The Role of the Working Environment on the Employee Morale

Purnamie Titisari[1]*, Putri Kusuma Rini[2] and Agus Priono[3]

[1,2,3]University of Jember, Jalan Kalimantan 37, Jember, Jawa Timur 68124 Indonesia

ABSTRACT

Objective – The research aims to know the effect of forming aspects of the work environment consisting of the employee's service, the work condition and the relationship among employees towards employee morale at Limited Liability Company of Bank Tabungan Negara Branch Jember, whether simultaneously or partially, and to know the forming aspects of the work environment that dominantly influence towards employee morale at Limited Liability Company of Bank Tabungan Negara Branch Jember. The population of this research is all of the employees at Limited Liability Company of Bank Tabungan Negara Branch Jember.

Methodology/Technique – The applied method of census is multiple linear regressions.

Findings – The result shows that the forming aspects of the work environment simultaneously have significant influence towards employee morale at Limited Liability Company of Bank Tabungan Negara Branch Jember. While the result of the test shows that the three forming aspects of the work environment partially have significant influence towards employee morale at Limited Liability Company of Bank Tabungan Negara Branch Jember.

Novelty – The implication of this study is that there are many things to increase the employee morale, one of them is providing a good and comfortable work environment. At least, the company should pay attention to the three forming aspects of the work environment, such as giving employee services, working conditions, and employee relationship with the work place.

Type of Paper: Empirical.

Keywords: employee morale; employee service; work condition; employee relationship.

JEL Classification: J21, J28, J81.

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1. Introduction

Nowadays, the company must build better work environment. Although there are a lot of tools with new technology in the company, it will be nothing, if it is not supported by the comfortable and qualify work environment. This has a significant role in increasing the employee morale so that the company destination will be realized as well. With the influence of the work environment towards psychiatric problems of employees, the company is required to be able to manage its work environment so that they feel happy, comfortable and satisfied. It also spurs their spirit to work so that the productivity of the company will increase.

In building a comfortable work environment, at least, the company should pay attention to the three forming aspects of the work environment that are building a good and healthy working conditions, building a good

cooperation with the company providing service facilities for employees, such as health facility, worship facilities, recreation program, and others. This is hoped that those facilities will increase employee morale so that they can work more productive, effective, and efficient to achieve the company's goal. The employee morale at Limited Liability Company of Bank Tabungan Negara Branch Jember need attention and further study related to variables of the work environment. From that study, it is hoped that a Limited Liability Company of Bank Tabungan Negara Branch Jember can formulate a good strategy in moving and increasing the employee morale so that it influences the increase of the company productivity.

2. Literature Review

2.1. Work Environment

In the achievement work of the company's goal, the work environment factor is one of the important factors that must be considered. Although the company is supported by high technology, the achievement work of the company destination is hampered if the work environment is uncomfortable. Work environment is everything around the employees that are influencing them to do their jobs (Prajogo and Wisnu , 2005). Therefore, the company should pay attention to the work environment because it is closely related to the employee morale to finish their jobs. The comfortable work environment will make them more spirit. There is a difference in the work environment and working conditions. The work environment is an environment where the employees work and the working condition is a condition where the employees work. According to that statement, it can be concluded that this work environment is one of the forming elements of the work environment. In the other words, there are other, forming elements of the work environment (Ahyari, 1999, p.124).

2.2 Forming Aspects of the Work Environment

To build a comfortable work environment, safe, and satisfied, at least, the company must pay attention on the forming aspects of the work environment. According to Feist and Feist (2006), they say that the work environment in the company is divided into some detailed forming aspects. The aspects are service of employees, the working conditions and the relationship of employees in the company. Based on his statement, this research makes them as applied aspects in measuring the variability of the work environment. The good service of employees is expected to add happiness to the employees so that their morale increases (Ahyari, 1999, p.131). If the service of the employees is bad, it will make employee morale decreases. Hence, it can be concluded that the company must give its best service to increase the employee morale. It will affect to the improved performance and can achieve the company's goal. Moreover, this employee service program is grouped into three parts, economic wellbeing, recreation program, and provision of facilities (Bass, 1999). Dirks (2010) says that working condition is a condition prepared by the management of the company. However, Dessler (1980) says that some factors in the work environment influence the employee morale, such as coloring, cleaning, air exchange, lighting, safety, and noise. Ahyari (1999) adds that the good relationship among the employees will build a safety feeling towards the employees of the company in doing duties. The good relationship also makes the employees avoid conflicts in the company. Hence, with this cooperation the employees are expected to do a good interaction each other so that it will build togetherness between them. The togetherness is needed because they are in the same work environment. In addition, they can give a good contribution for the company.

