

The Effect Of Work Environmental, Transformational Leadership And Work Stress On Employee Performance At Bank International

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ARTICLE INFO ABSTRACT

This study focuses on the impact of work environments, transformational leadership in the work environment and works stress on employee performance. Banking competition is increasing every day. This condition requires companies to improve human resources for organizational leaders and employees. One of the crucial aspects of facing inter-bank competition is the leadership factor. Currently, many companies are using transformational leadership styles to lead the company. The study involved 131 Indonesian international bank employee respondents using convenience sampling and analyzed using multiple linear regression methods. The study found a simultaneous influence of work environment, transformational leadership, and work stress on employee performance. However, in part, the variable work stress does not affect the employees, while the work environment and transformational leadership variables influence employee performance. This finding reminds us that it is vital to improve work environments and transformational leadership to minimize the influence of employee stress, which can reduce performance. **Keywords:** *Work Stress, Transformational Leadership, Employee Performance, Work Environmental.*

Background

Currently, banking competition is increasing every day. Pressure on the economy and monetary policy has impacted increasing competition among banks. This pressure has an impact on work stress, reduces employee performance, and longer working hours make companies need an effective leadership model. Effective leadership is needed to maintain motivation, distribute workload, and provide fair wages. Several leadership models that are relevant in these conditions are transformational leadership styles (Bass & Avolio, 1994).

A transformational leadership model has been developed in today's banking world to improve human resource management (Bushra et al., 2011; Pasaribu et al., 2022). Transformational leadership is a modern leadership style that changes the autocratic leadership style (Dess et al., 1990). Leaders with this transformational style can change and encourage someone to think innovatively, direct vision well, and establish good communication with employees (Bushra et al., 2011). In the era of increasing banking competition, all elements within the company are trying to increase their capacity, including employees and their leaders. Increasing human resources is an urgent need to be competitive.

In contrast, the rapid international banking competition demands more employees. Higher demands on employees can increase employee stress levels. Increasing workload and pressure reduce employee performance. The decrease in work caused by the increased workload on employees is evidenced by Sharmilee (Sharmilee, 2018). Naser Hoboubi et al. (Hoboubi et al., 2017) said work stress can impact worker productivity and performance. The decline in employee work can be seen from the quality and quantity as long as he is doing the work for which he is responsible. Quality and quantity are indicators to see how far the employee can do well or not.

The performance of companies engaged in the banking sector also needs to pay attention to leadership models and work stress. Achieving effective employee performance at the International Bank is influenced by the leadership applied to the company. The basic principle of a transformational leader is that he can encourage

and motivate to gain employees trust and increase employee performance (Robbins & Judge, 2008). On the other hand, the company's demands on employees to improve performance must be balanced with a good and structured division of labour to effectively carry out the work assigned to them (Rony, Suharjuddin, et al., 2021). In addition, the provision of appropriate, fair, and proper compensation is expected to improve the performance of each employee.

Previous research has yet to focus specifically on discussing leadership and work stress on worker performance. Asrar ul Haq (Asrar-ul-Haq & Kuchinke, 2016) research only examines the influence of transformational leaders on worker performance and their effect on reducing stress levels of bank employees in Pakistan. Bano Fakhra Batool (Batool, 2013) also discusses the impact of transformational leadership on worker performance. Transformational leaders play a significant role in organizational effectiveness. This study considers emotional intelligence essential in developing a company's creative abilities. Batool sees this case in the context of the ENIE company in Algeria, which needs such effectiveness. Albert Puni et al. (Puni et al., 2018) said that transformational leadership's positive impact on worker performance could be increased through contingency rewards.

In contrast to previous research, Mozammel and Perry Haan (Mozammel & Haan, 2016) found no effect of transformational leadership on the performance of bank workers in Bangladesh. This non-influence is due to the role of work environment factors in bank companies. On the other hand, these studies do not show that job stress is a possible element in every employee that must be overcome. Transformational leadership is not the only element that can improve employee performance, and companies need to consider other internal aspects experienced by the other side of employees.

In this context, no research has established a connection between transformational leadership and work stress regarding employee performance within the international banking sector. Work stress is an element that often becomes an obstacle to employee performance. This element should be of genuine concern to international banking companies to improve each employee's performance. This quantitative research is essential because it tests the extent to which such a leadership style can influence subordinates and how the impact of psychological factors influences their performance.

