The influence of working environment to employee performance mediated by work motivation: A study of Malang, Indonesia retail stores

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ABSTRACT

This study examines the effect of work environment on retail store employee performance in Malang, Indonesia with the role of work motivation as a mediation. Respondents in this study used 152 respondents who were millennials employees of retail stores in Malang Indonesia. This study uses a statistical analysis of the Structured Equation Model and Partial Least Square. WarpPLS is used as a data processing program for hypothesis testing. The test results show that the work environment has a significant effect of 0.259 on employee performance. The work environment at the retail stores also has a significant effect of 0.742 on work motivation. Work motivation also provides significant results on employee performance of 0.234. The mediating role of work motivation on the work environment and employee performance in retail stores throughout Malang, Indonesia has a significant mediating effect of 0.170.

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Introduction

The retail industry is a modern industry that requires quite a lot of young workers. Therefore, many retail entrepreneurs in Indonesia provide employment for the millennial generation. The millennial generation is said to be the generation of humans who were born after 1980 up to the limit of the year of birth, that is, 1999.

In 2015 it was stated that 20% of the world's population is the millennial generation and may increase during the following years. Millennials contribute 15% to the global (global) workforce. (Deoite, 2017). In support of this, in 2021 the millennial generation with the youngest age, that is, 22 years old, has entered a phase where this generation already owns / runs a job and a business. It's no wonder there are so many jobs and companies employing this generation. The millennial generation can be found in all existing business fields, not only nationally but multinationals have spread. It is recorded that in 2020 the millennial generation will reach 75% of the global workforce (Bonnar, 2017). The high percentage of the millennial generation can demonstrate that the millennial generation is a calculable human asset. The work culture, process management and integration processes in the millennial generation in the workplace will create new perspectives in an organization. With this high percentage, workplaces and business organizations have a dependence on the millennial generation, but organizations are aware of the shortcomings in the millennial generation, such as not being able to manage the boundaries between personal and work, the lack of preparing employees to work professionally in the employee's way. behave in the workplace.

Many things can affect employee performance and there only a few specific studies concerning the measurement of impacts of work environment on employee performance. The previously found research gap is the existence of research inconsistencies in the work environment on employee performance as stated by Ali, S. et al., (2015), Naharuddin, N. & Sadegi, M., (2013) which said that the
work environment had a significant positive effect. Meanwhile, Samson, G. et al., (2015) states that the work environment does not have a considerable impact. In contrast to work motivation on employee performance, in previous research conducted by Shahzadi, I. et al., (2014), Sledge, S. et al., (2008), and Koesmon, T., (2017), the results have a significant positive effect becomes the basis for this research.

Employees' performance is an important necessity these days in the workplace, as organizations success depends on it. Modern organizations are looking for efficient employees as a major source of competitive advantage in business environment (Odehalshawabkeh, R. & Alsawalhah, A. 2019). The work environment is a place where employees develop their activities, which can have positive and negative impacts on employees to achieve the expected results. A conducive work environment will have a good impact on the continuity of employment, while a less conducive work environment will have a negative impact on the continuity of work. Heizer, J. et al., (2016) stated that the physical environment in which employees work affects their performance, safety, and quality of work life.

On the other hand, two factors cause feelings of satisfaction and dissatisfaction, namely, the maintenance factor and the motivating factor. The maintenance factor is also called extrinsic factors, while the motivating factor is also called intrinsic factors. Intrinsic factor is a driving factor for someone to excel at work; this factor comes from within a person. Several factors causing job satisfaction are work-related activities, such as responsibility, advancement, achievement, recognition, work itself, and interpersonal growth (Noermijati, N., 2015). Extrinsic factors are related to the efforts to maintain the employee's existence. According to Noermijati, N., (2015), it consists of company and administrative policies, wages, status, job security, working conditions, interpersonal relationships with colleagues, interpersonal relationships with superiors/supervisors, personal life, and the supervision quality.

