

THE INFLUENCE OF THE WORK ENVIRONMENT AND WORK MORALE ON EMPLOYEE PERFORMANCE WITH WORK QUALITY AS A VARIABLE INTERVENING AT BANK SYARIAH INDONESIA AREA MEDAN RAYA

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ABSTRACT

A conducive work environment and high morale are very important factors in achieving optimal performance quality in the face of increasingly fierce industry competition. The purpose of this study is to find out and analyze the influence of the work environment and work morale on employee performance mediated by the quality of work at Bank Syariah Indonesia in the Medan Raya area. This research was conducted with a causal associative quantitative approach. The sample used was 100 employees taken from 287 populations with a random sample technique using the slovin formula. The results of data analysis used Structural Equation Modeling (SEM) based on Partial Least Square (PLS). The results of the study showed that the work environment had no effect on employee performance, with a T-statistical value of $0.043 < 1.96$ and a P-value of $0.966 > 0.05$, so that the improvement of the work environment would not improve employee performance. On the contrary, work morale has a positive and significant influence on employee performance, shown by a T-statistical value of $4.963 > 1.96$ and a P-value of $0.000 < 0.05$, indicating that increasing work morale can improve employee performance. The work environment also had a positive and significant effect on the quality of employees' work, with a T-statistical value of $3.048 > 1.96$ and a P-value of $0.003 < 0.05$. However, work morale did not have a significant effect on the quality of employee work, with a T-statistical value of $1.335 < 1.96$ and a P-value of $0.185 > 0.05$. In addition, the quality of work did not have a significant effect on employee performance, with a T-statistical value of $1.181 < 1.96$ and a P-value of $0.240 > 0.05$. The quality of work is also unable to intervene in the influence of the work environment on employee performance, shown by the T-statistical value of $1.151 < 1.96$ and the P-value of $0.253 > 0.05$. Similarly, work quality was unable to intervene in the influence of work morale on employee performance, with a T-statistical value of $0.645 < 1.96$ and a P-value of $0.521 > 0.05$. These results provide insight that factors such as work environment and work morale do not have a mediating effect through work quality on employee performance at Bank Syariah Indonesia in the Medan Raya area.

Keywords : Work environment, work morale, work quality, employee performance

1. INTRODUCTION

In the context of the banking world, employee performance is one of the crucial factors that affect the success and sustainability of a financial institution. Especially at Bank Syariah Indonesia in the Greater Medan area, where industry competition is getting tighter, maintaining employee performance is a must. However, to achieve optimal performance, work environment factors and work morale also need to be seriously considered (Wijayanti & Heryanda, 2022).

A conducive work environment can have a significant influence on employee performance. A good work environment can create a supportive, quality atmosphere, and allow employees to develop professionally. On the other hand, work morale is also an important factor that can quality employees to work more productively and efficiently (Prakoso et al., 2014).

The work environment has an important role in achieving employee performance. This is because the existence of a pleasant work environment makes employees will work more passionately and enthusiastically to achieve better performance (Irma & Yusuf, 2020).

In the context of Bank Syariah Indonesia in the Medan Raya area, this research is expected to help the bank in improving the quality of work which will ultimately improve employee performance. By understanding how the work environment and morale interact with employee performance, Bank Syariah Indonesia can take strategic steps to improve their performance. Furthermore, understanding the role of work quality as an intervening variable is also important to find out the extent to which the influence of the work environment and work morale on employee performance can be mediated through work quality (Siagian, 2023).

The phenomenon that has occurred and is the main highlight and needs to be considered by Bank Syariah Indonesia in the Medan Raya area is the increasing competition in the banking market, both from conventional and other sharia banking institutions. This competition requires Bank Syariah Indonesia to continue to improve the quality of its services and operational efficiency, which is inseparable from the performance of employees (Ana & Zunaidi, 2022).

Behind these challenges, Bank Syariah Indonesia is also faced with internal problems related to employee performance. One of the main problems faced is the under-optimal performance of employees, which can be caused by several factors, including an unconducive work environment and a lack of morale among employees. An unsupportive work environment can hinder employee quality and creativity, while low morale can result in a decrease in productivity and work quality (Purba & Hutapea, 2022)

Based on the above phenomenon, there needs to be a deep understanding of how the work environment and work spirit contribute to employee performance at Bank Syariah Indonesia Medan Raya area. Identifying these problems will help Bank Syariah Indonesia to take the right strategic steps in improving employee performance and answering the challenges of competition in the Islamic banking market.

