

The Influence of Good Corporate Governance and Work Environment on Employee Performance with Work Engagement Mediation at Bank BRI Jayapura

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Abstract

This article aims to analyze the influence of good corporate governance and work environment on employee performance through work engagement. This study uses an explanatory research type, namely explaining the influence between certain variables through hypothesis testing. The population of this study was 152 employees of Bank BRI Regional Office Jayapura, with a convenience sampling method. The sample was taken based on the Slovin formula of 61 employees. The method of data collection in a scientific study is intended to obtain relevant, accurate, and reliable materials; the data collection method used in this study is a questionnaire. The results of the study indicate that good corporate governance and work environment have an effect on work engagement. Good corporate governance, work environment, and work engagement have an effect on employee performance. And good corporate governance and work environment have an effect on employee performance through work engagement.

Keywords: Good Corporate Governance; Work Environment; Work Engagement; and Employee Performance.

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INTRODUCTION

In the business world, companies must be able to produce superior performance from employees in order to develop the organization well. The success of a company is very dependent on the performance of its employees, who can adapt and develop according to market demands (Suyanto, 2022; Yonata et al., 2020). Therefore, companies need to have the ability to design and improve performance within the context of the existing environment. Optimal business performance is influenced by various factors, one of which is human resources (HR). HR plays an important role in the entire planning, implementation, and evaluation process in the company (Geofansa et al., 2023; Panggabean et al., 2022). In addition, the ability of HR to optimize the use of other resources is also very important to support the success of the company. Therefore, effective and efficient HR management is a key factor in supporting the success of the company. The key to a company's success lies not only in technological excellence and the availability of adequate funds but also in the human factor, which has the most important role in achieving it (Akbar et al., 2021; Insani et al., 2022; Suyanto, 2022).

One of the companies that really needs optimal employee performance is PT. Bank Rakyat Indonesia (Persero) Tbk Regional Office Jayapura. As a large banking institution that serves many customers, employee performance is the main factor that supports the sustainability of operations and services provided to the community. Bank BRI Regional Office Jayapura requires employees to demonstrate a high level of professionalism in carrying out their duties and responsibilities. Thus, quality employees become the main asset that greatly influences the sustainability and development of the company, especially in facing increasingly tight challenges and competition in the banking industry. Therefore, the evaluation of employee performance and efforts to improve performance are very important in achieving company goals.

Employee performance at Bank BRI Regional Office Jayapura is important not only to achieve company goals but also to ensure maximum service to customers. Employee performance is one aspect that determines whether a company can achieve its goals or experience a decline (Pratiwi et al., 2023; Siregar et al., 2022). If employee performance is poor, it can have a negative impact on the company, ranging from a decline in service quality to a decline in profits (Nurhaida, 2021; Sakti et al., 2023). Performance is the result of work achieved by a person in carrying out his duties in accordance with the responsibilities given. However, the results of the researcher's observations indicate that employee performance at Bank BRI Regional Office Jayapura is not optimal. Most employees still receive performance assessments that are in the "good" and "quite good" categories, which indicates that there is room for improvement.

Based on the data from the employee performance assessment results conducted annually, it can be seen that the performance of Bank BRI Regional Office Jayapura employees has declined in recent years. For example, in 2021, only 19.31% of employees received a "very good" rating, and this figure continued to decline in 2022 and 2023. This shows that many employees have not achieved the expected performance targets, which are at least with a "good" predicate. This condition is not in line with the expectations of Bank BRI Regional Office Jayapura, which targets employees to achieve maximum performance to support the company's goals.

Factors that influence employee performance include the quality of the work environment and the application of Good Corporate Governance (GCG) principles (Pohan et al., 2009; Suwardi, 2006). A comfortable and conducive working environment, such as comfortable space, good lighting, and harmonious relationships between co-workers, can increase employee comfort and productivity. In addition, transparent, accountable, and responsible GCG creates a structured and clear working atmosphere, increasing employee loyalty and motivation (Jonatan et al., 2020; Sutomo et al., 2023; Trisnawati et al., 2023).