In essence, Performance is a review of the contribution that people make to organizations to empower them (Stewart, G. & Brown, K., 2010). According to self-determination theory (SDT), motivation fuels performance. While autonomous motivation has been reported to be positively associated with increased job performance, controlled motivation has drawn less scholarly attention, perhaps even producing negative effects on job performance (Deci, E. et al., 2017). Supporting this, Rivai, V. et al., (2015) explained that performance is a function of motivation and ability, so that when completing a task or job a person must have a certain degree of willingness and level of ability. Accordingly, the objectives of this research are to examine the role of work motivation on the effect of work on millennials employee performance on retail stores employee performance in Malang, Indonesia.

**Literature Review**

**Conceptual Background**

**Relationship Of work environment to employee performance**

The work environment holds a vital role in supporting employee performance. A work environment is described as both the physical and emotional aspect surroundings of the workplace that drive commitment, productivity, and employees' satisfaction (Akinwale, O. & George, O., 2020). Such a physical and emotional surrounding defines the working conditions, employee rights, employee voice, safe conditions of work, cooperative team members and friendly supervisor among others (Akinwale, O. & George, O., 2020). In the broad view of Edem, M. et al., (2017), work environment entails employees' safety, job security, good working relationship among employees, recognition for best effort and performance, greatly inspired for performing well and effective involvement in decision-making processes of the organisation.

The phenomenon regarding the work environment's influence on improving employee performance shows that the work environment plays a role in the relationship between employees and superiors and the relationship between employees. This phenomenon also shows that a comfortable, safe, and clean workspace will impact employee performance. Stated that work environment is the physical environment where it affects the employee performance, security and quality (Heizer, J. et al., 2016). Based on Ali, S. et al., (2015) research, an uncomfortable environment at work results in health problems and increases absenteeism rates. The increase in absenteeism rate results in decreased employee productivity which affects work performance.

**Empirical Review and Hypotheses**

Previous research has shown that the work environment has a significant effect on employee performance. Adam & Nurdin, (2019) research show that work environment has an influence in improving employee performance. Support that, Samson, G. et al., (2015), showed that non-physical environmental aspects have a meaningful relationship with employee performance. Pawirosumarto, S. et al., (2017), in their research, showed that the work environment has a positive and significant impact on employee performance. Chew et al. (2011) demonstrate that the work environment's non-physical aspects significantly impact the aviation industry employees' performance. Ali, S. et al., (2015), stated that the work environment's physical aspects significantly affect work performance. Rahmawanti, N. et al., (2014), showed that physical work environments and non-physical work environments have a significant influence on employee performance.

In another recent longitudinal study by Jensen et al., (2020), a good psychosocial work environment (i.e. high control over work tasks, social support, supportive climate and transformative leadership) was strongly associated with high-quality research
performance (i.e. funding, publishing, citations). Raf et al., (2014) described that work environment are able to bring a positive and significant impact on the performance of an accountant.

However, the result of the research by (Munandar, A. et al., 2019) find that the effect of work environment have a positive and significant effect on improving the performance of Aceh employees. Supporting that Jayaweera, T. (2015) research found that environmental conditions significantly affected job performance.

Kiruja, E. & Mukuru, E., (2013) research in Kenya and Naharuddin, N. & Sadegi, M., (2013) research in Miyazu (Malaysia) the results of empirical studies conducted by Mathews, C. & Khann, I., (2016) in manufacturing companies in India also found that the work environment has a positive impact on employee performance. According Naharuddin, N. & Sadegi, M., (2013) research study there are job aid and physical workplace environment has significantly affects the employees’ performance. However, supervisor support is not significantly affecting the employees’ performance. Support these results, Carlisle, J. et al., (2019) research found a significant positive relationship between work environment and task performance. Based on the studies that have been mentioned, the following hypotheses can be formulated:

**H1: The more stable the work environment will have a positive and significant effect on employee performance**

**Relationship Of Work Environment to Work Motivation**

Adegoke, A. et al., (2015) established that the moment employees understand that their organisation places a high priority on them, they would likely exhibit a greater level of dedication and sense of ownership in the workplace. To support the statement above, Ramllall, S. (2003) say that people strive to work and to stay in organizations that provide good and positive work environment. A healthy work environment is characterised by physical and psychological conditions, procedures, structures, relationships, and policies that positively influence employees’ satisfaction, motivation, and performance in the workplace (Singh, S. et al., 2012). Shrvasti, R. & Bhola, S., (2015) defined work environment as “working conditions at the workplace, which may either encourage or discourage employees to work”.

In this case, the work environment acts as an external factor that can affect motivation, including company and administrative policies, work facilities, wages, status, job security, working conditions, interpersonal relationships with colleagues, and interpersonal relationships with superiors (Noermijati, N., 2015).

Wen Lim, H. et al., (2018) emphasize the importance of a workplace’s safety climate, which significantly affects safety motivation and, in turn, safety performance. Work environment in which employees are conducting an optimal, healthy, safe, and comfortable job in conjunction with high motivation to work was found to influence organizational performance positively and, in turn, the achievement of organizational goals.

Motivate employees are inclined to be more productive than non-motivated employees (Chaudhary & Sharma, 2012; Afful-broni, 2012). Previous research supports the influence of the work environment on motivation. Porter et al. (2016) in their study showed that the work environment had a significant impact on motivation. Aisha, A. et al., (2013) research found that the variables incentives, motivation and working conditions have a significant effect on employee performance in an Indonesian university.

Supporting that research result, Suifan, T., (2019) found that work environmental factors on work motivation is positive and significant. Jain, R. & Kaur, S. (2014), also states that the work environment plays a positive and influential role in motivation. Motivation has a significant effect on job performance. It reveals that employees perform better when they are motivated (Jayaweera, T. 2015), Saeed (2016), also offers a significant positive effect of the work environment on motivation. On the other hand Cerasoli, C. et al., (2014) research found that Intrinsic motivation is positively related to performance. Based on the explanation above, the following hypothesis can be formulated:

**H2: Work Environment has a positive and significant effect on Work Motivation**

**Relationship Of Work motivation to employee performance**

Work motivation is vital for the accomplishment of personal and organizational goals (Zareen, M. et al., 2015). Work motivation represents a set of energizing forces which initiate work-related behavior and determine its form, duration, direction and intensity (Deschamps, C. et al., 2016). Motivation are energized directly by the employees’ needs, values, and interest, resulting in volitional, high-quality motivation (Rigby, C. & Ryan, R., 2018). Here, employees are committed to doing work-related tasks well and, from this investment and effort, derive greater satisfaction, vitality, and wellness (Rigby, C. & Ryan, R., 2018). This spectrum of motivational quality predicts important outcomes from employee engagement, to its byproducts of enhanced wellness, performance, and organizational citizenship (Rigby, C. & Ryan, R., 2018).

According to the self-determination theory (Deci, E. & Ryan, R., 2000) (Deci, E. & Ryan, R., 2008), work motivation can be of two types, namely, intrinsic or extrinsic. Intrinsic motivation refers to doing a job when one finds it to be inherently interesting and enjoyable. Extrinsic motivation refers to the performance of an activity in order to attain some external separable outcome. Extrinsic motivation can be classified as a continuum based on the variations in autonomy (Deci, E. & Ryan, R., 2000) (Deci, E. & Ryan, R., 2008). Employees can be intrinsically motivated for at least parts of their jobs, if not for all aspects of them, and when intrinsically
motivated the individuals tend to display high-quality performance and wellness (Deci, E. et al., 2017). Substantial research has been devoted to workplace motivational aspects and to motivation as a performance enhancer (Cerasoli, C. et al., 2014).

