

# The Influence of Work Environment and Competence on Motivation and Its Impact on Employee Performance in Health Sector

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## ABSTRACT

This research discusses the influence of the work environment and competence on motivation and its impact on employee performance at Masmitra Hospital. In compiling this research, preliminary research has been carried out. The study uses assessment indicators on two independent variables starting from the work environment variables, namely infrastructure at work, workplace lighting, workroom air circulation, workplace cleanliness, and relations between employees at work. Next competency variables are knowledge, skills, self-concept, self-characteristics, motivation, experience, personality characteristics, beliefs, and values whereas the assessment indicators on mediating variables are motivation variables that measure employee motivation in working through the level of physiological, security, social, appreciation, and self-actualization needs. Then end with an assessment of the dependent variable that is the performance variable that measures the value of work quality, work quantity, responsibility, cooperation, and initiative. This study uses a quantitative descriptive analysis method with a Likert scale measurement tool. Data collection techniques through questionnaires were randomly distributed to 100 respondents. The number of respondents was calculated by the Slovin method of a population of 135 employees. The results of the study when viewed using path analysis, show that the Work Environment (X1) and Competence (X2) have a positive and significant effect on Performance (Z) both directly and indirectly through Motivation (Y).

**Keywords:** *Work Environment, Competence, Motivation, employee performance*

## 1. INTRODUCTION

In the past decade, hospital is listed as an vital company in the community to receive health services. And the hospital is currently experiencing very rapid growth. In addition, to competing with other hospitals, hospitals must also be smart in competing with midwife practices, doctor practices, and other health services. The hospital is a labor-intensive and capital-intensive company with various professional groups to produce an excellent service for the community. Quality of human resources in a hospital is essential in producing excellent services. Medical personnel, paramedics, and non-medical personnel is one unit that must be developed and maintained well in order to be able to produce excellent service and compete in welcoming the era of globalization.

For this reason, it is necessary to improve the performance of employees by taking a number of methods, for example through creating a conducive work environment, ensuring employee competencies that are in accordance with the needs and the formation of employee

motivation. Through these processes, employees are expected to maximize the responsibility for their work to produce better hospital performance.

Performance indeed needs to be considered in advancing companies, including hospitals. Because by taking into account the performance, the work performance and results of a work plan by institution that can be implemented and achieved well in accordance with organizational goals.

The performance currently being observed by researchers is the performance at Masmitra Hospital which is one of the General Hospitals that progresses towards the direction of plenary health services with integrated and comprehensive health services for families. Currently, Masmitra Hospital is supported by 135 employees consisting of 80 medical staff and 55 non-medical staff consisting of 20 administrative staff and 35 other implementing staff.

Hospitals have a specialty that is born from the relationship between the Medical Staff (group of doctors)

and Administrators (management), as well as local government bodies. Because of this specificity, hospitals have a high level of complexity. The demand for high interaction between these three components makes hospital management difficult.

When viewed from the performance of employees at Masmitra Hospital, there are still some employees who come not according to the hours of work both non-shift employees and employees with shifts, and without clear notice. Furthermore, the equipment used in employee work often does not function properly, and the results of work which do not achieve the targets that have been set and the motivation of employees who are lacking in doing their work at Masmitra Hospital, which can be seen from the number of employees who plan to resign.

Table 1.1. Recap of Late Staff at Masmitra Hospital in 2015

Period	Number of Late Employees
December 21, 2014 - January 20, 2015	11
January 21, 2015 - February 20, 2015	14
February 21 2015 - March 20 2015	10
March 21 2015 - April 20 2015	9
April 21 2015 - May 20 2015	12
May 21, 2015 - June 20, 2015	15
June 21, 2015 - July 20, 2015	13
21 July 2015 - 20 August 2015	8
21 August 2015 - 20 September 2015	12
September 21, 2015 - October 20, 2015	9
October 21, 2015 - November 20, 2015	11
November 21, 2015 - December 20, 2015	15
<b>Total</b>	<b>139</b>

Source: Data from Masmitra Hospital HR unit

With this high number of delays, work that should have been completed by employees on time will be delayed and will ultimately have an impact on employee performance at Masmitra Hospital.