According to (Fahmi, 2017) Performance is the result of a process that refers to and is measured over a certain period of time based on predetermined provisions or agreements. Meanwhile, according to (Mangkunegara. A.A. P, 2020) Employee performance is the achievement of employee work results based on quality and quantity as work achievements in a certain period of time adjusted to the duties and responsibilities of a group in the organization in carrying out the main tasks and functions that are guided by norms, operational standards, procedures, criteria and measures that have been set or that apply in the organization.

To measure the level of employee performance in this study, the author refers to the theory (Fahmi, 2017) that is:

1. Quality, i.e. the level of error, damage, precision.
2. Quantity, which is the number of jobs produced.
3. Use of time at work, namely the level of absence, tardiness, effective working time/lost working hours.
4. Cooperation with others in work.

Many factors can affect employee performance. This study limits on the factors of work environment and work morale that are intervened by work quality. According to (Sedarmayanti & Rahadian, 2018) The work environment is a situation where there are a number of groups in which there are several supporting facilities to achieve the company's goals in accordance with the company's vision and mission. Meanwhile, according to (Mangkunegara, 2016) The work environment is all the tools and materials that are faced, the surrounding environment where a person works, his work methods and work arrangements rise as individuals or groups.

The definition of the work environment in this study is referring to the opinion of (Sedarmayanti, 2017) namely the non-physical work environment, which is all circumstances that occur related to work relationships, both relationships with superiors and relationships with fellow colleagues, or relationships with subordinates.

To measure the work environment in this study refers to the indicators stated by (Sedarmayanti, 2017) namely the non-physical work environment as follows:

- 1) Working relationship between subordinates and superiors
- 2) Working relationships between colleagues

Work spirit is to do work more passionately so that work can be expected to be faster and better, while work enthusiasm itself contains the meaning of deep pleasure in the work done by Westra (Nurmansyah, 2011).

In this study, the definition of work morale refers to Hasibuan's opinion in (Randika & Halim, 2023), namely the desire and seriousness of a person to do their job well and discipline to achieve maximum work performance.

To measure employee morale in this study, the author refers to Sopiah's theory in (Randika & Halim, 2023), namely:

- 1) Leadership's attention to employees.
- 2) Pleasure in work;
- 3) Concern for work;
- 4) Needs Met

The quality of work refers to the quality of human resources, while the quality of human resources itself refers to Knowledge, Skills, and Abilities. According to Siagian in (Nasution, 2020) Stating that work quality is a systematic effort in organizational life through a way in which employees are given the opportunity to play a role in determining the way they work and the contributions they make to the organization in order to achieve their goals and various objectives.

To measure the quality of employee work in this study, the author refers to Hasibuan's theory in (Nasution, 2020) who said that there are four indicators of the quality of employee work, namely:

- 1) Self-Potential is an ability, strength, both unrealized and realized, that a person has, but has not been fully visible or used to the fullest.
- 2) Optimal Work Results, is the result that must be owned by an employee, employees must be able to provide the best work results, as can be seen from organizational productivity, quality and quantity of work.
- 3) The Work Process is the most important stage where employees carry out their duties and roles in an organization, through this work process.
- 4) Enthusiasm, is an attitude where an employee cares about his work, this can be seen from attendance, task implementation, work motivation, work commitment.

This study aims to analyze the influence between the work environment and work morale on employee performance at Bank Syariah Indonesia in the Medan Raya area which is intervened by the



quality of employee work. A conducive work environment and high morale are considered important factors in improving performance. This study also aims to identify the role of work quality as a mediator or intervening variable in the relationship between the work environment, work morale, and employee performance. The concept of this research is as illustrated in the following conceptual framework drawing:

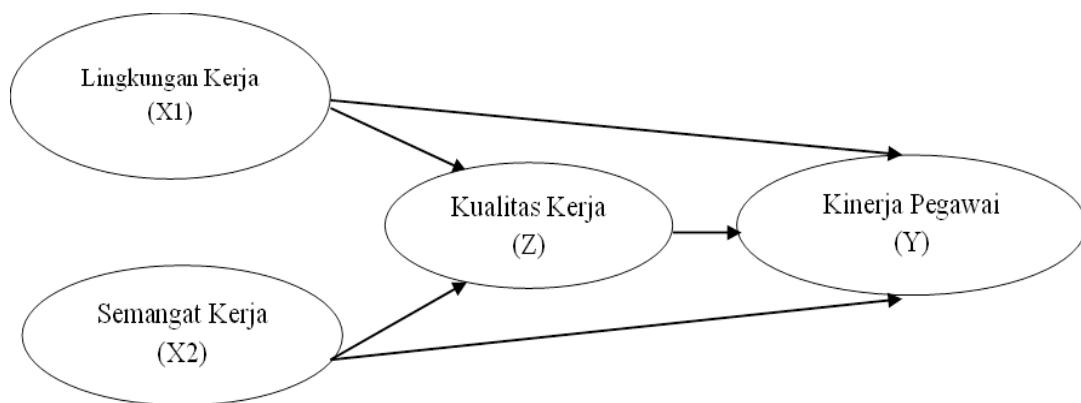


Figure 1. Conceptual Framework

2. RESEARCH METHODS

This type of research is a casual associative quantitative research. This research was carried out at Bank Syariah Indonesia in the Medan Raya area . The time of this research was carried out from March to May 2024. According to (Suggestion, 2018) Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then drawn conclusions. The population in this study is all employees at Bank Syariah Indonesia Medan area which totals 287 people with the following details:

Table 1. Number of Population

Bank	Number of Employees
BSI Gajah Mada Branch	24
BSI Binjai Branch	22
BSI Branch Binjai imam bonjol	21
BSI Brandan Branch	21
BSI Stabat Branch	22
BSI Kabanjahe Branch	21
BSI Belawan Branch	24
BSI Gatot Subroto Branch	20
BSI Pancabudi Branch	14
BSI Tomang Elok Branch	19
BSI Ringroad Branch	20
BSI Setiabudi Branch	30
BSI Usu Branch	9
BSI Marelan Branch	20
Total	287

In this study, the author uses the Slovin formula in determining the number of samples. The Slovin formula for determining the sample is as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Information:

n = Sample size/number of respondents

N = Population size

e = 0.1

$$n = \frac{287}{1 + 287(0,1)^2}$$

$$n = \frac{287}{2,88}$$

n = 99.6 rounded to 100

Based on the calculation above, the sample that became respondents in this study was adjusted to as many as 100 people or around 34.8% of all employees at Bank Syariah Indonesia in the Medan area, this was done to facilitate data processing and for better test results. The sample was taken based on the probability sampling technique; Simple random sampling, where researchers provide an equal opportunity for each member of the population to be selected into a random sample regardless of the strata in the population itself. The following are details of the number of samples taken.

Table 2. Number of samples

Bank	Number of Population	Sample Percentage	Sample
BSI Gajah Mada Branch	24	34,8% x 24 = 8,35	8
BSI Binjai Branch	22	34,8% x 22 = 7,65	8
BSI Branch Binjai imam bonjol	21	34,8% x 21 = 7,30	7
BSI Brandan Branch	21	34,8% x 21 = 7,30	7
BSI Stabat Branch	22	34,8% x 22 = 7,65	8
BSI Kabanjahe Branch	21	34,8% x 21 = 7,30	7
BSI Belawan Branch	24	34,8% x 24 = 8,35	8
BSI Gatot Subroto Branch	20	34,8% x 20 = 6,96	7
BSI Pancabudi Branch	14	34,8% x 14 = 4,87	5
BSI Tomang Elok Branch	19	34,8% x 19 = 6.61	7
BSI Ringroad Branch	20	34,8% x 20 = 6,96	7
BSI Setiabudi Branch	30	34,8% x 30 = 10,44	10
BSI Usu Branch	9	34,8% x 9 = 3,13	4
BSI Marelan Branch	20	34,8% x 20 = 6,96	7
Total	287		100

The data used in this study is the data from the results of the questionnaire distributed to respondents consisting of all employees in all divisions. The data analysis technique used in this

study is a quantitative data analysis method using Structural Equation Modeling (SEM) based on Partial Least Square (PLS) using SmartPLS 3.0 software.

Meanwhile, the feasibility test that will be used in this study is Testing outer model to obtain value outer loading that meet the requirements validity dan reliability. Testing the structural model (Inner model) which includes a determination coefficient test (R^2) to measure how far the model is able to explain the variation of the bound variable. R^2 (Kuncooro, Laymen, 2013).

