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The Influence of Work Environment, Pay Satisfaction, and Job Stress on Employee Performance: A Literature Review

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Abstract: Employee performance plays an important role in determining the sustainability and success of the company. Some of the factors that affect employee performance include the work environment, salary satisfaction, and work stress levels. In this paper, we will review the results of studies that examine the influence of each of these factors on employee performance. Studies show that a good work environment has a positive influence on employee performance, while salary satisfaction levels and work stress levels have varying influences depending on their levels. From this analysis, it can be concluded that the company must pay attention to such factors to ensure optimal employee performance.

Keywords: Employee Performance, Work Environment, Pay Satisfaction, And Job Stress

INTRODUCTION

Labor effectiveness is critical to the long-term survival and profitability of the business. The work environment, salary satisfaction level, and work stress level are some of the variables that can affect employee performance. There are many studies that look at how each of these elements affects employee performance in the literature. The performance of employees is significantly influenced by their work environment. Employees will feel comfortable and motivated to perform well in a positive work environment. that having a pleasant workplace can improve employee performance by encouraging more productivity, creativity, and performance.

Employee performance is affected by salary satisfaction. Employees who are happy with their salaries will be more motivated to perform well and contribute well to the business. Employee performance is positively correlated with a high level of wage satisfaction. Employee performance is also affected by the level of stress at work. When compared to workers who do not experience work stress, employees who experience significant work stress perform poorer. Excessive work stress has detrimental effects on employee performance, such as decreased creativity and productivity.

Employee performance is largely influenced by variables including the workplace, salary satisfaction, and stress levels. In order for employee performance to continue to improve, employers must pay attention to these elements and ensure that their staff members have a positive work environment, a high level of salary satisfaction, and a minimal level of work stress.

Based on the background information provided earlier, the problem statement of this paper is as follows:

1. What is the impact of the work environment on employee performance?

2. How does salary satisfaction affect employee performance?

3. What is the effect of work stress levels on employee performance?

LITERATURE REVIEW

Employee Performance

The achievement of an employee in carrying out their tasks and responsibilities according to the criteria set by the business is known as employee performance. Professionalism, competence, and the quality of the employee's output are reflected in employee performance. Employee performance is influenced by several variables, including motivation, skills, the work environment, and stress. Workplace stress and the work environment are external elements that affect personnel performance, while motivation is an internal factor. A certain level of talent and willingness is required to complete tasks or jobs correctly, and performance functions as a motivational function. Willingness and skill are useless without a clear understanding of what needs to be done and how to execute it (Setyo Widodo & Yandi, 2022).

Productivity and human resources are closely related, and leadership should be structured accordingly. Since the corporate goal is to generate profits, an increase in productivity will undoubtedly lead to an increase in revenue. This increase in productivity is closely related to employee performance, which reflects the company's human resources, making them a valuable resource (Silaen et al., 2020). Companies can improve employee performance by focusing on the variables that impact it. Performance must be present for the organization to grow (Rivaldo, 2022).

Salary satisfaction, a positive work environment, and moderate levels of workplace stress all contribute to maintaining employee well-being and increasing their productivity. Businesses can develop the best plan to improve employee performance by understanding the fundamentals of employee performance. Employee productivity is linked to performance, and human resources are an important aspect of achieving good performance. If the individuals executing the plan are not competent and lack high spirits, even the most careful planning will be in vain (Suryani et al., 2019).

Work Environment

The term "work environment" refers to all factors that affect how well employees are able to perform their tasks and duties, as well as their working conditions. The work environment consists of elements including workspace, colleagues, business culture, and work routines (Hustia, 2020). A good workplace has several qualities, including the following:

a. adequate and comfortable work facilities;

b. good working relationships between employees and supervisors;

c. a company culture that upholds professional values and work ethics;

d. regular and efficient work patterns.

Motivation and employee performance are positively influenced by a positive work environment. A positive work environment will make employees feel comfortable and assist them in carrying out their tasks, which will boost their performance. On the other hand, a poor work atmosphere can cause stress and reduce employee motivation. Poor working conditions cause employees to feel uncomfortable and find it difficult to perform their tasks, which decreases performance. Everything in the workplace affects how employees carry out the tasks assigned to them (Nurhandayani, 2022).