For this reason, Masmitra Hospital requires qualified and highly motivated human resources, as well as work environment where employees are expected to use and develop their abilities to achieve better careers and welfare. Employees who carry out their duties and work in hospitals must be given attention, one of which is the work environment.

Work environment is an essential component when performing work activities in the hospital because its place in the hospital has a high level of risk associated with public health services and the use of medical devices, which can affect the performance of employees on duties both directly and indirectly.

By paying attention to the work environment and creating good working conditions, it is expected to stimulate motivation in work, as well as stimulating enthusiasm or passion of employees at work.

For this reason, hospital management should manage the work environment in hospital carefully. The good and effective work environment can improve employee performance and vice versa, if the hospital work environment is bad then the employee's performance decreases and it has negative impact on hospital conditions. Therefore, there should be physical and mental stimulation for employees, then it takes an effort to design a work environment that is conducive to the work process.

Table 1.2. Equipment Damage Data at Masmitra Hospital in 2015

Month	amount Medical Devices	Information	amount Non-Medical Devices	Information
January	3	Duplex Stethoscope, Hecting Set, <del>Heskon Bed</del>	2	Lobby Chairs, Patient Cabinets
February	4	Adult Scales, Warm Water Zak, Urinal Female, Pus Basin	2	Wooden Tables, Cashier Chairs
March	3	<del>Njarbaken</del> , Air Cushion, Catheter	1	Sofa Bed Suite Room
April	5	Scissors Straight Operation, Incubator Lamp, Stomach <del>Toise</del> , Infusion Set, Curate	2	Tube Trolley, Cabinet Shelf
May	4	<del>Sphygmomanometer</del> , Glycerine Syringe, Reflex Hamer, Tongue Depressor	2	Patient Room Lights, AC Nurse Station
June	3	<del>Tensionmeter</del> , Laryngeal Mirror, Blood Pressure meter	2	AC and TV Patient Rooms
July	4	Baby Scales, <del>Fetal</del> Doppler, Rectum Speculum, Infrared	1	Water heater
August	4	Aneroid <del>Sphygmomanometer</del> , Vaginal Speculum, Endoscopy, Scalpel	2	PEX, Line Extension
September	5	<del>Partis</del> Scissors, Forceps, Implant Kit, <del>Nesco</del> Redo meter, Sterilizer	2	Patient Lift, Visitor Lift
October	4	<del>Sphygmomanometer</del> , Scissors Operations, Auto clear, Push <del>Reagens</del>	2	Lobby Duster, Nutrition Trolley
November	3	Nutrition Scales, <del>Gynaecology</del> Chair, Wheelchairs	2	AC Lobby, <del>Hexa</del>
December	4	Gas Incubator, Blue Light, Walker <del>Brone</del> , <del>Nesco</del> Oxygen Regulator	1	Computer Registration
<b>Total</b>	<b>46</b>		<b>21</b>	

Source: Data from Masmitra Hospital's IT and General units

It can be seen from the table above that there are a lot of damage to the tool which is one of the important parts of the work environment, therefore specific attention is needed to the work environment. The work environment can be a factor supporting employees to work optimally for the progress of the hospital and in accordance with

expectations, and efforts to achieve the goals of a hospital will run effectively and efficiently.

Indeed, in a hospital, there are many other supporting aspects that can support the smooth running of hospital services. No wonder that every hospital has employees with competencies that are tailored to the needs of hospital's health services business.

The employees' competencies in hospitals include the knowledge, skills, and attitudes/behavior in the field of medical services. Employee competency development cannot be formed automatically. Competencies must be developed in in line with hospital business development in order to support the achievement of hospital goals.

