

# Influence of Leadership And Work Environment To Job Satisfaction And Impact To Employee Performance (Study On Industrial Manufacture In West Java)

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## Abstract

The purpose of this research is to determine the effect of leadership and work environment on job satisfaction and performance. The study was conducted at the Coca Cola Company as one of company which is manufacture, distributes and markets beverage product by involving all employees. Data sourced research of primary and secondary data were collected through interviews and distribution of questionnaires. The data analysis technique used in this study is the technique of path analysis. The results showed that a positive and significant direct job satisfaction and performance is affected by the leadership and work environment. In other words, another important discovery made was there is mediating role of Job satisfaction between leadership and employee performance

**Keywords:** leadership, work environment, job satisfaction and performance

## 1. Introduction

The rapid environmental and technological changes increase the complexity faced by the organization, it bring the organization to the performance needs of employee in manufacture to run beverage product in soft drink industry. Performance of manufacture workers such as Coca Cola Company is a very important issue to be studied in order to maintain and improve beverage product development growth. According to Mangkunagara (2009) the performance of the employee or job performance is the result of quantity and quality achieved by employees in carrying out their duties in accordance with the responsibilities assigned to them.

In other words, employee performance has an important role for an organization; if the performance shown an employee is low it will result in the organization in achieving goals to be hampered (Ariana and Riana, 2013). Performance is the achievement of the work of employees based on quality and quantity as a job performance in certain period of time tailored to the tasks and responsibilities (Mangkunegara, 2012: 9). Mathis and Jackson (2009: 122) states factors affecting performance is the satisfaction or job dissatisfaction in addition to individual itself, employment and organizational commitment. Some research results also support performance influenced by the job satisfaction. Springer (2011), Rose et al. (2009) and Miao and Kim (2010) states significantly and positive performance influenced by the job satisfaction.

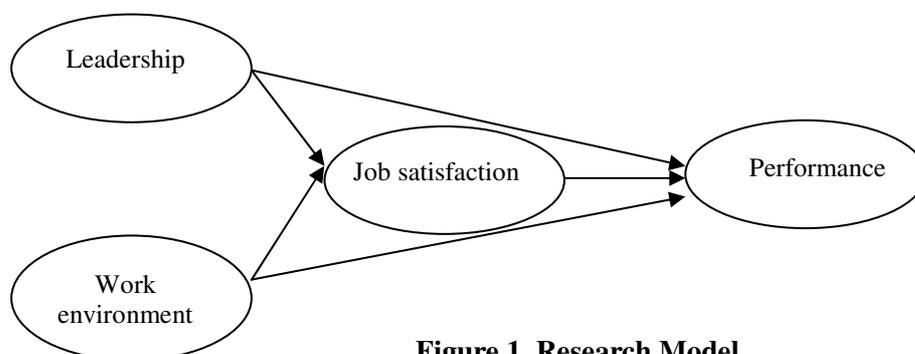
Job satisfaction can affect performance because job satisfaction plays an important role in the development of the company to improve efficiency and employee performance (Ahmed and Uddin, 2012). Job satisfaction is a positive attitude or negative emotional an employee who look at work well shown in a state of fun or not (Handoko, 2001: 193). Employees who are able to use skills and knowledge on the job will be very satisfied with the work (Berg, 1999). Employees will likely increase the good performance of both from the size of the quantity and quantity if the employee satisfactions are met (Pramitha et al., 2012).

Company leader in charge tasks and responsibility to an employee should also pay attention to work environment employees. The company are required must be able to provide a sense of security and comfort for employees in the work (Febriani and Indrawati, 2013). Work environment has a significant contribution for job satisfaction employees (Holman, 2002), so that work environment employees have a strong effect of the job satisfaction (Hurley et al., 2000). Work environment is a condition of everything that there are in nearby working employees able to give effect for himself in carrying out his work (Nitisemito, 2006: 106). Satisfaction will be higher and the intention to leave will be lower when working environment complete the requirements of creativity work (Shalley et al., 2000)

Herzberg (Ardana, et al., 2009: 22) states the physical environment and non physical a factor affecting the job satisfaction in addition to leadership, promotion and characteristics of the work concerned. The statement supported by the research results Sardzoska and Tang (2012), Annakis et al.(2011) and Paripurna (2013) states significantly positive and job satisfaction is influenced by working environment. In addition, some research results others also added working environment can affect performance. Research conducted by Parlinda and Wahyuddin (2004) as well as Tri Widodo (2010) states significantly and positive performance influenced by the work environment.