Literatur Review

Work Environmental

The work environment is an essential aspect of the company. Although the work environment is not part of the production, the work environment can affect all company activities, both positively and negatively. According to Stephen P. Robbins (Robbins & Judge, 2008), the work environment refers to all the workplace's physical, social, and psychological factors. The work environment includes everything that influences employees' experience, behaviour and well-being in an organizational context.

Robbins emphasizes that the work environment can affect employee motivation, job satisfaction, and performance. Factors in the work environment, such as the physical design of the workspace, interactions with colleagues and superiors, organizational culture, and existing policies, all play a role in shaping employees' work experience. A positive and supportive work environment can increase job satisfaction and employee motivation. Conversely, a work environment that does not support or influence employees with stress, conflict, or injustice can reduce their job satisfaction and motivation (Robbins & Judge, 2008).

Transformational Leadership

Robbins and Judge (Robbins & Judge, 2008) transformational leadership is the development of modern leadership theory, first initiated by James McGroger Burns. Burns (Burns, 2012) defines transformational leadership can encourage followers to improve employee morale, motivation, beliefs, perceptions, and coalitions with organizational goals. According to Aldoory & Toth (Aldoory & Toth, 2004), a transformational leader can build commitment and inspire his employees to achieve organizational goals. In such a leadership model, under certain conditions, employees make decisions and share power (Aldoory & Toth, 2004). In addition, it allows employees to be more creative in thinking and acting, innovating, and analyzing problems from various perspectives to find solutions to these problems. Gill et al. (Gill et al., 2010) transformational leadership can also be used to reduce levels of stress and burnout due to increasingly high workloads.

Avolia & Bass (Bass & Avolio, 1994) explained that transformational leadership is based on confidence between leaders and workers. The implication is to feel trusted, proud, and loyal and to respect superiors to motivate them to move according to organizational goals. Robbins and Judge (Robbins & Judge, 2008) explain four indicators of transformational leadership: The idealism of leaders can influence employees, provide motivation and inspiration, provide stimulus to their employees, and provide both material and non-material attention.

Work Stress

Garg in Vijayan (2018) defines the work-stress effect as a mismatch between individual abilities and the demands and targets of the organization. Robbins and Judge (Robbins & Judge, 2008) define work stress as an incompatible condition between job demands, opportunities, resources, and the targets achieved. Bennet (Greenberg, 2013) defines stress as the physical and psychological symptoms experienced by employees when

faced with difficult situations and trying to adapt to a new environment. In general, work stress experienced by employees can affect their psychological and physical.

Someone experiencing work stress can be seen by several factors that change him psychologically and physically. According to Robbins (Robbins & Judge, 2008), there are three symptoms of someone experiencing stress: physiological, psychological, and behavioural. The first is physiological symptoms. Someone who experiences stress very rarely or only slightly can affect his body. Second, psychological symptoms. People who are stressed can result in work that causes dissatisfaction with work. Several studies have shown employees with multiple demands, work conflicts, and workloads that cause stress (COOPER & MARSHALL, 1976). The third is behavioural symptoms. Stress people can affect employee performance because there are changes in behaviour, such as being less productive, not going to work, and other behaviours.

According to Stephen P Robbins (Robbins & Judge, 2008), three factors cause a person to experience work stress. The First is environmental factors. Environmental uncertainty will affect the organizational structure's design and the stress level of individuals in the organization. There are three indicators in this factor, namely concerning political, economic, and technological issues. Second, organizational factors include higher workload, role duality, and personal demands. Third, personal factors include problems in the family environment, individual economy, and psychology.

Employee Performance

Kinicki (Kreitner & Kinicki, 2007) explains that performance is carrying out the workload given by the company to employees following company procedures. According to Robbins (Robbins & Judge, 2008), five indicators measure employee performance. First is the quality of work related to the suitability between the work carried out by employees and the company's system and their skills in completing the tasks. (Robbins, 2013: 260). Second, quantity. Quantity relates to how much product is completed and produced by employees. Third, punctuality. Timeliness is related to how much time employees spend to complete the assigned tasks and the use of time for other activities that are still related to the workload. Fourth is Effectiveness. Effectiveness relates to utilizing organizational resources to support the completion of the workload. Fifth is independence. Independence is the existence of an understanding of the functions and roles in work without the help, guidance, and supervision of others.