In a hospital, employees are needed to always improve their competence because technology and knowledge about health services are developing very rapidly over time. Especially when the hospital is supplied with new equipment and has the latest patient care methods, both of these are examples of the need for the competence of hospital staff. Because hospital is a health service industry, employees are required to have attitude/behavior with work values that the position worships, helping others is an obligation and they also must be good to the people who need health services.

Employee competence in hospitals is one of the resources that still needs to be improved in order to anticipate all difficulties and obstacles in health services to the community. Improving and developing the ability of employees can be done through continuous coaching, directing, and coordination and other factors that influence the competence of each employee in the hospital. With developed competencies, the performance is expected to improve to participate in building the hospital. Therefore, Masmitra will get better.

The aspects above will not be perfect as expected if there is no strong motivation from each employee. Motivation will grow if the feasibility of employee needs are met because basically people are motivated to get things that can meet the needs of their lives and their families. Motivation also appears as a need as well as a motivator that can move all the potential of the employees. Motivation is vital because it is the thing that causes, channels, and supports human behavior so that they want to work actively and achieve optimal results. Motivation also aims to generate willingness to do work, so that it can be completed well and satisfied the hospital.

Motivation is a factor that can improve employee performance, if management knows how to motivate employees it will eventually also improve hospital performance. The performance of Masmitra Hospital can be seen through the level of BOR (*Bed Occupancy Rate*) in 2015 that has not been optimal and is far from the ideal figure of 75 - 85%.

Month	Monthly Target	Percentage of Results
January	30	24.65
February	35	30.49
March	40	35.19
April	45	38.67
May	50	40.03
June	30	25.21
July	35	30.13
August	40	35.33
September	45	37.11
October	50	39.60
November	45	36.21
December	40	32.35

Source: Data from the Nursing Unit at Masmitra Hospital

Therefore, the researchers are interested in conducting research with the title: "The Influence of Work Environment and Competence on Motivation and Its Impact on Employee Performance in Health Sector."

## 2. LITERATURE REVIEW

### 2.1. Effect of Work Environment on Motivation

Based on [1], work environment is an essential component when employees perform work activities. By paying attention to a good work environment or creating working conditions that stimulate motivation, it will influence the employee's enthusiasm or passion for working.

Supported by a description of the importance of attention to the work environment to support performance, [2] said that *ultimately, the goal of creating high-performance engineering student teams requires a combination of training in team skills and processes, a familiarity with physical environment features that support teamwork, and training how to use them.*

It is made clear by Nitisemito's opinion in [1] that each company must have a way or a supporting factor for the company's success and progress. There are several factors related to the organizational environment, one of which is employee relations. In employee relationship there are two relationships, namely the relationship as an individual and the relationship as a group. Relationship as individuals is motivation obtained by an employee that comes from co-workers and superiors. It becomes a motivation if the relationship between employees and colleagues is harmonious.

Reinforced by the opinion of [3] that there are two ways in increasing work motivation, one of the methods is the indirect method (*indirect motivation*). It is an obligation to give to the organization's employees a form of facilities or means to support work or the smoothness of tasks. With these facilities, employees will find their duties easier, so that they can encourage their enthusiasm for work.

It was confirmed by [4] that in designing the color of the office, it must be done based on the nature of the work done in the workspace. For example, the leadership room or managerial space which the work requires high

Table 1.3. BOR Masmitra Hospital in 2015

concentration needs a room design that can stimulate quiet effect. For operational or workroom employees who are monotonous, the suitable colors are bright colors, colors that cause enthusiasm. For example, giving the impression of bright or light colors on poles, doors, or certain objects in the office room.

Reiterated by the opinion of Suprayitno and Sukir in the research journal, [5] said that the creation of a pleasant work environment that can meet the needs of employees will provide satisfaction and encourage their morale. On the other hand, a lack of attention to the work environment will have a negative impact and reduce morale. It is because employees are likely to experience disturbances resulting in lack of enthusiasm, lack of energy and thought to their duties.