The workplace can be divided into two categories. Firstly, the physically featureoriented workplace encompasses all workplace elements that are connected to physical components. Secondly, the environment that affects mental components is an environment that cannot be fully captured by the senses (Diah Indriani Suwondo, 2019). Due to the diverse nature of the workplace, businesses find it difficult to treat their staff in a way that makes them feel at home (Diah Indriani Suwondo, 2019).

Pay Satisfaction

Employee performance is significantly influenced by salary satisfaction. Employees who are satisfied with their salary usually work harder and more productively. Satisfaction is a pleasant and loving emotional state towards something. A person will feel satisfied if they have a positive attitude and dissatisfied if they have a negative attitude (Nanda Hidayan Sono, 2021). According to research, salary has a significant impact on how well employees perform. Employees who are not satisfied with their salary usually work less hard and are less productive.

How satisfied an individual is with their wages is directly related to whether they want to stay with the company or leave due to lack of pay. An individual's ability to accept their wages supports their quality of life (Sukanti, 2021). Job satisfaction level is defined as the level of satisfaction an employee has with the compensation they receive compared to their expectations (Diah Indriani Suwondo, 2019). An individual's perception of their wages and how well they meet their expectations is called their level of wage satisfaction. Motivation, dedication, and employee performance are highly influenced by wage satisfaction (Marbun & Jufrizen, 2022).

who are satisfied with their salaries will be more motivated, more likely to perform efficiently, and more likely to make positive contributions to the business. On the other hand, employees who are dissatisfied with their compensation will be less motivated, more prone to health issues, and less productive. Therefore, employers must ensure that employees' salaries meet their expectations and make them satisfied. Through appropriate incentive schemes and rewards, salary satisfaction can also be enhanced (Valentino et al., 2022).

Incorporating salary satisfaction into employee management is crucial to ensuring that workers are highly engaged and productivity levels are at their highest. Thus, businesses can ensure that employee performance remains at the highest level and successfully achieves its goals (Dhewy & Adnyani, 2022).

Job Stress

Workplace stress is the discomfort experienced by an individual as a result of high demands and workloads. Employee performance can be affected by work-related stress, lowering productivity, concentration, and work quality. Workplace stress can be caused by various factors, including heavy workloads, excessive responsibilities, disagreements with colleagues, and unfavorable work environments. Employee health can also be negatively affected by stress, with problems including depression, mental health issues, and physical health problems among them.

Work-related stress is a psychological response that employees have to the demands of their job. Stress also refers to the struggle between an individual's enthusiasm and unbalanced tasks (Hermawan, 2022). Stress can have negative psychological and physical effects on workers. However, organizational issues may have an effect on work-related stress (Okarina, Komang, Arin, Ardana, I, 2022). It is known that workplace stress has a negative impact on the mental and physical health of workers in various occupations. Workplace stress therefore affects the increasing costs of employee welfare and provides significant financial pressure on organizational performance (Sari et al., 2022).

Companies must provide a relaxed and stress-free work environment for employees if they want to reduce stress in the workplace. Additionally, management should be careful not to give employees an excessive workload and offer appropriate types of assistance if they are experiencing stress-related problems. For businesses, reducing employee stress levels is crucial as it can ensure peak performance and prevent health issues. To mitigate the impact of work-related stress on employee performance, management must prioritize reducing stress in the workplace.