Motivation science research indicates that authentic motivation emerges mainly from the intrinsic motives that employees experience as meaningful, such as meaningful work (Deci and Ryan, 2006; Hung, 2011), and that intrinsic motivation is an important factor in work performance (Kuvaas, B. et al., 2017). Kuvaas, B. et al., (2017) argue that the means of extrinsic motivation, such as close monitoring and comparing employees, should be applied with caution. For instance, Kuvaas, B. et al., (2017) argue that managers need to consider that employees are not motivated only by traditional extrinsic motives such as monetary rewards, advancement opportunities and job security, but by intrinsic motives such as individual values, seeking fulfilment and a sense of accomplishment.

The influence of motivation on employee performance is supported by previous research. Tumilaar, B., (2015) states that motivation simultaneously affects employee performance. Octaviannad, R. et al., (2017) has a positive and significant correlation between job satisfaction and motivation on employee performance. It means that the better job satisfaction and employee motivation, the higher its performance and vice versa. Shahzadi, I. et al., (2014), shows a significant and positive relationship between employee motivation and employee performance. Research by Çetin, F. & Aşkun, D., (2018) showed that intrinsic motivation significantly increased the work performance. Based on the explanation above, the following hypothesis can be formulated:

**H3: Work motivation has a positive and significant effect on employee performance.**

**Mediation Role Of Work motivation On The Relationship Of work environment to employee performance.**

There are many benefits of having motivated employees, including workforce stability (Imran, R. et al., 2017), better team coordination (Gagné, M. et al., 2015), increases in employee efficiency (e.g. (Ana-Maria, T., 2013), employee work performance (Ali, S. et al., 2015) and employee satisfaction (Mahmoud, A. & Reisel, W., 2014), as well as improvements in human capital management (Rusu, G. & Avasilcai, S., 2013). So, Motivation is important for employees’ optimal functioning and for an organization’s productivity and is, therefore, a critical issue for organizational science and practice (Tremblay., M. et al., 2009) (Van den Broeck, A. et al., 2013).

Previous research has shown that motivation plays a role in mediating the work environment’s influence on employee performance. Sufian, T., (2019) found that non-physical factors in the work environment affect employee motivation or positive feelings and this motivation has a significant impact on the effectiveness of their performance. In his research, Johri, R. & Vashistha, N. (2015) presents a considerable analysis and shows that the workplace environment affects employee motivation, where motivation affects employee productivity in the syndicate bank work environment. According to the results of research by Jain, R. & Kaur, S. (2014), efficient human resource management and maintaining the right work environment not only increases motivation but also improves employee and organizational performance significantly.

in Jayaweera, T. (2015) research which explores the relationship between work environment factors and job performance among hotel workers focusing on the role of work motivation. Working conditions and work motivation were both found to be important predictors of job performance. Jayaweera, T. (2015) research found that motivation holds a mediating effect between the relationship between working conditions and job performance. This suggests that those workers who perceive working conditions to be poor or bad are less motivated and consequently are not performing satisfactory. Based on the explanation above, the following hypothesis can be formulated:

**H4: Work motivation mediates the influence of the work environment on employee performance.**

**Research and Method**

This research uses statistical analysis SEM (Structural Equation Model) and PLS (Partial Least Square) in the WarpPLS Program. Structural Equation Modeling (SEM) is a multivariate analysis method that can be used to describe the simultaneous linear relationship between observed variables (indicators) and variables that cannot be measured directly (latent variables). Research on the relationship between work environment, organizational culture, work motivation, and employee performance was conducted at Retail Store throughout Malang, Indonesia. Respondents used in this study amounted to 152 who are employees who work in Retail stores.

The instrument used in this study was a questionnaire to obtain quantitative data. The concept can be measured using the fixed scale measurement method developed by Likert. The Likert scale has four or more question items combined to form a score/value representing individual traits, such as knowledge, attitudes, and behaviour. The data analysis process, a composite score, usually the sum or average, of all question items can be used (Syofian, 2015).
Table 1: Question Items and Scores

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>5</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
</tr>
<tr>
<td>doubtful</td>
<td>3</td>
</tr>
<tr>
<td>disagree</td>
<td>2</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
</tr>
</tbody>
</table>

This research uses the measurement technique of research instruments carried out using a Likert scale by asking respondents to show an attitude of approval or disagreement with a series of statements on the questionnaire related to the research object so that ordinal data is used in this study. The Likert scale in this study uses five categories.