Thus, work environment influence the increase of employee morale (motivation) for employees to work their abilities and expertise optimally in order to achieve company goals. Based on the description above, it is suspected that the work environment has a direct effect on employee motivation.

## **2.2. Effect of Competence on Motivation**

According to [6], competence always contains a purpose or goal, which is an impetus for motives or *traits* that cause an action to obtain an outcome.

Added Argyris's opinion on Nalini and Bonnie (2004: 4), *no vision, no strategy can be achieved without being able to empowered employees*. It means that, without ability, there is no vision and strategy to work.

It is made clear by Schuller's opinion in [6] that with this competence, human resources are seen as humans with their uniqueness that needs to be developed. Humans are seen as valuable assets. With this tendency, the role of human resources will be increasingly valued, especially in terms of human resource competencies. Respected human resources will work wholeheartedly to provide the best for the organization.

Supported by [6] who said that managing human resources is based on three principles, one of which is the manager who gives the widest opportunity to human resources to play an active role in the company. The goal is to make work more interesting so that it can encourage the morale of human resources and motivate them to get the job done better (encouraging human resources to perfect their work continually).

Reinforced by Zainun's opinion in [3] who that there are many ways that leaders can take to improve their employees' work motivation in order to achieve better organizational performance, one of which is competition, where healthy competition needs to be developed in a work organization. Through competition, every member of the organization or employee will try to improve their performance or achievements. With competitive atmosphere within a workplace, organization will stimulate high work motivation.

Thus, competence influence the motivation of employees to work better and effectively. From the description above, it

is suspected that competence directly influences employee motivation.

## **2.3. Direct Effect of Work Environment on Employee Performance**

Based on Nitisemito's opinion in [1], good working conditions are conditions that can support the completion of work by employees. Facilities needed to complete work for employees must be fulfilled by the company or organization, with the hope that the more complete the facilities are, the better the performance and productivity.

The same opinion regarding the importance of paying attention to the work environment was conveyed by [2], they said that *“ultimately, the goal of creating high-performance engineering student teams requires a combination of training in team skills and processes, a familiarity with physical environment features that support teamwork, and training how to use them.*

It is supported by [4] who said that a comfortable work environment is not only influenced by lighting and sound, but also air circulation and safety. Rooms that are too hot or too cold can affect employees. Therefore, office space must be able to control the air temperature in accordance with employee habits, including the level of humidity. Air that is too humid can disrupt employee performance and damage documents or files faster. Substitution of fresh and clean air must be considered by the administrative manager because it affects the health level of employees. Impaired air circulation can interfere with employee breathing and cause the employee's brain to lack oxygen and slows down performance.

Thus, work environment influences the performance of employees who are expected to meet the expectations and achieve the goals of the hospital business. Based on the description above, it is suspected that the work environment has a direct effect on hospital performance.

## **2.4. Direct Effect of Competence Employee Performance**

Based on [7], competence contains understanding, one of which is a causal relationship (*causally related*). It is the competence that is used to predict one's performance. It means that if someone has high competence, then he/she will have high performance as well (as a result).

Likewise, [8] said that *people with an introspective personality proactively utilize the degree of centrality in the network to increase their influence within the organization*. It means that employees who have competence will strongly influence success in the company. Supported by [6] that in operational terms, these competencies make human resources able to explore the potential of other resources owned by the company. Therefore, they are able to streamline the production process within the company, and be able to produce products that satisfy the needs and desires of a