Work Environment on employee performance

The work environment influences the company. According to Robbins, the work environment refers to all the workplace's physical, social and psychological factors. The work environment includes everything that influences employees' experience, behaviour and well-being in an organizational context. Although unrelated to the production process or human resources, the work environment can negatively and positively influence the company. Research by Hidayati (Hidayati et al., 2019), Edward (Edward & Purba, 2020), and Hafeez (Hafeez et al., 2019) found that there is influence of the work environment on employee performance.

H1: The work environment has a positive effect on employee performance.

Transformational Leadership on Employee Performance

Leader organizations have the role and function crucial to control and organize employees in achieving organizational goals. Transformational leaders, directly and indirectly, influence their employees to get the expected results. According to Robbins and Judge (Robbins & Judge, 2008), a transformational leader is a leader who can provide inspiration and innovation to his employees, put aside personal interests, and inspire his subordinates to think innovatively for organizational goals. Several previous researchers have found an influence between transformational leadership and employee performance (Jaya et al., 2021; Jiang et al., 2017; Manzoor et al., 2019).

H2: Transformational leadership has a significant effect on employee performance

Work Stress on Employee Performance

Robbins and Judge (Robbins & Judge, 2008) define work stress as an incompatible condition between job demands, opportunities, resources, and the targets achieved. Job stress can affect employees and significantly impact work behaviour, such as decreased productivity, efficiency, and effectiveness at work. Work environment factors can cause work stress, organizational aspects such as workload, role and responsibility demand, and personal factors such as family problems. Several studies have found the impact of work stress on worker performance (Hoboubi et al., 2017; Pandey, 2020a; Sharmilee, 2018).

H3: Job stress affects employee performance

Transformational Leadership and Work Stress Affect Employee Performance

Robbins and Judge (Robbins & Judge, 2008) say that transformational leadership is a leader who can inspire subordinates to work innovatively and communicatively and put aside personal interests for organizational goals. In contrast, work stress is a condition that does not match the demands of work, opportunities, and

resources with the targets achieved. Several studies have found that these two factors can impact employee performance (Parveen & Adeinat, 2019; Suryawan et al., 2021; Syaifuddin, 2016).

H4: Transformational Leadership and Job Stress Affect Employee Performance

Design Research and Methodology

This study used a statistical test analysis method involving more than 100 respondents and a Likert scale questionnaire. By using an explanatory research model, this study aims to find causality between two independent variables and one dependent variable. This research targets employees who work in international banking companies. There are about 238 questionnaires that have been distributed to employees of international banking companies who work full-time and not as cleaners, security guards, cooks, and the like. This questionnaire was distributed using the Google Form format for easy access for employees to answer the questions. Distribution of questionnaires using the convenience sampling method facilitates researchers in finding respondents spread on the internet. With this method, researchers can save time and save money. A total of 131 respondents answered the questionnaire that was distributed to bank employees.

Results

Based on the questionnaire distributed to 238 Bank International employees, 131 employees answered the questionnaire. The details of respondents who answered are as follows.

Table 1.1 Gender and Age of employees

Gender	Age	Qty
Man	21-30	27
	31-40	26
	41-50	11
	51-60	7
Total		71
Woman	21-30	27
	31-40	15
	41-50	14
	51-60	4
Total		60
Sum		131

Table 1.1 above shows 131 employees, with details of 71 men and 60 women. Men and women are dominated by employees aged 21-30 and 31-40. The number of female employees in the two age ranges is 42 employees, while for men, there are 51. Meanwhile, the number of respondents who are the least between the two genders is aged 51-60, with 11 people.

Validity and Reliability test

The measuring instrument that can be used in testing the validity of a questionnaire or questionnaire is the result of the correlation between the questionnaire score and the overall score of the respondents to the information in the questionnaire. In SPSS version 22, the output typically includes various statistical measures for each questionnaire item, which can provide valuable information about the validity and reliability of the items.

Respondents in this study amounted to 131 people (N = 131), so the r table value with a significance of 5% or level 0.05 is 0.143. So, the questionnaire results will be declared valid if the coefficient correlation value (rxy) is more than 0.143. Based on the validity test that has been carried out, all data shows an accurate description.