The Goodness fit test is used to determine the extent to which the observed data corresponds to the theoretical distribution assumed by the model or hypothesis (Ghozali & Latan, 2015) and hypothesis test (T-Statistic Test) consisting of a test path coefficients To test how the direct influence of each independent variable individually on its bound variable and the indirect influence of the intervening variable in influencing its independent variable on its bound variable.

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between the variables is declared positive. Meanwhile, if the value is 0 to -1, then the direction of the relationship between the variables is declared negative. A hypothesis is said to be accepted if the statistical t value is greater than the t of the table. According to (Ghozali & Latan, 2015) Table T value criteria 1.96 with a significance level of 5%

3. RESULTS AND DISCUSSION

3.1. Results

Analisis Outer Model

The outer model test in this study uses algorithm analysis in SmartPLS software version 3.0, in order to obtain outer loading values that meet the validity and reliability requirements.

1) Convergent Validity Test Results

The convergent validity of the measurement model with reflexive indicators can be seen from the correlation between the score of the item/indicator and the construction score. Based on the results for outer loading, it shows that there is an indicator that has a loading below 0.60 and is not significant. The following is presented as the results of the outer loading value in the following table.

Tabel 2. Outer Loading		
Indicator	Outer Loading	Information
Work Environment (X1)		
PAGE 1	0.894	Valid
PAGE 2	0.907	Valid
Work Spirit (X2)		
SK1	0.857	Valid
SK2	0.915	Valid
SK3	0.910	Valid
SK4	0.894	Valid
Quality of Work (Z)		
KK1	0.879	Valid
KK2	0.934	Valid

Indicator	Outer Loading	Information
KK3	0.939	Valid
KK4	0.814	Valid
Employee Performance(Y)		
KP1	0.916	Valid
KP2	0.913	Valid
KP3	0.797	Valid
KP4	0.876	Valid

Source : Output Smart PLS, 2024

Based on Table 2, it can be seen that all indicators have a value loading factor > 0.60 . According to (Ghozali, Imam & Latan, 2015) states that an indicator is declared valid if it has a value loading factor > 0.60 . Thus, it can be stated that all indicators in this study are declared valid and can be carried out further research. The following is shown in the form of a structural model as shown in the following image:

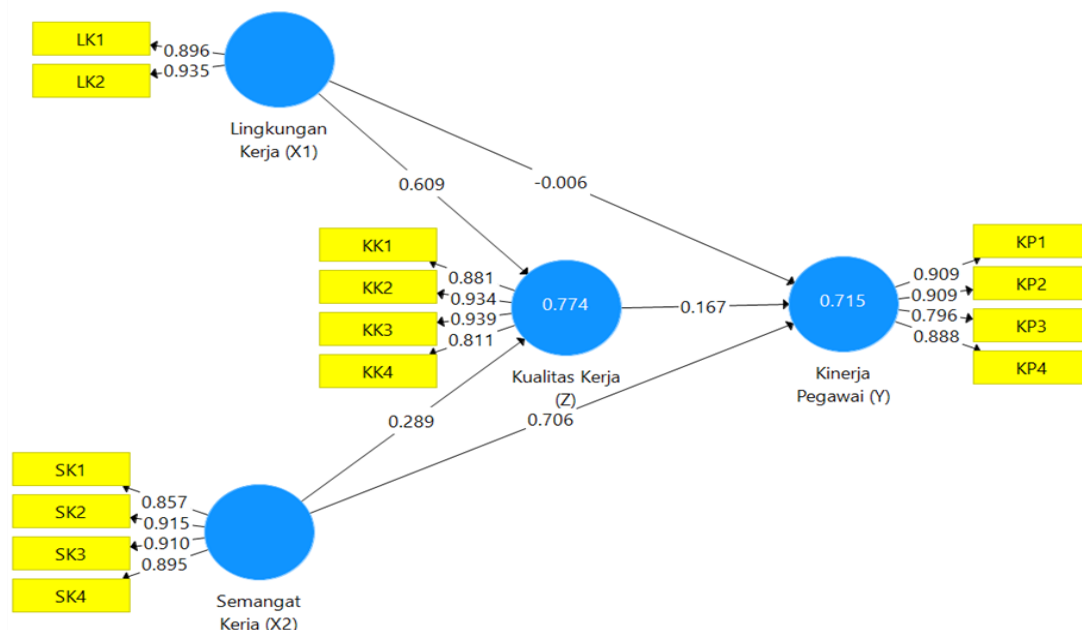


Figure 1. Outer Model Test Results

2) Discriminate Validity Test Results

The next test is to test the validity of discrimination, this test aims to determine whether a reflective indicator is a good measurement for its construction based on the principle that the indicator is highly correlated with its construction. The following are the results of cross loading from the discrimination validity test as shown in the following table in