Implementing good GCG principles, such as transparency and accountability, can clarify company goals and strengthen employee engagement with the organization (Neno et al., 2022; Zamzami et al., 2023). Previous research shows that good GCG has a positive impact on employee performance. A good work environment also has a direct impact on performance. Supportive conditions make employees more productive, while a bad environment can reduce work

enthusiasm (Susanti, 2015; Yonata et al., 2020). Employee engagement also plays an important role, where employees who feel emotionally connected to their work tend to perform better (Aritonang et al., 2022; Sirait & Siregar, 2022).

This study aims to analyze the influence of Good Corporate Governance (GCG) and work environment on employee performance at Bank BRI Regional Office Jayapura with the mediation of work engagement.

RESEARCH METHODS

This study uses an explanatory research method with a quantitative approach to explain the relationship between Good Corporate Governance (GCG), work environment, and employee performance, with work engagement as an intervening variable. This study aims to determine the direct influence of GCG and work environment on employee performance and how work engagement mediates the relationship. In other words, work engagement is considered a factor that can strengthen or weaken the relationship between GCG, work environment, and employee performance.

This type of research is quantitative, with survey as the main approach. The research was conducted on employees of Bank BRI Regional Office Jayapura, with a total of 61 respondents selected using convenience sampling techniques. The research data was obtained through a questionnaire distributed to respondents. The questionnaire contains statements that measure respondents' perceptions of GCG variables, work environment, work engagement, and employee performance. This study uses a Likert scale to measure the level of respondent agreement with each statement submitted.

After the data was collected, the analysis was conducted using qualitative descriptive analysis to describe the characteristics of the respondents and the relationship between the variables studied. In addition, to test the relationship between variables, this study used relevant statistical analysis techniques with the aim of finding the extent to which work engagement affects the relationship between GCG, work environment, and employee performance at Bank BRI Regional Office Jayapura.

RESULTS AND DISCUSSION

Good Corporate Governance (GCG) on Employee Performance

Good Corporate Governance (GCG) is a system that regulates the relationship between management, the board of commissioners, shareholders, and other stakeholders in a company. The implementation of good GCG principles in a company is expected to create a more transparent, fair, and accountable environment. One of the positive impacts of implementing GCG is improving the performance of human resources, especially employees. A company with good governance will create a supportive work environment, which in turn affects employee work engagement. This work engagement can mediate the influence of GCG on employee performance. In other words, the better the GCG is implemented, the higher the employee work engagement, which in turn will improve their performance. Therefore, work engagement plays an important role in linking GCG to employee performance.

This study revealed that at Bank BRI Regional Office Jayapura, employee performance is already in very good condition, with an average index score of 73.55. This shows that most employees are able to complete their tasks well and in accordance with the standards set by the company. Employees have a clear understanding of the tasks given, so they can do their work efficiently and avoid mistakes. In addition, employee attendance also greatly supports the company's performance because most employees have never been absent in the last month. Cooperation between employees is also very good, allowing them to work together to complete tasks more quickly and effectively. All of these factors indicate that employee performance is influenced by their commitment to their work, which is further influenced by the quality of corporate governance.

Employee work engagement is the level of involvement, satisfaction, and enthusiasm of individuals towards the work they do. When employees feel emotionally attached to their work,



they will be more motivated to achieve better performance. In this context, the implementation of good GCG can increase employee work engagement. For example, with transparent and fair policies, as well as a clear monitoring system, employees feel appreciated and encouraged to work better. This work engagement will be reflected in the quality of work produced, work efficiency, and professional attitude in carrying out tasks.

The results of this study support the findings of several previous studies, such as those conducted by Haryanto, which showed that the implementation of GCG has a positive effect on employee work engagement. In this study, GCG not only directly affects employee performance but also affects work engagement, which then has an impact on improving performance. Anjasmara and Gunarto's research also supports this by showing that work engagement has a significant effect on employee performance. This means that work engagement is not only a supporting factor but also a mediator that connects the influence of GCG on employee performance.