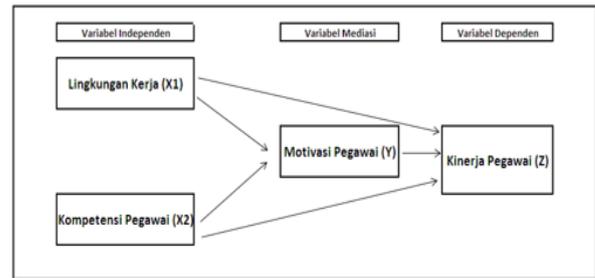
consumer. All of these ultimately provide added value to the company in the form of competitive advantage. It is reinforced by the opinion of [9] who said that there are three dimensions of performance, namely ability, motivation, and opportunity. These three dimensions are interrelated and interconnected with one another. A person's ability is influenced by his understanding of the type of work and the skills to do it because a person must be able to improve his/her abilities and skills. Thus, competence influence performance. Therefore, an employee must be able to improve their abilities and skills, therefore the performance will improve. Based on the description above, it is suspected that competence has a direct effect on hospital performance.

**2.5. Effect of Motivation on Employee Performance**

Based on [1], motivation is important because with it employee will work hard and enthusiastically to achieve high work productivity. Also, explained by Mitchell in [9] that the contribution of work motivation to performance cannot be ignored. Although the ability of employees is already good during low motivation, but their performance will also become low. Similarly, according to Gilbert in [10], there are several factors that affect performance, namely *three classes of variables associated with the individual performer: Competency, Capability and Motivations*. Strengthened by Hasibuan in [3], motivation in an organization has very broad aims and objectives in the context of developing the organization, one of which is to increase employee job satisfaction, which ultimately improves performance. Thus, the influence of motivation can be a factor in improving employee performance. Based on the description above, it is suspected that motivation has a direct effect on hospital performance.

**2.6. Conceptual Research**

Based on the theoretical basis and problems in this study, the researchers developed conceptual research based on the variables studied, as shown in Figure 2.5 below.



**Figure 2.5.** Effect of Work Environment and Employee Competence on Performance with Motivation as Mediation.

In the picture above, it is explained that this study reviewed four variables, based on the following classification:

The independent variable consists of:

- Work Environment (X1)
- Employee Competency (X2)

Mediation variable is motivation (Y), is a mediating variable to find out whether it strengthens or weakens the relationship between work environment and employee competence on performance.

The dependent variable is Performance (Z)

**2.7. Hypothesis**

The hypothesis in this study was carried out with a confidence level of 95% so that the level of precision or inaccuracy limits (alpha) is 5% or 0.05. The basis of this hypothesis test, namely:

- $Sig \geq 0.05$  then  $H_{o}$  is accepted,  $H_{a}$  is rejected
- $Sig \leq 0.05$  then  $H_{o}$  is rejected,  $H_{a}$  is accepted

Based on the research title "The Effect of Work Environment and Competence on Motivation and Its Impact on Employee Performance at Masmitra Jatimakmur Bekasi Hospital" then it can be determined that:

- $X_1$  = Work Environment
- $X_2$  = Employee Competency
- Y = Motivation
- Z = Performance

**3. RESEARCH METHODOLOGY**

**3.1. Path Analysis**

In this study, researchers included the Y variable as a mediating variable which functions as a mediator or the relationship between the independent variable and the

dependent variable. To test the effect of mediating variables, researchers used path analysis. Path analysis alone cannot determine causal relations and cannot be used as a substitute for researchers to see causality relationships between relationships. Path analysis is used to determine the pattern of relationships between three or more variables, but it cannot be used to confirm or reject the imaginary causality hypothesis.

The path diagram explicitly provides causal relationships between variables based on the theory that arrows show relationships between variables. A direct relationship occurs if one variable affects another variable without a third variable being the mediating variable in the relationship between the two variables earlier.

The steps taken by researchers in testing the *path analysis* are as follows:

a. Designing a Model Based on Theory

The first step researchers did in path analysis was designing models based on concepts and theories. Then, check the assumptions underlying the path analysis i.e. the relationship between variables is linear and additive. The model used is a recursive, namely one-way causal flow system, while the reciprocal model or two-way causal flow (back and forth) cannot be analyzed.

b. Estimating Parameters or Calculation of Path Coefficients

The next step in path analysis is the estimation of parameters or calculation of path coefficients. Parameter estimation was done through regression analysis and calculation of the path coefficients was processed using *software SPSS 22.0 for Windows*. Path analysis was used to analyze the pattern of relationships between variables with the aim to determine the direct or indirect influence.