Tabel 3. Discriminant Validity

Variable Indicators	Employee Performance (Y)	Quality Work (Z)	Work Environment (X1)	Work Spirit (X2)
KK1	0.623	0.879	0.606	0.749

Variable Indicators	Employee Performance (Y)	Quality Work (Z)	Work Environment (X1)	Work Spirit (X2)
KK2	0.727	0.934	0.665	0.735
KK3	0.649	0.939	0.703	0.773
KK4	0.671	0.814	0.894	0.746
KP1	0.916	0.649	0.907	0.774
KP2	0.913	0.647	0.802	0.743
KP3	0.797	0.520	0.550	0.479
KP4	0.876	0.787	0.780	0.864
PAGE 1	0.671	0.814	0.894	0.746
PAGE 2	0.916	0.649	0.907	0.774
SK1	0.634	0.785	0.687	0.857
SK2	0.731	0.704	0.695	0.915
SK3	0.736	0.744	0.815	0.910
SK4	0.870	0.779	0.812	0.894

Source: Output Smart PLS, 2024

Based on table 4, it can be seen that the cross loading value in each indicator and variable is greater than other variables and indicators, the cross loading variable The work environment and morale show that the cross loading variable indicator is greater than the cross loading of other latent variables, the cross loading of the variable indicator The quality of work shows that the value of the cross loading indicator is greater than other latent variables, Cross loading Employee performance also shows a greater cross loading indicator value than the latent variable cross loading. Based on this data, it can be stated discriminatively that the cross loading results are considered valid.

3) Composite reliability test results

The test further determines the reliable value with the composite reliability of the indicator block that measures the construction. A construction value that is said to be reliable if the indigo composite reliability is above 0.60. In addition to looking at the composite reliability value, the reliable value can be seen in the variable construct value with the alpha cronbachs of the indicator block that measures the construct. A construct is declared reliable if the cronbachs alpha value is above 0.7. The following is a table of loading values for the construct of the research variables resulting from running the Smart PLS program in the following table.

Tabel 4. Construct Reliability and Validity

Indicator	Cronbach's Alpha	Composite Reliability	Average Extracted Variance (AVE)
Employee Performance (Y)	0.900	0.930	0.769
Quality of Work (Z)	0.914	0.940	0.797
Work Environment (X1)	0.767	0.896	0.811
Work Spirit (X2)	0.916	0.941	0.800

Source: Smart PLS Output, 2024

Based on Table 5, it can be explained that the AVE value in each variable tested has a > value of 0.5, which shows that all variables in this study meet the criteria for discriminant validity. To determine the reliability in this study, the composite reliability value is used. The accepted value for the reliability level is > 0.7. Based on these criteria, it can be seen that all variables in this study have a > value of 0.70 so that it can be stated that all variables tested meet the reliability of the construct.

Structural Model Evaluation (Inner Model)

Evaluation of the structural model (inner model) is carried out to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the evaluation of the structural model are seen from several indicators, namely:

1) Determination Coefficient Test Results (R2)

The determination coefficient (R2) test is used to see the influence of certain independent latent variables on the dependent latent variable whether it has a substantive influence. Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as shown in the following table.

Table 5. R Square Results

Variable	R Square	Adjusted R Square
Employee Performance (Y)	0.812	0.805
Quality of Work (Z)	0.743	0.738

Source: Output Smart PLS, 2024

Based on table 5, it is known that the R square Adjusted value of the work quality variable is 0.738 or 73.80%, which means that the influence of the work environment and work morale on the quality of work is in the high category, meaning that the more the work environment and work morale will increase, the more the quality of work will increase. Meanwhile, the R Square value in the Work Quality variable is 0.743 or 74.30%, which means that the influence of the work environment and work morale on the work quality is 74.30.% and the remaining 25.70% is influenced by other variables that have not been researched. While the R Square Adjusted value of the employee performance variable is 0.805 or 80.50% which means that the work environment and morale affect employee performance by 80.50% or in the high category which means that if the work environment and morale improve, the performance of employees will increase. Furthermore, the R square value of the Employee Performance variable is 0.812 or 81.20%, which means that the work environment and work morale affect employee performance by 81.20%, while the remaining 18.80% is influenced by other variables that have not been studied.

