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# The Effect of Work Environment and Work Discipline on Employee Performance Through Individual Characteristics as Intervening Variables at the Regional Office of the Directorate General of Customs and Excise, East Java I

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#### Abstract

This study aims to see the effect of the work environment and work discipline on employee performance through individual characteristics as intervening variables. This research is an observational study. This study used a cross-sectional method. The sample in this study consisted of 135 employees. This study uses a census sampling technique. Data analysis used path model analysis (path analysis) with the help of the AMOS program version 23. The test results showed that there was no relationship between work environment and individual characteristics, which was positive but not significant. There is a relationship between work discipline and individual characteristics that is positive but not significant. There is a positive and significant relationship between work environment and performance. There is a positive and significant relationship between work discipline and performance. There is a positive and significant relationship between individual characteristics influencing performance.

Keywords: work environment, work discipline, employee performance.

### **INTRODUCTION**

As it is known, the development of international trade, both related to activities in the field of imports and exports, has recently experienced very rapid progress. The rapid progress in the field of imports and exports demands the implementation of a more effective and efficient customs system and procedure that is able to improve the smooth flow of goods and documents. In other words, the convoluted bureaucratic problem in the customs sector is a problem that will become increasingly unpopular in the future. The existence of these conditions, of course, is inseparable from the importance of the government continuing to carry out various policies in the economic sector, especially in increasing national economic growth. Especially with the existence of various bilateral, regional, and multilateral agreements in the field of trade that are increasingly colored by the currents of trade liberalization and globalization, the problems that arise in the field of trade will also become increasingly complex.

Changes in the current pattern of international trade will ultimately provide developed countries with greater opportunities to win market competition. Besides that, trade patterns

will also change in the context of a borderless world, or at least in the nuances of trade liberalization, where the barriers to trade are becoming more and more apparent. For this reason, the Government's policy with the passing of Law No. 10/1995 concerning Customs, which was effective on April 1, 1997, and which has been revised by Law No. 17/2006 concerning amendments to the Customs Law, is clearly an anticipatory step that touches on strategic, substantive, and essential dimensions in the field of trade and is expected to be able to face challenges in the free trade era that has begun to be implemented. This is marked by the realization of the agreement or international agreements with the aim of reducing import duty rates to 0%.

In carrying out its duties, the Directorate General of Customs and Excise has vertical agencies spread throughout the territory of the Republic of Indonesia. One of them is the Regional Office of the Directorate General of Customs and Excise East Java I, which is a vertical agency under the Directorate General of Customs and Excise domiciled in Sidoarjo with a working area covering parts of the province of East Java. East Java I Directorate General of Customs and Excise Regional Office oversees seven Customs and Excise Supervision and Service Offices (KPPBC). With very heavy tasks and functions, it is expected that employees will have high performance. Employees of the Regional Office of the Directorate General of Customs and Excise East Java I are the State Civil Apparatus (ASN). All employees must obey and comply with the provisions of the legislation and the applicable code of ethics. This means that violations committed by employees can be considered serious or severe violations that can defame the institution of the Regional Office of the Directorate General of Customs and Excise East Java I.

The East Java I Directorate General of Customs and Excise Regional Office demands that employees provide good and high performance so that all work tasks and obligations can be completed properly. Performance is the result of a person's productivity towards his job responsibilities in an organization where he works. In determining goals and objectives, the first thing to consider is the vision and mission of the organization. Vision and mission are the starting points set by top management and become the basis for everyone to work toward achieving them.

Setting goals and objectives requires considering the competence of all resources in the organization. All human resources in the organization must have care competencies to achieve organizational goals. Meanwhile, it is necessary to identify the job-based competencies and behaviors attached to individual roles. Individual characteristics of employees are one of the factors in improving performance. Individual characteristics are the interests, attitudes, and needs that a person carries in a work situation. Interest is an attitude that makes someone happy about the object of certain tendencies or ideas. This is followed by a feeling of pleasure and a tendency to seek the object of interest. Interest has the greatest contribution to achieving goals, no matter how perfect organizational plans, supervision, and research are. If employees cannot carry out their duties with happy interest, then an organization will not achieve the results it should be able to achieve.