The positive influence of GCG on employee engagement can be seen in several aspects. First, the principle of transparency in GCG encourages employees to feel more appreciated and recognized for their contributions to the company. Second, the principle of accountability creates a sense of responsibility among employees, which motivates them to work harder to achieve company goals. Third, the principle of fairness and equality gives employees a sense of trust that they are being treated fairly, which can increase their emotional attachment to the company. These things create a work environment that supports employee engagement, which in turn will improve their performance.

High work engagement will produce several positive impacts. Employees who are emotionally and professionally attached to the company will be more focused on carrying out their tasks. They not only try to complete the work but also try to provide the best results. This will be reflected in better work quality, time efficiency, and lower error rates. In addition, employees who have high work engagement tend to be more loyal to the company, which means they will change jobs less often and are more committed to achieving company goals.

Good GCG implementation can also create a more positive work environment. When companies consistently implement GCG principles, employees will feel safer and more comfortable in their work. They will feel they have more control over their work, which in turn increases their engagement. Employees who feel they have control and influence over their work will be more motivated to work better and more productively. In addition, high work engagement can also create a more harmonious work climate, where employees support each other and work together to achieve common goals.

Good GCG implementation not only focuses on the company's internal policies but also on how the company interacts with external stakeholders. Employees who work in companies with good governance will feel more proud of the company they work for. They will feel part of something bigger and more meaningful, which can strengthen their attachment to the company. Employees who feel that they work for a company that has a good reputation and high integrity tend to be more loyal and more dedicated.

Strong work engagement not only benefits employees but also provides great benefits to the company. Companies with high levels of work engagement tend to have employees who are more productive, more innovative, and make fewer mistakes. All of this contributes to improving the overall performance of the company. Therefore, companies that implement GCG principles well will see an increase in employee work engagement and overall performance.

In conclusion, good GCG implementation can increase employee work engagement, which in turn has a positive effect on their performance. Work engagement mediates the effect of GCG on employee performance, making work engagement a key factor in creating optimal performance. Companies that are able to manage good governance and create a supportive work environment will gain great benefits, both in terms of work quality and employee loyalty. Thus, good GCG implementation not only provides short-term benefits but also creates a strong foundation for the company's long-term success. Bottom of Form

The Role of the Work Environment in Improving Employee Performance



The work environment plays a very important role in determining how employees behave and work in an organization. A comfortable and supportive workplace atmosphere and conditions can have a positive influence on employee work engagement. This work engagement will, in turn, improve employee performance. Therefore, the influence of the work environment on employee performance through work engagement is something that cannot be underestimated. The results of the analysis show that work engagement mediates the influence of the work environment on employee performance, which means that the better the work environment, the higher the work engagement, which ultimately has a positive effect on employee performance.

A conducive and supportive work environment is a key element that can increase employee engagement. A good work environment is not only related to adequate physical facilities, such as comfortable workspace, adequate lighting, and efficient equipment, but also includes psychological aspects, such as relationships between coworkers, support from superiors, and mutual respect in the workplace. When employees feel appreciated and supported by their work environment, they will feel more emotionally attached to their work and the organization where they work. This attachment, which is reflected in the level of satisfaction and work enthusiasm, is an important factor that influences employee productivity and performance.

A positive work environment can also create a sense of security for employees, which is important to encourage them to contribute more to their work. In this study, it was found that the better the work environment, the higher the employee engagement towards their work. This happens because employees feel that they are working in an atmosphere that is supportive and allows them to develop. Employees who feel appreciated and treated fairly will be more motivated to work well and improve their performance.

Work engagement reflects employee loyalty to the organization. Employees who are engaged in the organization are not only satisfied with their jobs, but also have a high commitment to work hard and give their best. Strong work engagement will encourage employees to behave more positively, such as completing tasks well, working together with coworkers, and trying to achieve organizational goals. Thus, work engagement serves as a link between a good work environment and high employee performance.