2) Hasil Uji Goodness of Fit

The Goodness of Fit test is a statistical method used to evaluate how well the tested model or statistical distribution matches the observed data. The Goodness of Fit test aims to determine the extent to which the observed data corresponds to the theoretical distribution assumed by the model or hypothesis. The goodness of fit model test can be seen from looking at the NFI value on the program. If the NFI value is > SRMR and

the closer it is to 1, then the better the model (good fit). Based on the data processing that has been carried out using the SmartPLS 3.0 program, the Fit Model values are obtained as follows.

Table 6. Model Fit

	Saturated Model	Estimated Model
SRMR	0.092	0.092
d_ULS	0.898	0.898
d_G	1.873	1.873
Chi-Square	707.646	707.646
NFI	0.639	0.639

Source: Output Smart PLS, 2024

Based on table 7, it can be seen that the NFI value is $0.639 > 0.092$ so that it can be stated that the model in this study has sufficient goodness of fit and is suitable to be used to test the research hypothesis.

Hypothesis Test Results

After conducting an inner model analysis, the next thing is to evaluate the relationship between latent constructs in order to answer the hypothesis in this study. The hypothesis test in this study was carried out by looking at T-Statistics and P-Values. The hypothesis was declared accepted if the T-Statistics value > 1.96 and the P-Values < 0.05 . The following are the results of Path Coefficients of direct influence between variables as shown in the following table.

Table 7. Path Coefficients

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Result
Work Quality (Z) -> Employee Performance (Y)	0.058	0.047	0.126	0.460	0.446	Rejected
Work Environment (X1) -> Employee Performance (Y)	0.645	0.641	0.130	4.979	0.000	Accepted
Work Environment (X1) -> Work Quality (Z)	0.340	0.322	0.161	2.108	0.038	Accepted
Work Morale (X2) -> Employee Performance (Y)	0.340	0.338	0.113	3.001	0.003	Accepted
Morale (X2) -> Quality of Work (Z)	0.556	0.569	0.172	3.234	0.002	Accepted

Source: Smart PLS Output, 2023

Based on the data in Table 8, it can be stated that the work environment has a positive and significant effect on employee performance. This can be seen from the T-statistical value of $4.979 > 1.96$ with a P-Value of $0.000 < 0.05$. This means that if the work environment is improved, employee performance will increase. Likewise, the influence of work morale on employee performance was obtained with a T-statistic value of

43.001 > 1.96 and a P-value of 0.000 < 0.03 which means that work morale has a positive and significant effect on employee performance.

Furthermore, on the influence of the work environment on the quality of work, the T-Statistical value data was obtained from 2.108 > 1.96 with a P-Value of 0.038 < 0.05 so that it can be stated that the work environment has a positive and significant effect on the quality of work of employees at Bank Syariah Indonesia Medan Raya area. In line with the influence of work morale on work quality, the results of work morale have a positive and significant effect on the quality of employee work because the T-statistical value of 3.234 > 1.96 and the p-value of 0.002 < 0.02. This can be interpreted that if work morale is improved, the quality of employee work will increase significantly.

In other words, the influence of employee work quality on employee performance obtained data that the T-Statistic value is 0.460 < 1.96 with a P-Value of 0.446 > 0.05 which means that the quality of work also does not have a significant effect on employee performance. The following is explained in the form of a path test drawing as follows:

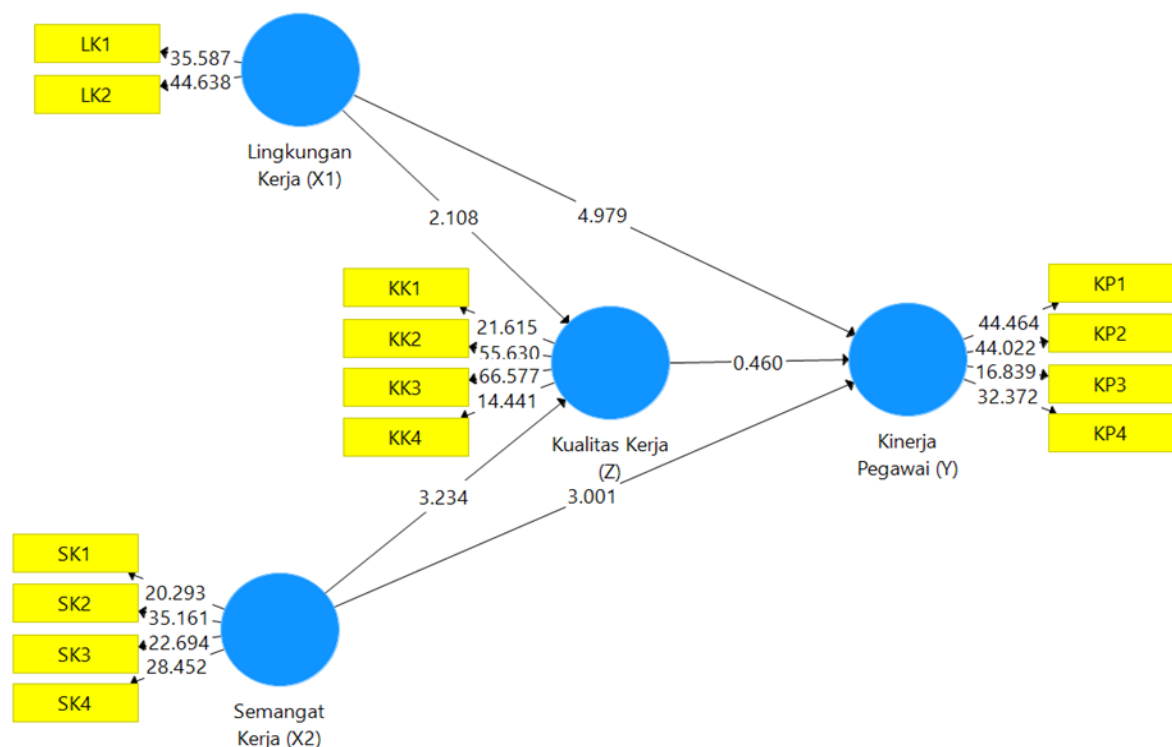


Figure 2. Path Coefficients Test Results

To answer the sixth and seventh hypotheses, it is seen by looking at the indirect influence between variables as shown in the following table.

Table 8. Indirect Effect (Pengaruh Tidak Langsung)

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Result
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Work environment (X1) -> Work quality (Z) -> Employee performance (Y)	0.020	0.022	0.046	1.430	0.453	Rejected
Morale (X2) -> Quality of work (Z) -> Employee performance (Y)	0.032	0.020	0.074	0.439	0.421	Rejected

Source: Output Smart PLS, 2024

Based on table 8, it can be explained that work quality is not able to intervene in the influence of the work environment on employee performance. This can be seen from the results of the T-Statistical value of $1.430 < 1.96$ with a P-Value of $0.453 > 0.05$. Likewise, the relationship between work morale and employee performance through work quality obtained a T-statistical value of $0.439 < 1.96$ and a P-value of $0.421 > 0.05$ which shows that work quality is also unable to intervene in the influence of work morale on employee performance. These results provide insight into how the intermediate variable of work quality is not able to intervene in the relationship between the work environment and work morale on employee performance at Bank Syariah Indonesia in the Medan Raya area.

3.2. Discussion

The findings in this study can be strengthened by referring to the findings of previous relevant studies. The results of this finding are supported by the results of research from (Tesmanto & Rina, 2022) which states that the work environment has a positive and significant effect on employee performance.

The implication of these findings is that institutions should review work environment factors that may not have been detected in this study and ensure that other aspects that support performance, such as training and development, motivation, as well as reward systems, are also taken into account. In addition, further research needs to be conducted to explore more deeply the relationship between the work environment and performance in a variety of different contexts. Institutions must also be flexible in adjusting human resource management policies based on the latest findings and input from employees, as well as implementing a continuous monitoring and evaluation system to ensure that the policies implemented are truly effective in improving employee performance.

The effect of work morale on employee performance is in line with the results of research from (Husna, 2023) and (Sarumaha & Dakhi, 2021) which states that work morale has a positive and significant effect on employee performance. The implication of these findings is that organizations need to pay attention to and improve employee morale as a key strategy in an effort to improve performance. Efforts can be made to provide recognition and recognition, create a pleasant work environment, and provide clear and sustainable career development opportunities. By increasing morale, organizations can optimize employee productivity and effectiveness, which in turn can contribute to the achievement of goals and overall organizational success (Triono & Aditya, 2024).