Structure 1:  $Y = \rho_{yx1} X_1 + \rho_{yx2} X_2 + \rho_y \epsilon_1$

Structure 2:  $Z = \rho_{zx1} X_1 + \rho_{zx2} X_2 + \rho_z \epsilon_2$

Information:

$\rho$  = standardized regression coefficient/path coefficient

$\epsilon$  = the effect of other variables not examined or the measurement error of the variable

c. Calculation of Direct and Indirect Effects

Based on *Summary* and Coefficient of Sub-Structure 1 and Sub-Structure 2 Paths, it can be seen the magnitude of direct influence, indirect effect, and total influence between variables.

d. Model Conformity Testing

Goodness of fit test is to test whether the model proposed Yag fit the data or not.

**3.2. Determination Coefficient Test**

The coefficient of determination is a quantity that indicates the amount of variation in the dependent variable that can be explained by the independent variable. In other words, the coefficient of determination is used to measure how far the two independent variables are in explaining the dependent variable. The coefficient of determination is determined by the *adjusted R square value*.

The results of the path analysis can be described as a whole that explains the influence of the work environment and employee competence on motivation and its impact performance, it can be summarized in the table and figure below.

Table 4.19. Path coefficient, direct & indirect effect

Influence of Variables	Path coefficient	Influence		
		Live	Indirect / Through Y	Total
X <sub>1</sub> respect to Y	0.390	0.390	-	0.390
X <sub>2</sub> respect to Y	0.212	0.212	-	0.212
X <sub>1</sub> respect to Z	0.307	0.307	0.390	0.142
X <sub>2</sub> respect to Z	0.233	0.233	0.212	0.077
Y with respect to Z	.364	.364	-	.364
e <sub>1</sub>	0.027	0.027	-	-
e <sub>2</sub>	0.023	0.023	-	-

Source: Primary data processed by researchers

Path Analysis Equation for Sub-Structure 1:

$$Y = \rho_{yx1} X_1 + \rho_{yx2} X_2 + \rho_y \epsilon_1$$

$$Y = 0.390 X_1 + 0.212 X_2 + 0.027e_1$$

Path Analysis Equation for Sub-Structure 2:

$$Z = \rho_{zx1} X_1 + \rho_{zx2} X_2 + \rho_{zy} Y + \rho_z \epsilon_2$$

$$Z = 0.307 X_1 + 0.233 X_2 + 0.364 Y + 0.023e_2$$

Based on the results of these calculations, it can be explained as follows:

- a. The first hypothesis, the work environment has a positive and significant effect on employee motivation is accepted. Based on the results of the analysis, the path coefficient of variable X<sub>1</sub> (work environment) to variable Y (employee motivation) is **0.390** with a significance of **0.000**. It means that the greater the work environment is, the better the motivation of employees.
- b. The second hypothesis, employee competence has a positive and significant effect on employee motivation is accepted. Based on the analysis, the path coefficient of variable X<sub>2</sub> (employee competency) to Y variable (employee motivation) is **0.212** with a significance of **0.022**. It means that the better the competence is, the better the motivation of employees.
- c. The third hypothesis, the work environment has a positive and significant effect on employee performance is accepted. Based on the analysis results, the path coefficient variable X<sub>1</sub> (work environment) to variable Z (employee performance) is **0.307** with a significance of **0.000**. It means that the greater the work environment is, the better employee performance.
- d. The fourth hypothesis, employee competence has a positive and significant effect on employee performance is accepted. Based on the analysis results, the path coefficient variable X<sub>2</sub> (employee competence) to variable Z (employee