This study's work environment variables are measured by two indicators: physical work environment with item work facilities, and cleanliness workplace and non-physical work environment with item work atmosphere, sense of secure, trust, interaction. Work environment indicators and items in this study’s refer to Ali, S. et al., (2015); and Chew et al.,(2011). For employee performance variable in this study’s are measured by five indicator: abilities and results with item work result, productivity with item work quantity and work quality, attitude and work obedience with item attitude and discipline. Indicator for measuring employee performance variable refer to Jain, R. & Kaur, S. (2014); and Mangkunegara (2011). Indicator for measuring work motivation variable refer to (Noermijati, N., 2015); Maslow (1954) and Herzberg (1959). Work motivation variable are measured by four indicator responsible with item responsible, opportunities for advancement with item opportunity to advance and working conditions recognition with item recognition and quality of leadership, self-development with item interpersonal relationships and personal growth.

Result

During the data collection, 152 questionnaires were distributed. The researcher accompanies the respondent when filling out the questionnaire to explain how to fill out the questionnaire. All of the 152 questionnaires were valid.

The respondents' descriptive results that the respondents with male gender are 129 people (84.86%), while the remaining female respondents are 23 people (15.14%). It is reasonable because when viewed in the field, because the demands of work in retail stores require a lot of physical strength. These results indicate that the respondents with the largest number are more proficient in operating the retail store business.

Table 2: Respondents with gender diversification and their participation

<table>
<thead>
<tr>
<th>Gender</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Man</td>
<td>129</td>
<td>84.86%</td>
</tr>
<tr>
<td>Woman</td>
<td>23</td>
<td>15.14%</td>
</tr>
</tbody>
</table>

Source: primary data (2021)

Millenials retail store employees in who have the most working tenure are employees who work for 7-12 months with 54 respondents or 35.52%. Respondents with a length of work between 13-18 months were the second-largest respondents with 37 respondents or 24.34%. Third, employees with 0 - 6 months of work with 32 respondents or 21.05%. Finally, employees who work more than 18 months are the least with 29 in total or 19.07%. These results indicate that millennials retail store employees in Malang, Indonesia have a limited work experience.

Table 3: Respondents with work experience

<table>
<thead>
<tr>
<th>Length of work</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 6 months</td>
<td>32</td>
<td>21.05%</td>
</tr>
<tr>
<td>7 – 12 months</td>
<td>54</td>
<td>35.52%</td>
</tr>
<tr>
<td>13 – 18 months</td>
<td>37</td>
<td>24.34%</td>
</tr>
<tr>
<td>&gt;18 months</td>
<td>29</td>
<td>19.07%</td>
</tr>
</tbody>
</table>

Source: Primary data (2021)
The criteria for Goodness of Fit, if one or two indicators of the fit and quality indices are met, the model can still be used. Based on the table, it can be seen that the criteria for the fit and quality indices model in the two groups that have been met are APC, ARS, AARS, AFCVIF, GoF, Symphson’s paradox ratio, R-squared contribution ratio, Statistical suppression ratio and NLBCDR. It shows that the model used is suitable.

\[ Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \]

\[ Q^2 = 1 - (1 - 0.551) (1 - 0.195) \]

\[ Q^2 = 0.6386 = 63.86\% \]

The calculation result shows the predictive-relevance value of 0.6386 or 63.86%. The predictive relevance value of 63.86% also indicates that the diversity of data that can be explained by the model is 63.86% or in other words, the information contained in the 63.86% data can be explained by the model. Simultaneously, the remaining 36.14% is explained by other variables (which are not yet included in the model) and error. Therefore, the structural model that has been formed is appropriate.