Furthermore, on the influence of Work environment on work quality, the results of this finding are supported by the results of research from (Aditya et al., 2019) which states that the work environment affects the quality of employee performance. The implication of these findings is that organizations need to put more attention to the creation and maintenance of a conducive work environment to improve the quality of work of employees. The factor of harmonious relationships between employees must be considered and optimized. By ensuring a good work environment, organizations can improve the quality of employees' work, which will ultimately contribute to

improving overall performance and achieving organizational goals more effectively and efficiently (Yusuf & Alidin, 2023).

On the influence of work morale on work quality, this result is supported by the results of research from (Anwar, 2022) which states that work morale has a positive and significant effect on work quality. The implication of this result is that the institution must prioritize efforts to improve employee morale through various motivation, recognition, and reward programs. Additionally, it is important to create a supportive work environment, which can include career development opportunities, ongoing training, and a good work-life balance. Institutions also need to implement flexible and adaptive policies, and continue to monitor and evaluate the effectiveness of morale enhancement programs to ensure their sustainable impact on employee work quality (Basuki, 2023).

On the influence of employee work quality on employee performance, the result is obtained that the absence has an effect on employee performance. It also indicates that to improve overall employee performance, a more holistic approach is needed. Organizations can focus on developing leadership skills, ongoing training, and improving work systems that support synergies between departments (Prasojo et al., 2017).

In the indirect influence, it is explained that the quality of work is not able to intervene in the influence between the work environment and work morale on employee performance. The implication of these findings is that while a good work environment and morale are important, improving work quality does not directly impact employee performance. Therefore, organizations need to focus on other factors that are more effective in improving overall employee performance. This can include aspects such as intrinsic motivation, training and skill development, as well as appropriate incentives and rewards (Listiani, 2011). By paying attention to and optimizing these factors, organizations can create more effective strategies to improve employee performance, instead of relying solely on work quality and work environment (Pramida & Mulyanti, 2023).

4. CONCLUSION AND SARA

4.1 Conclusion

From the results of the data analysis of the research results and discussions described above, it can be concluded that:

1. The work environment has a positive and significant effect on employee performance, as shown by the T-statistic value of $4.979 > 1.96$ with a P-Value of $0.000 < 0.05$. This means that if the work environment is improved, employee performance will increase significantly.
2. Work morale has a positive and significant effect on employee performance, with a T-Statistical value of $43.001 > 1.96$ and a P-value of $0.000 < 0.03$. This shows that increasing work morale can significantly improve employee performance.
3. The work environment has a positive and significant effect on the quality of employees' work, with a T-Statistical value of $2.108 > 1.96$ with a P-Value of $0.038 < 0.05$. This means that improving the work environment can significantly improve the quality of employees' work.
4. Work morale had a positive and significant effect on the quality of employees' work, with a T-statistical value of $3.234 > 1.96$ and a p-value of $0.002 < 0.05$. This shows that increasing work morale will significantly improve the quality of employee work.
5. The quality of work did not have a significant effect on employee performance, with a T-Statistic value of $0.460 < 1.96$ with a P-Value of $0.446 > 0.05$. This shows that improving the quality of work will not significantly improve employee performance.



6. Work quality is not able to intervene in the influence of the work environment on employee performance, which is shown by a T-Statistical value of $1.430 < 1.96$ with a P-Value of $0.453 > 0.05$. This means that even if the work environment is improved, it will not have a significant impact on employee performance through work quality as an intervening variable.
7. Work quality was also unable to intervene in the influence of work morale on employee performance, with a T-statistical value of $0.439 < 1.96$ and a P-value of $0.421 > 0.05$. This shows that increasing work morale will not significantly improve employee performance through work quality as an intermediate variable. These results provide insight that factors such as work environment and work morale do not have a mediating effect through work quality on employee performance at Bank Syariah Indonesia Medan Raya area.

4.2 Advice

Based on the findings of this study, here are some suggestions that can be addressed to institutions to improve employee performance:

1. Institutions must optimize the work environment to be comfortable and support productivity, as well as implement reward programs and work-life balance to increase employee morale.
2. Institutions are advised to provide quality training programs, clear career development paths, and financial and non-financial incentives to improve employee skills and motivation.
3. Institutions are advised to implement a continuous monitoring and evaluation system to assess the effectiveness of policies and programs, as well as conduct further research to explore other factors that affect employee performance in various organizational contexts.

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