

The Influence of Human Relation and Work Environment on Employee Performance at Industry and Trade Office of North Sumatera Province

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Abstract

The study aims at analyzing the influence of human relation and work environment on employee performance at the office of Industry and Trade in North Sumatera. The respondents of this study consists of 71 employees of the Industry and Trade office. In collecting data, the study administered the questionnaires which were then analyzed using multiple linear regression analysis. The equation model was managed through statistical procedures using the SPSS for Windows version 21 application. The results of the research showed that human relation and work environment partially have a positive and significant effect on the performance of employees at the office of Industry and Trade of North Sumatera Province. In addition, human relation and work environment simultaneously have a positive and significant effect on the performance of employees of the office of Industry and Trade of North Sumatera Province.

Keywords: human relation, work environment, performance

1. Introduction

The era of globalization demands human resource to have competence or ability as well as good performance. The rapid development of technology and science brings changes in human life. These changes result in higher demands on each individual to improve their abilities, especially in the field of work. The existence of technological development has changed the patterns and systems of work within the organization, and the changes in complex patterns and systems are closely related to the determination of organizational strategy. One of the most crucial strategies pursued by the organization is to shape the human resource being able to work together.

Human resources are valuable assets that must be considered and managed properly to produce those which have great competency and foremost competitiveness. Human resources engage in mobilizing and synergizing other resources to achieve organizational goals (Wirawan, 2017). Organizations must be able to manage their human resources in the areas of procurement, appraisal, motivating employees, creating good relationship, increasing discipline, and optimizing human resources. The achievement of goals does not only depend on the organization, but also depends on the efforts of employees who consciously develop their abilities and skills in carrying out their duties, authorities, and responsibilities. On the other hand, the continuity of an organization is determined by the employee performance.

According to (Akbar, 2018), the quality level of an employee performance is influenced by several factors, namely ability and motivation factors. Furthermore, employee performance is influenced by several factors, they are salary, work environment, organizational culture, leadership, motivation, work discipline, job satisfaction, and communication (Siagian, 2018). However, Gibson classifies the factors of influencing the employee performance into three categories. The first factor is individual factor consisting of abilities, skills, family, background, work experience, and social level of employees. The second is psychological factors consisting of perceptions, roles, attitudes, personality, motivation, and job satisfaction. At last, organizational environmental factors consists of work quality, quantity, timeliness, effectiveness level in use of organizational resource, independence and work commitment (Gibson, 2003).

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Based on the aforementioned explanation, one of the most important considerations for the formation of a good performance is to establish good relations among employees called as human relation. Human relation is an interaction relationship that exists between one another both formally and informally, in this context, interaction between superiors and subordinates or co-workers so as to create organizational goals (Siagian, 2018). Human relation within the organization is highly important in creating synergistic relationships among employees so as to create good and harmonious relationships within the company so that the organization is able to create employee satisfaction and good morale.

Beside human relations, the organization as the work administrator must also provide a comfortable and conducive work environment that is able to encourage employees to work productively. The existence of a comfortable work environment surely provides satisfaction to employees at work so that employee performance will increase and give a deep impression to the employees, which in the end they will have good performance. A good work environment is a work environment that has healthy, comfortable, safe and enjoyable conditions for all employees in order to create a binding working relationship between employees and their environment. Every employee certainly expects a work environment that makes employees feel safe and calm at work. However, if the work environment is full of disharmony between employees and superiors, it will cause discomfort at work, causing problems that will decrease employee performance. The work environment will clearly affect employees so that the workplace needs to be regulated so as not to disturb employees in carrying out their work. Therefore, this study focuses on analyzing the influence of Human Relation and Work Environment on Employee Performance at the Industry and Trade Office of North Sumatra Province.

2. Literature Review

2.1. Performance

Performance is optimal achievement in accordance with the potential of employees and a concern for organizational leaders (Singh, 2016). Moreover, performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in the context of efforts to achieve the goals of the organization concerned legally, not violating the law in accordance with norms and ethics.

2.2. Human Relation

Human relation is a relationship that occur among humans both formally and informally in order to create harmony to assist to achieve the goals in effortless. Good relationship owned by every individual in the company can support employees to feel comfortable with their work environment and will have a good impact on optimal performance (Nadapdap, 2017). Meanwhile, according to Effendy (Efendy, 2003), human relation is the main requirement for the success of good communication among individuals or communication within a company or internal company.

2.3. Work Environment

The work environment highly exists around employees so that it influences a person to get a sense of security, comfort, and satisfaction in doing and completing the work given by superiors (Anam, 2018). The work environment is always in direct contact with employees because the work environment is a place where employees complete tasks assigned by a company. In an environment, various matters should be noticed in establishing the good performance. The first is the arrangement of places for various work tools and equipment according to their functions. Moreover, the indispensable one is a conducive atmosphere between employees to expedite the work process.

