aspects. Firstly, companies should strengthen work motivation programs that can motivate employees to achieve their goals more effectively. Secondly, it is important for management to ensure that the work environment is well-designed to support the well-being and productivity of employees.

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