Validity Test			
Variable	Loading	Variable	Loading
Work Environment	0.772	Transformational Leadership	0.618
	0.706		0.529
	0.745		0.607
	0.726		0.705
	0.761		0.661

	0.778		0.557
	0.731		0.624
	0.813		0.566
	0.652		0.720
	0.621		0.706
Job Stress	0.605	Employee Performance	0.745
	0.711		0.746
	0.669		0.783
	0.670		0.649
	0.678		0.675
	0.713		0.758
	0.703		0.664
	0.756		0.783
	0.770		0.693
	0.643		0.599

Variable	Cronbach's Alpha
Work Enviromental	0.773
Transformational Leadership	0.753
Job Stress	0.768
Employee Performance	0.770

The reliability test is a statistical method for measuring the consistency of research data. This test uses Cronbach's Alpha method with the condition that the value is declared reliable or consistent if the value obtained from the measurement is more than 0.60. 0.60 is the minimum limit value of Crobach's Alpha value to know that it is declared reliable. The results of the reliability, in this case, can be concluded that the statistical results of the reliability of each variable are 0.773 (work environment), 0.753 (Transformational Leadership), 0.768 (Work Stress), and 0.770 (Employee Performance).

Normality Test

The simple statistical test used to test the normality assumption is the Kolmogorov-Smirnov normality test. The testing method for the normal distribution of the data is done by looking at the significance value of the variable. It indicates a normal data distribution if significantly more significant than 0.05 at the 5% alpha significance level. The data in the table shows that a significance value (Assymp. Sig/2-tailed) is obtained of 0.200 from 131 respondents, so each variable is normally distributed. Data that is otherwise customarily distributed means that the data has a standard or directional distribution pattern as a condition for carrying out further parametric tests.

**Hypothesis Test
Simultan and partial Test (F-T Test)**

Coefficients^a

Model	t	Sig.
1 (Constant)	2.926	.004
Work Environmental	4.883	.000
LeadershipTransformational	4.691	.000
Work Stress	-2.160	.033

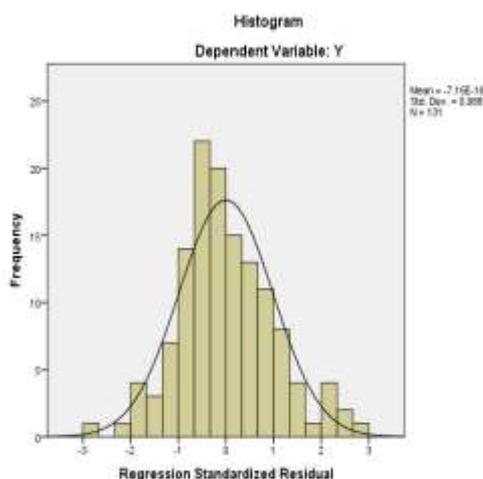
a. Dependent Variable: Performance ANOVAa

Model		F	Sig.
1	Regression	24.299	.000 ^b
	Residual		
	Total		

a. Dependent Variable: Performance

b. Predictors: (Constant), Work Stress, Work Environmental, Leadership

The t-test result for variable X1 is 4,883, more significant than the t-table ($4,883 > 1,979$) and has a sig value of 0.000, meaning it is smaller than 0.05. The variable X2 has a value of 4,691, more significant than the t-table ($4,691 > 1,979$) and has a sig value of 0.000, meaning it is smaller than 0.05. While the value of the t-test variable X3 is -2.160, which means it is smaller than the t-table ($-2.160 < 1.979$). Based on the t-test count, the variables X1 and X2 each partially affect Y, while X3 does not affect variable Y. In addition, based on the F test table, the results are 24,299 with a probability value (sig) of 0,000, so simultaneously (together), the three X variables affect employee performance.



Summary of Hypothesis

Hypothesis I: H1 is accepted because the t-value of the variable X1 is 4,883, which is greater than the t-table ($4,883 > 1,979$).

Hypothesis II: H2 is accepted because the t-value of the variable X2 has a value of 4,691, which is greater than the t-table ($4,691 > 1,979$).

Hypothesis III: H3 is rejected. Work stress does not influence employee work performance. The value of the t-test variable X3 is -2.160, which means it is smaller than the t-table ($-2.160 < 1.979$).

Hypothesis IV: H4 is accepted. Transformational leadership and work stress have a simultaneous effect on employee turnover.