- performance) is **0.233** with a significance of **0.004**. It means that the higher the level of employee competence is, the better the employee's performance.
- e. The fifth hypothesis, the work environment has a positive and significant effect on employee performance through employee motivation is accepted. Based on the analysis results, the path coefficient variable  $X_1$  (work environment) to variable Z (employee performance) through work motivation is **0.142**.
  - f. The sixth hypothesis, competence has a positive and significant effect on employee performance through work motivation is accepted. Based on the analysis results, the path coefficient variable  $X_2$  (employee competence) to variable Z (employee performance) through employee motivation is **0.077**.
  - g. The seventh hypothesis, employee motivation has a positive and significant effect on employee performance is accepted. Based on the analysis, the path coefficient Y variable (employee motivation) to the Z variable (employee performance) is **0.364** with a significance of **0.000**. It means that the stronger the motivation of employees, the better the employee's performance.

#### 4. FINDING RESULTS

Based on the test results statistically, it can be clearly seen that partially (individually) all independent variables affect the dependent variable. The influence given by the three independent variables is positive, meaning that the higher the leadership, compensation, and work motivation, the higher the employee's performance is produced. These results are consistent with the proposed hypothesis. The explanation of each variable effect is explained as follows:

- a. The direct influence of the Work Environment on Work Motivation.

The results of hypothesis testing (H1) have proven that there is an influence between the work environment on employee motivation. Through the calculation results, it is known that the *standardized direct effect* value is at 0.390. Thus, the results of this analysis implies that the work environment has a positive and significant effect on employee motivation. It means that there is an influence between work environment variables on employee motivation at Masmitra Hospital.

- b. Direct Effect of Employee Competence on Employee Motivation.

Hypothesis testing results (H2) have proven there is an influence between employee competence on employee motivation. Through the calculation results, it is known that the *standardized direct effect* value is at 0.212. Thus, the results of this analysis implies that competence has a significant and positive effect directly on employee motivation at Masmitra Hospital.

- c. Direct Effect of Work Environment on Employee Performance.

The results of hypothesis testing (H3) have proven that there is an influence between the work environment on employee performance. Through the calculation results, it is known that the *standardized direct effect* value obtained is at 0.307. Thus, the results of this analysis implied that the work environment has a positive and significant effect on employee performance. It means that there is an influence between work environment variables on employee performance at Masmitra Hospital

- d. Effect of Competence on Employee Performance.

Hypothesis testing results (H4) have proven there is an influence between competence on employee performance. Through the calculation results, it is known that the *standardized direct effect* value is at 0.233. Thus, the results of this analysis implied that competence has a positive and significant effect on employee performance. It means that there is an influence between the competency variable on employee performance at Masmitra Hospital ...

- e. Direct Effect of Employee Motivation on Employee Performance.

Hypothesis testing results (H5) have proven that there is an influence between employee motivation on employee performance. Through the calculation results, it is known that the *standardized direct effect* value is at 0.364. Thus, the results of this analysis implied that employee motivation has a positive and significant effect on employee performance. It means that there is an influence between employee motivation variables on employee performance at Masmitra Hospital ...

- f. Indirect Effects of the Work Environment on Employee Performance

through Employee Motivation.

Hypothesis testing results (H6) have proven that the work environment has an indirect effect on employee performance at 0.390. This value is greater than the direct effect of the work environment on employee performance which is at 0.307. It means that the work environment is already well implemented in Masmitra Hospital, but if seen through work motivation, the effect becomes greater with an increase of 0.083 rather than a direct influence on employee performance.

It shows that if the work environment can influence employees to achieve company goals, then employees will work well and improve their performance.

- g. Indirect Effect of Employee Competence on Employee Performance through Work Motivation

Hypothesis testing results (H7) have proven that employee competence has an indirect effect on employee performance through motivation at 0.212. This value is smaller than the direct effect of employee competence on employee performance of 0.233. It means that employee competencies are good and appropriate to be applied in Masmitra Hospital, although not directly through employee motivation.