![Figure 1: Structural Model Path Diagram In PLS (Direct Effect)](image)

The p-value for testing hypothesis 1 is 0.001 and the path coefficient for direct influence is 0.259 so hypothesis 1 accepted or it is concluded that work environment has a significant positive direct effect on employee performance. The p-value of testing hypothesis 2 is 0.001 and the path coefficient for direct influence is 0.742 so hypothesis H2 accepted or it is concluded that work environment has a significant positive effect on work motivation. The coefficient value of the pathway for testing hypothesis 3 is 0.001 and the p-value is 0.234 so hypothesis 3 accepted it is concluded that work motivation has a significant positive direct effect on employee performance.

### Table 4: Indirect testing of path coefficient

<table>
<thead>
<tr>
<th>Indirect effect</th>
<th>Direct effect</th>
<th>Indirect effect result testing</th>
<th>Judgment</th>
</tr>
</thead>
<tbody>
<tr>
<td>X → Y1 → Y2</td>
<td>X → Y1 = 0.234*</td>
<td>Y1 → Y2 = 0.259*</td>
<td>0.170* &lt;0.001 Accepted</td>
</tr>
</tbody>
</table>

Source: WarpPLS output result, 2020

The fourth hypothesis in this study was conducted to examine the mediating role of work motivation. Testing the role of mediation is carried out using WarpPls. The WarpPls test results show that Hypothesis 4 has a p-value of <0.001 and an estimated value of 0.170, so Hypothesis 4 is Accepted, or it can be concluded that work motivation has role in mediating the effect of work environment on employee performance.

### Discussion

The results show that the work environment has a significant effect on employee performance. It means that the work environment, as represented by the indicators of facilities, cleanliness, work atmosphere, security, trust, and interactions, directly affects employee performance. The results of this study can answer the inconsistencies of the research in the previous chapter. These results support the results of previous research conducted by Heizer, J. et al., (2016); Ali, S. et al., (2015); Samson, G. et al., (2015); Pawirosumarto, S. et al., (2017); Chew et al. (2011); Rahmawanti, N. et al., (2014); Jensen et al., (2020); Raf et al., (2014); Munandar, A. et al., (2019); Jayaweera, T. (2015); Kiruja, E. & Mukuru, E., (2013); Naharuddin, N. & Sadegi, M., (2013); Mathews, C. & Khann, I., (2016); Carlisle, J. et al., (2019) work environment has a significant direct effect on employee performance.
Facilities and cleanliness of the workplace are the most significant indicators to represent the work environment variables that affect employee performance. It means that employees of Malang, Indonesia retail store feel that their performance can increase if the company's equipment complements employees' needs and the employee's workspace is kept clean.

Adequate work facilities can create a sense of security for employees to avoid work accidents and increase profits. Cleanliness in the maintained workplace can make employees feel happy doing their work to achieve reasonable work results.

Interaction among colleagues at retail stores throughout Malang, Indonesia is an indicator with the lowest value in work environment variables. It means that the interactions carried out by employees in retail stores are still not as good as the indicators, but the analysis results show that although the interaction indicators are not as good as other indicators, they still influence employee performance.

The research results indicate that the work environment directly has a significant influence on work motivation. It means that the working environment in retail stores throughout Malang Raya is felt to motivate employees to work better. These results support the results of previous research conducted by Wen Lim, H. et al., (2018); Aisha, A. et al., (2013); Sufian, T., (2019); Jain, R. & Kaur, S. (2014); Jayaweera, T. (2015); Saeed (2016); Cerasoli, C. et al., (2014) that work environment has a significant effect on work motivation.