2.3 Morale

According to Cohen (2003), he says that morale is a term that commonly used without careful formulation. The morale describes feeling, related to the soul, group spirit or activities. Raul (2003) also states that morale and working desire are defined as a physical condition or individual attitude of employees and groups raising a deep happiness to achieve the company's goal. Hence, it can be said that the morale is an individual or group

mental attitude in the company showing the desire in doing their duties or jobs and push them to work better with high morale. If the company can increase the employee morale, the company will get more advantages. By increasing this morale, the jobs will be finished. In the opposite, if the morale decreases, the company will get much losses. Therefore, the company must try in order to the employees can do their duties or jobs with high morale.

3. Methodology

3.1 Population and Sample

The population of this research is all of the employees (46 employees) in the Limited Liability Company of Bank Tabungan Negara Branch Jember. In this research, census method is applied in taking samples by delivering questionnaires to 46 employees in the Limited Liability Company of Bank Tabungan Negara Branch Jember.

3.2 Type and Source Data

In this research, the applied type and source data are primary data, taken from questionnaires distribution towards all employees at Limited Liability Company of Bank Tabungan Negara Branch Jember and interview results done by the researchers, and secondary data, the data are taken indirectly from Limited Liability Company of Bank Tabungan Negara Branch Jember. The data are taken from the reference of the company and books related to the research.

To test applied instrument in data mining in this research, it is needed to do:

a. Validity Test

   In this research, validity test with pearson's product moment technique is used by the following formula (Hair, 1998):

$$r = \frac{n(\sum XY) - (\sum X \sum Y)}{\sqrt{\{n(\sum X^2) - (\sum X)^2} \sqrt{\{n(\sum Y^2) - (\sum Y)^2\}}}$$

   Where: r = correlation coefficients, x = value of independent variables, y = value of dependent variables, n = amount of sample or respondents.
   According to Sarwono (2006:216) r table is sought in table r product moment, with 5% significancy and on the line N-2. The characteristic of test, if: a. r positive result or r result > r table, it is valid. If r positive result or r result < r table, it is invalid.

b. Reliability Test

   The reliability test uses formulation of alpha model by croncbanch method (Hair, 1998).

$$\alpha = \frac{kr}{1 + (k-1)}$$

   Where: α = reliabilty coefficient, r = average coefficient of correlation among variables, k = amount of independent variable in the equation.

In this research, the amount of questions for each variable is 7 items. According to, if the amount of questions for each variable is less than 10 items, the critical number to measure instrument reliability is 0,20. Hence, the decisions used to test this reliability are:1. If value α > 0,20 all questions are reliable, means those questions are appropriate to use.2. If value α > 0,20 all questions is unreliable, means those questions are inappropriate to use (Hair, 1998). In this research, the validity and reliability test are done by the help of SPSS program 11th version.

3.3 Hypotheses Development

As stated by (Hair, 1998), the study of theory and research gap of several authors that morale is doing a better job, so that will be resolved quickly and better. So, morale is an important factor that must be considered because it involves mental problems of employees so they want to try well and are willing to sacrifice to achieve organizational goals. There are three hypotheses proposed in this study, i.e.: H1: Services employee effect on employee morale, H2: Working conditions effect on employee morale, H3: Employee relations effect on employee morale.

3.4 The Analysis of Multiple Linier Regression

The analysis of multiple linear regression is used to measure the causal relationship between one variable and other variables ((Hair, 1998). In this research, it is used to know the influence between the service of employees variable (X1), working condition (X2) and the relationship among the employees (X3) towards the employee morale (Y) by the following formula:

$Y = a + b_1X1 + b_2X2 + b_3X3 + ei$

Where: Y = morale variables, a = constanta, b1, 2, 3 = direction regression coefficients, X1 = service of employees variable, X2 = working condition variable, X3 = the relationship among employees variable, ei = gadfly coefficients.

3.5 Classic Assumption Test

a. Multicollinearity Test

To detect multicollinearity, it can be seen from the value of Variance Inflation Factors (VIF) and the value of Tolerance. According to Yarnest (2004), when the value of Tolerance < 0,10 or >10 and the score of VIF >10, multicolinearity occurs. On the opposite, when the value of Tolerance > 0,10 or <10 and the value of VIF < 10, multicolinearity doesn't occur.

b. Heteroscedasticity Test

Heteroscedasticity test aims to know whether the residual variance inequality from one observation to the other observation whether it occurs or not in the regression model. If the residual variance is different, it is called heteroscedasticity. With the good regression model, heteroskedasticity doesn't occur (Hair, 1998).

c. Autocorrelation Test

To test the autocorrelation, it is detected by the Durbin Watson test (D-W test). According to (Hair, 1998), if the statistic value of D-W is about -2 until +2 to 5% significance level, there is no autocorrelation indication.

3.6 Hypothesis Test

a. F Test (Simultaneous Test)

According to Hair (1998) F test is used to know the influence, significance between the work environment variable simultaneously towards the employee morale variable.

b. t Test (Partial Test)

According to Hair (1998) t test is used to know significancy of influence between the work environment variable partially towards employee morale variables.