## 5. CONCLUSIONS

Based on the results of the research, researchers can draw conclusions as follows:

- a. The results of testing the first hypothesis have proven that there is an influence of the work environment on motivation with a path coefficient of  $\rho_{yx_1}$  of 0.390 with a significance of 0.000 that is smaller than 0.05, which means that the hypothesis in this study  $H_0$  is rejected and  $H_a$  is accepted. It shows that the better the work environment, the better the motivation of employees.
- b. The same thing in testing the second hypothesis has been proven to have the effect of competence on motivation with a path coefficient of  $\rho_{yx_2}$  of 0.0212 with a significance of 0.022 that is smaller than 0.05, which means that the hypothesis in this study  $H_0$  is rejected and  $H_a$  is accepted. It shows that the higher the level of employee competence, the better the motivation of employees.
- c. As for testing of the third hypothesis also has been proven the direct influence of the work environment on employee performance with a path coefficient of  $\rho_{zx_1}$  of 0.307 with a significance of 0.000 that is smaller than 0.05 which means that the hypothesis in this study  $H_0$  is rejected and  $H_a$  is accepted. It means that the better the working environment, the better employee performance.
- d. Similarly, the results of testing the fourth hypothesis which has proven the direct effect of competence on employee performance with the path coefficient  $\rho_{zx_2}$  of 0.233 with a significance of 0.004 is smaller than 0.05 which means that the hypothesis in this study  $H_0$  is rejected and  $H_a$  is accepted. It shows that the better the competency of employees, the better the employee's performance.
- e. The results of testing the fifth hypothesis have proven the indirect effect of the work environment on employee performance through employee motivation with a path coefficient  $\rho_{yx_1}$  to  $\rho_{zy}$  of 0.142. It means that there is a significant influence between the work environment and employee performance. So, it can be concluded, that employee motivation (Y) can be partially mediated the relationship between work environment ( $X_1$ ) with employee performance (Z). Thus, the work environment has an indirect effect on employee performance through employee motivation.
- f. The results of the sixth hypothesis testing have proven the indirect effect of employee competence on employee performance through employee motivation with a path coefficient of  $\rho_{yx_2}$  to  $\rho_{zy}$  of 0.077; it can be concluded that employee motivation (Y) may be partially mediated the relationship between the competence of employees ( $X_2$ ) with employee performance

(Z). Thus, employee competence has an indirect effect on employee performance through employee motivation.

- g. The results of the seventh test have been proven to have an influence on employee performance with a path coefficient of 0.364 with a significance of 0.000 is less than 0.05 which means that the hypothesis in this study  $H_0$  is rejected and  $H_a$  is accepted. It shows that the stronger the motivation of employees, the better the performance of employees.

## 6. SUGGESTIONS

Based on the conclusions outlined above, the suggestions researchers can describe are as follows:

- a. The work environment factors still need a change in the layout of the workspace, the color of the walls, the light, and the humidity to make employees feel more excited at work and can be more motivated and improve their performance.
- b. Likewise, the employee competency factor still needs to be improved in the mastery of *job description* and *teamwork*, as well as management to have more socialization of work rules to employees, so that employees will feel more confident in working and can be more motivated and improve employee performance.
- c. Furthermore, for employee motivation factors, management should be able to stimulate more motivation to employees so that employees can continue to be motivated to work well. Especially, in the case of providing health insurance, rewarding work, and providing opportunities to develop themselves. Because employee motivation to work has been investigated by the researchers, and it has an influence on the level of employee performance. Without the motivation of the employees to work together for the interests of the company, then the objectives of the vision and mission that have been set will not be achieved.
- d. As for the results of the coefficient of determination test shows that there are still other variables that affect performance. For example, leadership style, organizational culture, compensation, and so on. Future studies should examine these other variables because more research on variables that affect employee performance will have good effect on the company.

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