Based on explanations above, so research hypothesis as follow:

H1 : Leadership influence to job satisfaction positively and significantly  
H2 : Work environment influence to job satisfaction positively and significantly  
H3 : Leadership influence to performance positively and significantly  
H4 : Work environment influence to performance positively and significantly  
H5 : Job satisfaction influence to performance positively and significantly  
From the formulation of hypothesis, research model can be form as follow:



**Figure 1. Research Model**

## 2. Literature Review

### 2.1 Leadership

Since leadership has become an increasingly central component in many organizational settings, Ford (2010) suggests a more critical and reflexive approach to the study of leadership, in which attention should be given to situations, events institutions, ideas, social practices and processes. The development of more critical approaches needs to adopt a more culturally sensitive and locally based interpretive approach, which takes accounts of an individual's experiences, identities and the power relations.

In addition, the studying of leadership should move from being static to being action oriented, leadership gradually started being viewed as a process; thus putting the focus on the interaction between the many factors that occur within an organization.

Further, studies on leadership has shown some shifting towards focusing on the daily practice of leadership including its moral, emotional, and relational aspects, rather than its rational, objective, and technical ones (Carroll et al., 2008). The focus of looking at leadership is more in its activity rather than through the traits and heroics of individual actors under the longstanding 'great man' theory (Cherry, 2012).

### 2.2 Work Environment

Robbins stated that "work environment is everything outside of organization that potentially affect employees in the work and ultimately affect organizational performance".. Greenberg stated that these two aspects of the work environment are company's internal work environment (organizational culture) and external force. Describing the basic nature of organizational culture, including the role it plays in organizations.

Scermerhorn stated that "There are two kinds of work environment, the general environment and specific environment, General environment include cultural values, economic condition, educational, political and legal. While the specific environment related to the position of organization it self in an effort to develop an organization's network.

Further, dimension of work environment according to Aidag: Six environmental dimensions depict the manner in which factor are arranged within the, domain of the organization's environment. The six dimensions are munificence, dynamism, complexity, concentration, turbulence, and consensus.

### 2.3 Job Satisfaction

Luthans (1995) gave definition that "job satisfaction is a pleasurable or positive emotional state resulting from the appraisal one. Meanwhile, Porter (Wexley dan Yukl, 1992:130-137) stated about Discrepancy vagwa theory: Job satisfaction is difference between how much of something there should be and how much there is now. Kreitner dan kinicki also stated the same definition "Job satisfaction is an affective or emotional response toward various facets of one's job. This definition implies job satisfaction is not a unitary concept. Rather than, a person can be relatively satisfied with one aspect of his/her job and dissatisfied with one/more other aspects.

Other definition about job satisfaction stated by Wexley dan Yukl (1977:98),"The way an employee feel

about his or her job, it is a generalized attitude toward the job based on evaluation of different aspect of the job. A person's attitude toward his job reflects pleasant and unpleasant experiences in the job and his expectation about future experiences."

#### **2.4 Employee Performance**

Bernardin and Russel (1993:378) gave definition about performance as follow: "performance is defined as the record of outcome produced on a specified job function or activity during a specified time period". Kenney et al. (1992) stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability measures (Ahuja 1992) as briefly explained hereafter. Campbell's (1990) model makes clear distinctions among performance components, performance determinants, and the antecedents of performance determinants. Performance components refer to the performance dimensions that constitute various parts of the overall job performance. Campbell posited that the performance components is a function of three performance determinants which are the declarative knowledge, procedural and skills knowledge and motivation (Campbell, 1990; Campbell et al., 1993: pg. 43) . These are the direct determinants of performance, which are the focus of this study.

### **3. Method**

#### **3.1 Research Design**

The study used a descriptive survey approach in which two – qualitative and quantitative survey designs were used. The qualitative survey design was used because it involved the development of performance profiles, which was primarily done through interviews with a representative sample of the respondents.