4. Results

4.1 Validity Test

r count in each question item in the employee service variable is bigger from r table (0,297). Therefore, each question item applied in the employee service variable (X1), the working condition variables (X2),

employee relationship variable (X3) and the employee morale variables (Y) are valid as instrument tool in collecting data.

4.2 Reliability Test

It can be concluded that all applied independent variables consists of employee service variables (X1), work condition variables (X2), employee relationship variables (X3) and employee morale dependent variable (Y) are reliable, because the test results show that croncbanch alpha (α) coefficient is bigger than 0.20.

4.3 Multiple Linear Regression Analysis

Based on the data calculation using SPPS program 11th version, it is obtained a constant. The multiple linear regression equation is:
Y = - 6,909 + 0,319 X1 + 0,544 X2 + 0,413 X3 + ei

4.4 Classic Assumption Test

c. Multicollinearity Test
Employee service variables (X1), work condition variables (X2), and employee relationship variables (X3) have VIF value < 10 and Tolerance value > 0.10 or < 10, it can be concluded that the model in this research for all the independent variables are not multicollinearity.

d. Heteroscedasticity Test
The residual regression result of all independent variables has t count value <t table, while t table value on degree of freedom (DF) line = n – k – 1 (46 – 3 – 1 = 42) and alpha (α) 5% of t table 2.018 and if employee service variables (X1), work condition variables (X2), and employee relationship variables (X3) have significance level > 0.05, it can be concluded that in this research there is no heteroscedasticity.

e. Autocorrelation Test
Autocorrelation can be detected by Durbin-Watson test (D-W test). The purpose of this test is to know the existence of correlation between a series member of observation data. D-W value is 2.110, it can be concluded that in this research there are no autocorrelation symptoms.

4.5 F Test (Simultaneous Test)

F test is used to know the influence, significance of working environment variables consists of employee service variables, work condition variables, and employee relationship variables towards employee morale variable simultaneously on Limited Liability Company of Bank Tabungan Negara Branch Jember.

Table 1. The Recapitulation of F Count Value

Dependent Variable	Independent Variable	F count	F table
Employee Morale (Y)	Employee service (X1), work condition (X2) dan employee relationship (X3)	26.256	2.827

Source: Processed data.

4.6 t Test (Partial Testing)

T test is used to know the influence, significance of work environment variables consist of employee service, work condition, and employee relationship towards employee morale partially in Limited Liability Company of Bank Tabungan Negara Branch Jember.

Table 2. The Recapitulation of t Count Value

Independent Value	t count	t table
Employee service (X1)	2.857	2.018
Work condition (X2)	2.812	2.018
Employee relationship (X3)	2.709	2.018

Source: Processed data.

5. Discussion

F count value > F table (26.256 > 2.827), hence, Ho is rejected, means that the work condition variable component that consist of employee service variable, work condition variable, and employee relation variable simultaneously have a significant influence on the increasing of employee morale in Limited Liability Company of Bank Tabungan Negara Branch Jember.

The T count value of employee service variable (X1) is 2.857 and t table is 2.018, so T count > t table (2.857 > 2.018) means that Ho rejected. It shows that employee service variable have a significance influence towards employee morale variable in Limited Liability Company of Bank Tabungan Negara Branch Jember. t count value of work condition variable (X2) is 2.812 and t table is 2.018, so T count > T table (2.812 > 2.018) means that Ho rejected. It shows that work condition variable has a significance influence towards employees morale variable in Limited Liability Company of Bank Tabungan Negara Branch Jember. The t count value of employee relationship variables (X3) is 2.709 and t table is 2.018, so t count > t table (2.709 > 2.018) means that Ho is rejected. It shows that employee relationship variables have a significant influence towards employee morale variables at Limited Liability Company of Bank Tabungan Negara Branch Jember.

6. Conclusion

Based on the results of the work environment influence analysis towards employee morale in Limited Liability Company of Bank Tabungan Negara Branch Jember can be concluded that the result analysis of multiple linear regression shows that the work environment variables that consist of employee service, working conditions, and employee relationship have a significant influence towards employee morale in Limited Liability Company of Bank Tabungan Negara Branch Jember. While, based on the result analysis of T test shows that the three forming aspects of the work environment partially have significant influence towards the employee morale in Limited Liability Company of Bank Tabungan Negara Branch Jember. The advices towards the management of Limited Liability Company of Bank Tabungan Negara Branch Jember can be used as a reference to design a good work environment. Based on the research results, it can be seen that working condition variables can give the dominant influence to the increase of employee morale.

The implication of this study is that there are many things to increase the employee morale, one of them is providing a good and comfortable work environment. At least, the company should pay attention to the three forming aspects of the work environment, such as giving employee services, working conditions, and employee relationship with the work place.

This study has limitations. Data is cross section, so that the results only at the time of the study and cannot see the results from time to time for some period. Based on those limitations, some suggestions for further study are as follows, using time series data, and using variables that can service other than employees, working conditions and employee relations for review and see the influence towards employee morale.

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