Discussion

Work Environmental on Employee Performance

This study found the influence of the work environment on employee performance. International banking companies pay attention to all aspects related to the work environment, such as table placement, lighting, and other supporting facilities to make employees feel comfortable while working. Environmental conditions impact the psychology of workers with the assumption that if the physical layout of the environment is good, it can have implications for improving performance, but vice versa. If the layout could be better, it could have an impact on the psychology of the workers. Thus, these findings reinforce previous research, which found an influence of the work environment on employee performance (Edward & Purba, 2020; Magito, 2020; Sugiarti, 2021). In addition to physical and psychological factors, the relationship factor between company members also influences performance. Relations between fellow workers and the relationship between workers, HRD, or leaders can affect employee performance. All indicators proposed in this research found a positive influence on employee performance.

Transformational Leadership on Employee Performance

This study gives a reinforcing analysis of the results of previous studies, which found that factors can affect employee performance. Transformational can affect worker performance. This influence is consistent with a study conducted by Chen (Li, 2004) that idealized influence leaders with an innovative culture will produce more motivated employees to achieve the desired performance. One indicator of idealized influence is the giving of trust to subordinates. When the leader gives assignments to employees, the leader has complete trust in these employees that they can do the tasks given (Chandrasekara, 2019; Eliyana et al., 2019; Yukl, 1999). With a similar communication style, leaders can give their employees a sense of awe so they do not feel awkwardly afraid. Tucunan (Dwipayana & Sariyathi, 2018) said a friendly approach and communication style from leadership to employees when providing directions and input positively impacted workman performance. This study found that three other factors also influence employee performance. Leaders can motivate and always advise their workers to work. According to Robbins and Judge (Robbins & Judge, 2008), a leader can stimulate his employees with new ideas so that employees are more adaptive to certain situations. When an error occurs in a job, both human error and supporting facilities, the leader can provide a solution. Mistakes made by employees can have an impact on the customer's finances. Therefore, leaders can provide motivation and innovative, creative power to their employees so that they can solve new problems the company faces.

In addition, the effort made by the leader is to use a participatory model, not autocracy. In the transformational leadership system, the participatory model is a leadership style that invites workers to solve their problems (Buil et al., 2019a; Jiang et al., 2017; Khan et al., 2020; Wang et al., 2017). This participation can impact increasing employee innovation, thereby increasing employee performance. This leadership style can change employees' perspectives towards the organization and its leaders (Alkadash et al., 2020; Ferozi & Chang, 2021; Lei et al., 2020). Employee performance is increasing, even exceeding the workload initially entrusted to him (Mujkić et al., 2014).

This study found that the lowest indicator is the individualized consideration indicator. Employee compliance and leadership attention have an interrelated relationship. Employees will obey if their leaders pay full attention. The value obtained proves that this item is low. This condition is understandable given the company's large scale, making it impossible for leaders to pay attention to their workers individually.

Work Stress on Employee Performance

Work stress has no impact on performance. The calculated value partially between work stress and worker performance has a negative effect. From these findings, work stress does not reduce employee performance. Employees do not experience interference with their responsibilities, even in stressful conditions.

This study's results parallel several previous studies that found work stress's negative impact on workman performance. Usman Ali et al. (Ahmed et al., 2014) state that works stress harms employee performance at the Universities of Karachi, Pakistan. Bashir et al. (BASHIR & Ramay, 2010) stated that job stress harms workers' performance at Banking Secret of Pakistan. Wu (Wu, 2011) and Iskamto (Iskamto, 2021) also found a negative effect of work stress on employee performance.

This study indicates that of the three indicators of work stress, personal factors are the factors that have the lowest scores. Employee personal factors include always thinking about things outside of work during work time, such as family issues and the like. This factor has a low level of value, causing employee performance to decrease (Pandey, 2020b). These findings are reinforced by Olusegun's research (Olusegun et al., 2014), which found that worry, fatigue, unhappiness, and other internal factors can reduce employee performance. One of the reasons these personal factors can reduce employee performance is that these factors are related to individual activities outside of work. Family issues, friendships, and social environment thought about during working hours can reduce performance.

Another factor that can reduce employee performance is the indicators of organizational factors, precisely work pressure. The excessive distribution of work from leaders decreases employee performance and causes ambiguity in the role of employees in the organization (Ehsan & Ali, 2019; Sharmilee, 2018). One employee can have two jobs at once, so this can reduce performance. As a result, employees cannot focus on completing one task properly. However, the other two factors, environmental and organizational factors, do not negatively affect employee performance. Even though there is influence from several of the factors previously mentioned, it does not decrease employee performance.