In addition, work engagement also serves as an indicator of employee satisfaction. Employees who feel engaged in their work tend to feel satisfied with their work results, and feel appreciated and have an important role in the organization. This job satisfaction has a direct impact on productivity, because employees who are satisfied with their work will be more motivated to give their best. Satisfied employees also tend to have lower absenteeism rates and are more committed to achieving organizational goals.

The results of this study are in line with research conducted by Nurindahsari, which revealed that the work environment has a positive effect on work engagement, and work engagement has an effect on employee performance. This study also confirms that work engagement mediates the effect of the work environment on employee performance. This means that a good work environment will increase employee work engagement, which in turn has a positive effect on improving their performance. Therefore, the role of work engagement as a mediating variable is very important to understand because it shows that improving employee performance can be achieved by creating a work environment that supports work engagement.

A conducive work environment includes not only physical factors but also social and psychological factors. A good relationship between employees and superiors, as well as between co-workers, is an important factor in creating high work engagement. When employees feel accepted and appreciated in the work environment, they will be more motivated to work hard and contribute optimally. On the other hand, a poor work environment, characterized by a lack of support from superiors or co-workers, as well as role ambiguity, can reduce work engagement and negatively affect employee performance.

The role of work engagement in improving employee performance can also be seen in its impact on job satisfaction levels. When employees feel connected to the organization and their work, they will be more satisfied with their work results and with their role in the organization. High job satisfaction can increase work enthusiasm, reduce stress, and encourage employees to

behave more productively. Conversely, if employees do not feel connected to their work, they tend to feel dissatisfied and less motivated to perform well. This shows that high work engagement is very important for creating optimal performance.

A good work environment also creates a greater sense of engagement in employees. Employees who feel engaged in their work will be more proactive in completing tasks and finding solutions to problems that arise. In addition, they will feel more responsible for the results of their work and strive to give their best. This involvement is also closely related to improving the quality of work because employees who are engaged in their work tend to be more focused and strive to achieve optimal results.

Employees who are engaged in their work will be more adaptable to changes that occur in the organization. They will be more open to innovation and change, and will strive harder to support the organization's goals. A work environment that supports innovation and learning will further strengthen employee engagement, which in turn will improve their performance. Thus, work engagement plays an important role in mediating the influence of the work environment on employee performance.

Overall, a good work environment plays a major role in improving employee performance through work engagement. Employees who feel comfortable, valued, and engaged in their work will be more motivated to work better and more productively. Therefore, companies need to create a supportive work environment, both physically, socially, and psychologically, to encourage high work engagement. By increasing work engagement, companies can achieve significant performance improvements, leading to overall organizational success.

In conclusion, a positive and supportive work environment plays an important role in improving employee performance through work engagement. Work engagement serves as a mediator that connects a good work environment with improved performance. Therefore, companies should pay special attention to creating a conducive work environment to support employee engagement, which will ultimately have a positive impact on their performance.

CONCLUSION

The implementation of Good Corporate Governance (GCG) has a significant influence on employee work engagement, which in turn contributes to improving their performance. Work engagement serves as a mediator that connects the influence of GCG on employee performance. When companies implement GCG principles with transparency, accountability, and fairness, employees feel valued and motivated to perform better, creating a supportive and productive work environment. The results of this study are in line with previous findings showing that high work engagement will improve the quality of work, efficiency, and employee loyalty, which ultimately leads to improved overall company performance. Thus, GCG not only directly affects performance but also creates a strong foundation for the company's long-term success through well-maintained work engagement.

A positive and supportive work environment plays a significant role in improving employee performance through work engagement. Work engagement serves as a mediator that strengthens the influence of the work environment on performance, indicating that the better the work environment conditions, the higher the employee engagement, which ultimately contributes to improved performance. Therefore, companies must pay special attention to creating a conducive work environment, both physically, socially, and psychologically, to build strong employee engagement. Thus, efforts to create a comfortable and supportive work environment will have a positive impact on the productivity and success of the organization as a whole.

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