3. Research Method and Materials

The research method used in this study was a quantitative research method with an associative approach. According to Sugiyono, associative approach is an approach intends for finding out the relationship between two or more variables, looking for roles, and influences, causal relationships, namely between the independent variable and the dependent variable (Sugiono, 2014). The population in this study was employees who worked at the Industry and Trade Office of North Sumatra Province, totalling 162 employees. In choosing the sample, this research utilized the Proportional Stratified Random Sampling technique. Through this technique, the sample was obtained in accordance with the proportion of each group in the population stratum as a consideration to give each stratum the same opportunity to be selected as a sample.

The data analysis method used in this study is multiple linear regression analysis by testing the validity and the reliability tests on 71 respondents outside the sample as well as testing the classical assumptions consisting of the normality test, multicollinearity test, linearity, heteroscedasticity test, and multiple linear regression analysis methods in the value of the F test, the coefficient of determination, and the t test.

4. Results and Discussion

4.1. Instrument Test

The data of research is established by using questionnaire contributing to the sample. In analyzing the data, this research employs some tests to seek the hypotheses formulated. The tests are started from the validity and reliability. The validity test is contributed to each variable of this study. After the validity and reliability are obtained, the normality distribution test is needed to seek whether it is normally distributed or not. Then, it is followed by some tests such as linearity, multicollinearity, heteroscedasticity, and multiple linear regression analysis methods in the value of the F test, the coefficient of determination, and the t test. All the items of the human relation variable have a value of $r \text{ count} > r \text{ table}$ (0.361) so that it can be concluded that all statements are valid. All the statement items of work environment variable have a value of $r \text{ count} > r \text{ table}$ (0.361) so that it can be concluded that all statements are valid. Based on all statement items of performance variable have a value of $r \text{ count} > r \text{ table}$ (0.361) so that it can be concluded that all statements are valid.

Table 1. Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.988	3

Source: Data cultivated by using SPSS 21 application

Based on the Table 1, it shows that the value of $r \text{ count} > r \text{ table}$, which is $0.988 > 0,364$, so that the processed data of the research is reliable.

4.2. The Classical Assumption Test

4.2.1. Normality Distribution Test

The normality distribution test of this study aims to determine whether in the regression model, the residual values are normally distributed or not. A good regression model is a model that has a residual value that meets the assumption of normality the $\text{Sig.} > \alpha$ (0.05). The normality test of this study employed the Kolmogorov Smirnov Test approach. The normality test results by using the Kolmogorov Smirnov Test can be seen in the Table 2 below:

Table 2. The Result of Normality Test

One-Sample Kolmogorov-Smirnov Test				
		X1	X2	Y
N		71	71	71
Normal Parameters ^{a,b}	Mean	58.7199	58.7746	56.5493
	Std. Deviation	5.63811	5.84367	5.94928
Most Extreme Differences	Absolute	.089	.113	.142
	Positive	.072	.065	.142
	Negative	-.089	-.113	-.092
Kolmogorov-Smirnov Z		.747	.953	1.200
Asymp. Sig. (2-tailed)		.632	.324	.112

a. Test distribution is Normal.

b. Calculated from data.

Source: The data cultivated by using SPSS 21 application

Based on the Table 2, it is known that the value of Asymp.Sig (2-tailed) $X1 = 0.632$, $X2 = 0.324$ and $Y = 0.0112$. This value is greater than the significance level $\alpha = 0.05$. Consequently, it can be concluded that the residual values are normally distributed.

4.2.2. Linearity Test

In this study, the linearity test is to determine whether human relation and the work environment have a linear relationship to performance by assuming a Sig value. on the deviation from linearity is greater than the significance level $\alpha = 0.05$. The results of the linearity test can be seen in the Table 3.

Table 3. Linearity Test

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Y * X1	Between Groups	(Combined)	1884.297	18	104.683	9.175	.000
		Linearity	1451.074	1	1451.074	127.184	.000
		Deviation from Linearity	433.223	17	25.484	2.234	.042
Within Groups			593.281	52	11.409		
Total			2477.577	70			

Source: Data processed by using SPSS 21 application

Based on the aforementioned Table 3, it is known that Sig. at Deviation from Linearity is 0.42. This value is greater than the significance level $\alpha = 0.05$. So, it can be concluded that human relation and the work environment have a linear relationship to employee performance.

4.3. Multicollinearity Test

Multicollinearities test is used to determine whether in the regression model, there is a linear relationship between the independent variables. The result of Multicollinearity test can be seen in the following Table 4.

Table 4. Multicollinearity Test

Model	Coefficients ^a							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
(Constant)	4.938	4.573		1.080	.284			
1 X1	.428	.127	.406	3.362	.001	.348	2.872	
X2	.453	.123	.445	3.686	.000	.348	2.872	

a. Dependent Variable: Y

Source: Data processed by using SPSS 21 application

Based on the results, the Tolerance value for each independent variable was > 0.05 , and the VIF value for each independent variable was $2.872 < 10$. It means that each independent variable has no relationship, so the multicollinearity test is acceptable.