It is different if working hours and relations between employees are not good; this factor can cause a decrease in employee performance. The results of Deasy Listia Sari's research (Sari et al., 2021) found that working hours were too long and the relationship between employees needed to be more harmonious, causing low employee performance in manufacturing companies in Indonesia. Thus, work environment factors significantly influence employee performance decline compared to personal factors, as found in this study.

Effect of Transformational Leadership and Job Stress on Employee Performance

Transformational leadership and work stress have an impact on worker performance. Partially the two independent variables have different effects. This effect proves that the variable that has a partial effect is transformational leadership, while work stress is negative or does not affect work performance in the partial t-test. Simultaneously, both affect employee performance, so the hypothesis is accepted.

This study found that transformational leader factors have a more significant influence than job stress. Factors that cause work stress can be minimized with a transformational leadership style. Leaders can distribute

participatory communication to reduce the high workload of employees (Akdere & Egan, 2020; Buil et al., 2019b). Even though a high workload can cause employee performance to decrease because leaders can communicate well with their employees, it can reduce employee stress levels (Schwepker & Dimitriou, 2021). A leader's exemplary and charismatic attitude in an organization is essential in creating a work climate that can improve performance. Leaders have a responsibility to create a conducive environment for their employees. A conducive environment where employees need everything, such as facilities, the accuracy of workspace, communication, and even training to increase employee capacity, must be considered. With such behaviour, employees can feel the trust, pride, loyalty, and respect superiors give. This finding follows what was found by Yukl (Yukl, 1999), Purwanti (Purwanti et al., 2020), and Chauhan (Chauhan et al., 2019) that transformational leadership is considered effective in any situation and culture.

International bank leaders have inspirational, motivational attributes for their employees. He can provide encouragement and support to work following the vision and targets that have been set. In addition to encouraging, leaders also participate in providing the facilities needed by their employees so that organizational goals can be achieved. Anderson et al. (Anderson et al., 2017) said that transformational leadership could be proven if company leaders provide encouragement, support, and facilities to support employee performance. Diebig (Diebig et al., 2017) also said that the transformational leadership model could affect anticipating employee stress by providing support, motivation, and inspiration to increase employee confidence. Increased employee confidence can improve employee performance.

Inspiring employees can overcome an increase in workload that can cause employee stress. Inspiration helps give employees innovative power so that they can work autonomously. The provision of training is crucial to stimulate the innovative power of employees. Through this training, employees get inspiration from their leaders, and it will strengthen their skills at work (Rony, 2021; Rony, Yasin, et al., 2021). Therefore, there are other causes of work stress than a high workload.

Practical Implication

This research has practical implications for companies, especially those in the financial sector. The trend of transformational leadership is widely used in companies to improve employee performance. Higher work demands can cause employees to experience work stress. From this study, the problem of work stress can be overcome by implementing transformational leadership. One thing that the employees' leadership can do is to provide motivation, encouragement, inspiration, training, active communication, attention, and participation to improve employee performance. Another way that can be done is by giving complete trust to employees to do their work autonomously. On the one hand, this can increase employee confidence; on the other hand, employees feel that they have gained the trust of the leadership because they are considered capable of solving specific problems independently. This study emphasizes the importance of developing an attitude of concern for employees by sharing experiences so that employees feel more valued and can control work stress.

Research Limitations

The first limitation is that it is limited to employees in bank companies. This research may be relevant to similar studies. However, it is not confident that these results will be the same for employees engaged in other fields, such as manufacturing or other industries. The problem of research time can also affect research results. Similar studies conducted at different times may have different results. Therefore, it is recommended to use the longitudinal method to compare changes in research subjects after a certain period. The second limitation is the large number of similar studies with the same findings. Suggestions for further research can see the negative impact on worker performance involving other and intermediary variables. The purpose of research with this focus is not to be tendentious, and it is feared that the transformational leadership style is considered the most ideal.

Conclusion

This study concludes that transformational leadership and work stress affect the performance of international bank employees. Indicators of transformational leaders who have strong influence are idealized influence, able to inspire and provide stimulus. In contrast, the individualized consideration indicator has a low value. These three indicators can reduce employee stress levels so that employee performance increases. This research presents an overview of the importance of transformational leadership in banking companies so that employee stress levels cannot affect employee performance. Several factors can cause employee stress to impact decreased performance, but with the transformational leadership style, these factors may not affect employee performance.

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