Work environment has influence on work motivation is reasonable because if the workplace's work facilities and cleanliness are good, employees will be more motivated to work. Millennials retail store employees have an average work of 8-10 hours a day, which means that they will occupy the room while working and require comfort. Room temperature and noise levels are also factors in doing work to make employees motivated to do work. The emergence of a sense of security at work is a non-physical thing that management needs to pay attention to increasing employee motivation because every employee certainly needs a condition in which he will be fine when working. The sense of security in the retail store employees' workplaces can arise from parking guards' presence and the availability of safety equipment such as light fire extinguishers, gloves, working masks and even surveillance cameras.

The results of the research conducted indicate that work motivation directly has a significant effect on employee performance. It means that millennials retail store employee performance tends to be influenced by the company's work motivation. These results support the results of previous research conducted by Tumilaar, B., (2015); Octaviansand, R. et al., (2017); Shahzadi, I. et al., (2014); Çetin, F. & Aşkun, D., (2018) that shows a significant relationship between employee motivation and employee performance.

Work motivation has a significant effect on employee performance is quite reasonable because work motivation is an essential component for employees who work with the target work system. The high level of a vape store employee's workload makes employees need comfortable working conditions and good company management so that employees feel motivated to achieve the company's target load.

The descriptive analysis results in the frequency table show that the indicator with the highest average is the quality of supervision. It indicates that the Malang, Indonesia millennials retail store employees will increase their morale if they have the supervision that can encourage employees to achieve performance.

The self-determination theory (SDT) put forward by Deci, E. et al., (2017), the motivation fuels performance. While autonomous motivation has been reported to be positively associated with increased job performance, controlled motivation has drawn less scholarly attention, perhaps even producing negative effects on job performance. The quality of adequate supervision can improve employee performance. It is evident from the distribution analysis in the frequency table, which states that the quality of supervision is the highest average indicator value. Supervision is useful for spurring employees to work better so that the work's results are maximized.

The results showed that the work environment has a significant impact on employee performance through work motivation. The mediating effect of work motivation is known to have an excellent significant level. Thus it can be interpreted that work motivation is vital in the work environment to improve the performance of millennials retail store employees in Malang Raya.

It is in line with Jain, R. & Kaur, S. (2014) that efficient human resource management and maintaining the right work environment increase motivation, employee and organizational performance, and affect the company's overall economic growth and development. Good workplace atmosphere and cleanliness plus adequate quality supervision has proven to improve employee performance well. Millennials retail store employees consider this to be the most crucial thing as evidenced by the work atmosphere, cleanliness of the workplace and the quality of supervision as indicators with the highest average value in work environment variables and work motivation to improve employee performance.

Conclusions

Based on the research results, it can be seen that the work environment directly improves employee performance. A good, stable and comfortable work environment will improve employee performance. Complete work facilities, a conducive work atmosphere, good workplace cleanliness, good interaction between employees, mutual trust between co-workers and a sense of security when working make vape store employees who work can improve employee performance.
A good work environment can make employees work motivation better. A comfortable working atmosphere and a sense of security can meet employees' needs in terms of increasing millennials retail store employees throughout Malang, Indonesia.

Work motivation can encourage employee performance improvement directly at retail stores throughout Malang, Indonesia. The better the motivation is given by supervision to employees, the better the millennials retail store employee performance. Support from management and quality of supervision are the main factors that motivate employees to improve millennials retail store employee performance in Malang.

A good work environment can make employees work motivation better. A comfortable working atmosphere and a sense of security can meet employees' needs in terms of increasing millennials retail store employees throughout Malang Indonesia.

Based on the results of the research that has been done, the researcher wants to provide some suggestions. There are two things that need to be improved in an effort to improve millennials employee performance. First, the working facilities need to be improved by the business developers of the retail shops throughout Malang, Indonesia, in addition to providing training. Second, the development of employees to improve social skills.

Further research is expected to expand the research object to a broader scale, such as retail stores outside of Malang, Indonesia, so that the results obtained in further research enrich the results and knowledge. Other variables can be added in further research, such as digital marketing, social media use, job satisfaction, and level of trust from the employee's point of view.

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Suifan, T. S. (2019). the Effects of Work Environmental Factors on Job Sa-


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