The quantitative survey design involved the administration of a structured questionnaire developed to capture data on the behaviors and attitudes of respondents. The study utilized both quantitative and qualitative methods. The quantitative method facilitated the measurement of relationships between variables in a systematic and statistical way. The qualitative method provided deeper understanding of the research problem

#### **3.2 Population and Samples**

These research populations are Coca Cola Company's employee who worked in district, city and province in West Java. Sample determination was calculated using SEM condition that stated if using SEM samples are 200 minimal. Questionnaires are given to respondents who work in Coca Cola Company. As pilot study, so the samples of this research are 50 employees in Coca Cola Company.

#### **3.3 Method of Data Analysis**

Data obtained from the questionnaire were analyzed using tables, simple percentages, cross tabulations, charts, Pearson's Product Moment Correlation (PPMC). Data which contain variables were measured using a 5-point Likert scale (Malhotra, 2010) In order to effectively carryout inferential analysis, the items coded for descriptive analysis were transformed into dummy variables Statistical computation was done with the aid of SPSS 17.0 for Windows. In other words, Sample determination was calculated using Cross-tabulations, Correlation, Regression analysis, and ANOVA Test.

### **4. Result and Discussion**

Job satisfaction is influenced by the leadership significantly and positive. This is shown from result of data processing such as coefficient value is 0.063. This coefficient value is significant in significance level 0.05 with p-value is 0.044. The results are supported by the theory of two factors which states satisfaction or job dissatisfaction can be connected with the leadership style in an organization.

Job satisfaction is influenced by working environment significantly and positive. This is shown from result of data processing such as coefficient value is 0.016. This coefficient value is significant in significance level 0.05 with p-value is 0.040.. The results in accordance with the theory of two factors which states satisfaction or dissatisfaction can be affected the condition of the working place, quality, security, the supervision of work as well as the relationship which took place with others (Wibowo, 2012: 502). In addition, this study also in accordance with the theory of Herzberg the job satisfaction is influenced by the physical environment and non physical (Ardana, et al., 2009: 22). The results is also consistent with a few studies have proven. Sardzoska and Tang (2012), Annakis et al.( 2011) and the Paripurna (2013) states job satisfaction is influenced by working environment positive and significantly.

Performance influenced by the leadership significantly and positive. This is shown from result of data processing such as coefficient value is 0.035. This coefficient value is significant in significance level 0.05 with p-value is 0.005. It supports research Kohli et al., (1998) who said that the manager-oriented capabilities and stressed the skills development can improve the procedural knowledge employees, so very helpful and motivate them to learn better ways to the task.

Performance influenced by the work environment significantly and positive. This is shown from result of data processing such as coefficient value is 0.020. This coefficient value is significant in significance level 0.05 with p-value is 0.016. The results was supported by the theory put forward Mangkunegara (2012: 15) that the factors affecting the employee performance comes from the work environment. The study also supported several studies mention the performance of employees affected by the work environment. Research conducted Parlinda and Wahyuddin (2004) as well as Tri Widodo (2010) states performance influenced by the work environment significantly and positive

Performance influenced by the job satisfaction significantly and positive. This is shown from result of data processing such as coefficient value is 0.793. This coefficient value is significant in significance level 0.05 with p-value is 0.003. The results consistent with the theory stated Mathis and Jackson (2009: 122) that the performance of employees affected by the job satisfaction. The results is also supported by some studies have proven. Research conducted Springer (2011), Rose et al. (2009), Miao and Kim (2010) as well as Pramitha et al. (2012) states significantly and positive performance influenced by the job satisfaction.

## 5. Conclusion and Suggestion

### 5.1 Conclusion

Leadership and working environment directly positive influence and significantly to the job satisfaction. Leadership, working environment and job satisfaction directly positive influence and significantly to the performance. These are accordance with condition of Coca Cola company which is operated since 2006. In this condition employees are more need leadership who can lead employee to face the real condition and bring employee from different situation and condition based on environment in each country.

### 5.2 Suggestion

- 1) Employees need to improve understanding of the task in order to the achievement of the target work in accordance with the standards and the terms of a predetermined so public complaints that occurred can be reduced.
- 2) Company need to improve the leadership role such as the leader in return to work in order to an employee is more motivated or stimulated to improve performance as well as satisfied with the policy given the company.
- 3) Working environment also important role in creating job satisfaction employees, the leadership need to create an atmosphere a more family and conducive in the work environment so that the employee satisfaction is maintained in the company and can give impetus to the employees in order to work optimally.

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