4.4. Heteroscedasticity Test

The heteroscedasticity test intends to examine whether the residual inequality occurs in the regression model from one observation to another. If the variance from the residual of one observation to another observation is stagnant, then it is called homoscedasticity. Nevertheless, when it is different, it is called heteroscedasticity.

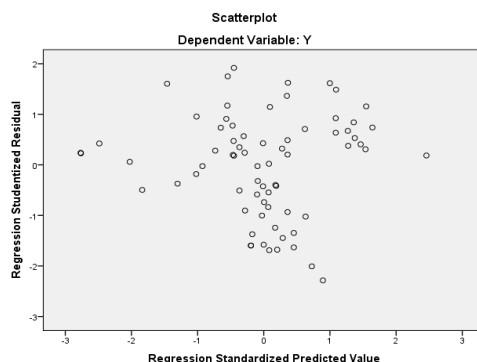


Figure 1. Scatterplot Heteroscedasticity

Based on the Figure 1, it can be noticed that the dots form large waves and get narrow. So, there are symptoms of heteroscedasticity in the data. This condition means that H_a is accepted, H_0 is rejected.

4.5. Hypothesis Testing

4.5.1. Partial Hypothesis Testing (t Test)

a. Testing the First Hypothesis

Partial hypothesis testing (t test) is conducted to determine the partial effect of the independent variables on the dependent variable. This test is conducted to test the first and second hypotheses. The first hypothesis tested in this study is the effect of human relations (X1) on employee performance (Y). To determine whether there is influence of human relations (X1) on employee performance (Y), a simple correlation analysis is used.

Table 5. Partial Hypothesis Testing (t Test)

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	9.462	4.790		1.975	.052
	X1	.808	.082	.765	9.876	.000

a. Dependent Variable: Y

Source: Data processed by using SPSS 21 application

Based on the results Table 5, the results of the T test show that the significant value of the influence of human relation (X1) on employee performance (Y) is $9.462 < 0.05$. The constant value (a) is 9.462 meaning that if employee human relations is value 0. Then employee performance is 9,462. While the value of the human relations regression coefficient is positive. It means that every increase in employee performance by 1 will increase employee performance by 0.808.

b. Testing the Second Hypothesis

The second hypothesis of this study is the influence of work environment (X2) on employee performance (Y). the results of the influence of the work environment (X2) on employee performance (Y) can be noticed on the Table 5.

Table 6. Partial Hypothesis Testing (t Test)

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	10.715	4.594		2.243	.028
	X2	.787	.078	.773	10.116	.000

a. Dependent Variable: Y

Based on the Table 6, the result of the T test shows that the significant value of the influence of the work environment (X2) on employee performance (Y) is $10.715 < 0.05$, and the constant value (a) is 10.715. It means that if the work environment is worth 0, then employee performance is worth 10.715. While the value of the environmental regression coefficient is positive, which means that every increase in employee performance by 1 will increase employee performance by 0.787.

c. Testing the Third Hypothesis

The third hypothesis tested in this study is the influence of human relation (X1) and work environment (X2) together on employee performance (Y). Testing this hypothesis is done with multiple correlation, and it can be seen in the Table 7.

From the Table 7, it is known that the significant value for human relation (X1) and work environment (X2) on employee performance (Y) is $0.00 < 0.05$, and this proves that H_0 is rejected and H_a is accepted, which means that there is an influence of human relations (X1) and work environment (X2) on employee performance (Y) significantly.

Table 7. Simultaneous Hypothesis Test (F Test)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.773 ^a	.597	.591	3.80265	.597	102.338	1	69	.000

a. Predictors: (Constant), X2

Source: The data cultivated by using SPSS 21 Application

4.6. Coefficient of Determinasi Test (R^2)

Testing the coefficient of determination is carried out to find out how much the contribution of the independent variables, human relations and work environment, has on employee performance. The results of the test for the coefficient of determination can be seen in Table 8.

Table 8. Coefficient of Determinasi Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.809 ^a	.655	.645	3.54712

a. Predictors: (Constant), X2, X1

Source: The data cultivated by using 21 applications

From the aforementioned Table 8, it is obtained that the coefficient of determination (adjusted R square) is 0.645 or 64.5% which indicates that human relation and the work environment has an influence on performance which is 64.5%. While, the remaining 35.5% is influenced by other variables which is not examined in this study.

5. Conclusion

Based on the analysis and discussion of the influence of human relations and the work environment on employee performance at the Industry and Trade office of North Sumatra Province, several conclusions can be drawn as follows (1) Human relation has a positive and significant influence on the employee performance, (2) Work environment has a positive and significant impact on the employee performance, (3) Human relation and work environment have a positive and significant effect on the employee performance. The organization is expected to pay attention to the human relation and the work environment of employees, both in terms of conveying clear enough messages that are clear enough, concise, concise, easy to understand and providing feedback between superiors and subordinates and fellow co-workers. This is to enhance the cooperation among employees. So that, every work related to team cohesiveness will be carried out and completed properly. Furthermore, a comfortable work environment and complete facilities can support employees to do their work seriously so that it will be able to improve employee performance.

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