The work environment is the whole of the tools and materials encountered, the surrounding environment in which a person works, his work methods, and his work arrangements, both as individuals and as a group. The work environment is the social, psychological, and physical life in the company that influences workers in carrying out of their duties. Human life is inseparable from the various circumstances of the surrounding environment. Between humans and the environment, there is a very close relationship. A satisfying work environment for employees can improve performance. Conversely, an

inadequate work environment will reduce performance and ultimately reduce employee work discipline. Work discipline is an important factor in improving employee performance. However, the high level of education and ability of an employee, the amount of motivation given by the leadership, and the amount of compensation given will not have much meaning or influence if the employee is not disciplined in carrying out his duties. Therefore, this disciplinary factor needs to get great attention from both leaders and employees concerned.

The inculcation of employee discipline is generally good; this can be seen from the high awareness of employees in carrying out organizational tasks, paying attention to working hours, wearing uniforms, and using equipment, and the quality of employee work is quite adequate. Discipline can be interpreted as an attitude, behavior, and action that are in accordance with the written and ordinary rules of a company or agency. Thus, each company determines or formulates a rule that is enforced to ensure the implementation of the agency's work mechanism and to create regular work procedures so as to achieve organizational goals properly.

#### **METHOD**

This research is an observational study conducted on a number of objects according to the actual situation, without any intervention from the researcher. The design of this study used the cross-sectional method. The population is the whole object of research. The population in this study is all employees. The total population in this study was 164 employees. The sample in this study consisted of 135 employees. This study used a census sampling technique, meaning that all populations were sampled. In compiling this research, data collection techniques were obtained using interviews, questionnaires, and documentation. The analysis technique used with the help of a computer program, namely utilizing the SPSS program to facilitate the calculation and testing of research hypotheses, The stages in data analysis and hypothesis testing consist of: first, the calibration of the research instrument, carried out to measure the validity and reliability of the instrument; Analysis of the validity using the product moment correlation coefficient model (r) While the reliability test uses the Alpha or Cronbach coefficient formula. second, classic assumption test. third, hypothetical test, f-test, and t-test.

### **RESULT AND DISCUSSION**

Hypothesis 1 (first), namely that the work environment has an influence on Individual characteristics Testing the assumptions is carried out using path model analysis (path analysis) with the help of the AMOS program version 23. Based on the first assumption model test, it states that the estimated regression weights value is 0.0694601, the standard error is 0.0502288, the critical ratio (t-table) is 1.3828735, and the probability significance value (P-value) is 0.1667037 > 0.05. So that it can be concluded that the test results show that there is no relationship between the work environment and individual characteristics, which is positive but not significant. Thus, it can be said that the work environment hypothesis does not have a positive and insignificant influence on individual characteristics and is not accepted.

Hypothesis 2 (two), namely work discipline, has an influence on individual characteristics. Based on testing the first assumption model, which states that the estimated regression weights are 0.1233661, the standard error is 0.1088795, the critical ratio (t-table) is 1.1330573, and the probability significance value (P-value) is 0.2571902 > 0.05. So that it can be concluded that the test results show that there is a relationship

between work discipline and individual characteristics that is positive and not significant. Thus, it can be said that the work discipline hypothesis does not have a positive and insignificant influence on individual characteristics and is not accepted.

Hypothesis 3 (three), namely, that the work environment has an influence on performance. Testing the assumptions was carried out using path model analysis (path analysis) with the help of the AMOS program version 23. Based on the first assumption model test, which states that the estimated regression weights value is 0.6869987, the standard error is 0.2238597, the critical ratio (t-table) is 3.0688808, and the probability significance value (P-value) is 0.0021486 < 0.05. So that it can be concluded that the test results show that there is a positive and significant relationship between work environment and performance. Thus, it can be said that the work environment hypothesis has a positive and significant influence on performance.

Hypothesis 4 (four), namely, work discipline, has an influence on performance. Based on testing the first assumption model, which states that the estimate regression weights are 1.1247066, the standard error is 0.4841305, the critical ratio (t-table) is 2.3231476, and the probability significance value (P-value) is 0.0201712 <0.05. So that it can be concluded that the test results show that there is a positive and significant relationship between work discipline and performance. Thus, it can be said that the work discipline hypothesis has a positive and significant influence on performance.

The fifth hypothesis is that individual characteristics have an influence on employee performance. Based on testing the first assumption model, it states that the estimated regression weights are 1.1660651, the standard error is 0.3822905, the critical ratio (t-table) is 3.0502068, and the probability significance value (P-value) is 0.0022868 < 0.05. So that it can be concluded that the test results show that there is a positive and significant relationship between individual characteristics that affect performance. Thus, it can be said that the hypothesis of individual characteristics has a positive and significant effect on performance.

Based on the results of the calculation of the direct effect of work environment variables on individual characteristics (0.11) and the direct effect of work environment variables on performance variables (0.24), the result is 0.0264. This result is not significant compared to the direct effect shown in the results of the standardized indirect effect of the influence of the work environment on performance through individual characteristics (0.001791). This means that individual characteristics are intervening variables for indirect effects between work environment variables and performance variables. Based on the results of the calculation of the direct effect between work discipline variables on individual characteristic variables (0.09) and the direct effect between work discipline variables on performance variables (0.24), the result is 0.0216. This result is not significant compared to the direct effect shown in the results of the standardized indirect effect of the influence of work discipline on performance (0.0216). This means that individual characteristics are an intervening variable in the indirect effect of work discipline variables on performance.

#### **CONCLUSION**

Based on testing the first assumption model, the estimated regression weights value is 0.0694601, the standard error is 0.0502288, the critical ratio (t-table) is 1.3828735, and the probability significance value (P-value) is 0.1667037 > 0. So that it can be concluded that the test results show that there is no relationship between the work environment and individual

characteristics that is positive and not significant. Thus, it can be said that the work environment hypothesis does not have a positive and insignificant influence on individual characteristics and is not accepted. Based on the results of the study, it was stated that the estimated regression weights were 0.1233661, the standard error was 0.1088795, the critical ratio (t-table) was 1.1330573, and the probability significance value (P-value) was 0.2571902 > 0.05. It was concluded that the test results showed that there was a positive relationship between work discipline and individual characteristics that was not significant. Thus, it can be said that the work discipline hypothesis does not have a positive and insignificant influence on individual characteristics and is not accepted. Based on the results of the study, it was stated that the estimated regression weights were 0.6869987, the standard error was 0.2238597, the critical ratio (t-table) was 3.0688808, and the probability significance value (P-value) was 0.0021486 < 0.05. It can be concluded that the test results show that there is a positive and significant relationship between work environment and performance. Thus, it can be said that the work environment hypothesis has a positive and significant influence on performance. Based on the research results, it was found that the estimated regression weights were 1.1247066, the standard error was 0.4841305, the critical ratio (t-table) was 2.3231476, and the probability significance value (P-value) was 0.0201712 < 0.05. It can be concluded that the test results show that there is a positive and significant relationship between work discipline and performance. Thus, it can be said that the work discipline hypothesis has a positive and significant influence on performance. Based on the results of the study, it was found that individual characteristics have an influence on employee performance. Based on the first model assumption test presented, it states that the estimated regression weights are 1.1660651, the standard error is 0.3822905, the critical ratio (t-table) is 3.0502068, and the probability significance value (P-value) is 0.0022868 < 0.05. It can be concluded that the test results show that there is a positive and significant relationship between individual characteristics that affect performance. Thus, it can be said that the hypothesis of individual characteristics has a positive and significant effect on performance.

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