	Table 1. Previous Relevant Studies					
No	Author (Year)	Research Title Previous	Research Findings	Journal		
1.	(Diah Indriani Suwondo, 2019)	TheRoleofCommunicationandWorkEnvironmentonEmployeePerformanceintheOrganizationatPT.MultiDayaBangunDandiriHerricon	The research results indicate that Work Environment has an impact on employee performance.	Journal of Economics, Management, and Information Systems.		
2.	(Alexandro Hutagalung, 2022)	An analysis of the factors affecting employee performance: Competence, Motivation and Work Environment.	The research findings suggest that Work Environment has an impact on employee performance.	Journal of Management in Education and Social Sciences		
3.	(Adhisty et al., 2023)	Factors Affecting Employee Performance: Job Stress, Workload, and Work Environment.	The research results indicate that Work Environment and Job stress have a significant influence on employee performance.	Journal of Management in Education and Social Sciences		
4.	(Shyreen A et al., 2022)	Factors Affecting Employee Performance: Salary, Wage, and Benefits	The research findings indicate that Pay Satisfaction has a significant positive effect on Employee Performance.	Journal of Economics, Management, and Information Systems.		
5.	(Ratnasari & Mahmud, 2020)	The Influence of Salary and Incentives on the Performance of Production Employees at PT. Uniplastindo Interbuana Pandaan	The research findings indicate that the variables of salary and incentives have a significant impact on employee performance in the production department of PT. Uniplastindo Interbuana Pandaan.	Journal of Management Applications and Business Innovation		

6.	(Heruwanto et al., 2020)	The study results indicate that Work Environment and Job stress have a significant effect on employee performance at PT. Nusamulti Centralestari in Tangerang.	The research found that Work Environment and Job stress have a significant impact on employee performance at PT. Nusamulti Centralestari in Tangerang.	Journal of Entrepreneurial Management
7.	(Widiatmo, 2020)	The Influence of Work Environment, Work Motivation, and Job Stress on Employee Performance.	The results of the testing indicate that work environment has a significant positive effect on employee performance, while job stress has a significant negative effect on employee performance.	Journal of Management Science and Research
8.	(Hafidh & Mahfudiyanto, 2021)	The Influence of Work Environment and Job Stress on Job Satisfaction of Employees at Pesantren Baru Kediri Sugar Factory.	The work environment and job stress have a simultaneous effect on employee job satisfaction at Pesantren Baru Kediri.	BIMA: Journal of Business and Innovation Management
9.	(Fauzi et al., 2023)	Analysis of the Effect of Job Satisfaction, Workload, and Work Environment on Employee Performance.	The research findings stated that the work environment has an effect on employee performance.	Journal of Multidisciplinary Science.
10.	(Wahyu, 2017)	The Influence of Financial and Non-Financial Compensation on Employee Performance.	The research findings suggest that Financial Compensation or salary has a positive and significant impact on Employee Performance.	Journal of Business Administration

RESEARCH

The qualitative methodology used in this scientific research is library research. In books and articles sourced from Mendeley, Google Scholar, and other online and offline media, hypotheses and interactions, or the influence among variables, should be sought.

The use of literature review in qualitative research should conform to its underlying methodology assumptions. This means that to avoid influencing the researcher's questions, it should be used deductively. One of the main motivations for qualitative research is its exploratory nature (John B. Windo Thalibana, 2022).

RESULT AND DISCUSSION

The Effect of Work Environment on Employee Performance

Employee performance is significantly influenced by the work environment. A positive and supportive work environment can increase employee motivation and productivity, while a negative work environment can decrease employee productivity. According to the literature review, there are several aspects of the workplace that impact employee performance. The work environment plays a crucial role in influencing employee performance, including:

- a. Good and comfortable work facilities, such as a comfortable work space, good ventilation, and adequate lighting
- b. Good communication and cooperation among employees and with superiors
- c. Employee satisfaction with their tasks and responsibilities
- d. Employee satisfaction with the leadership and work atmosphere

e. Employee training and development

The company must ensure that a suitable and conducive work environment can help employees work better, as these elements have a significant impact on employee performance. The analysis and interpretation show that the work environment has a significant impact on employee performance, and businesses must be aware of these elements to ensure consistent, high-quality, and productive employee performance. Employers must ensure that employees are satisfied with their roles and responsibilities and that good working conditions are provided, as well as opportunities for good collaboration and communication.

The Analysis of the Effect of Salary Satisfaction on Employee Performance

The satisfaction with salary is one of the factors that influence employee performance. Compared to employees who are dissatisfied with their salary, those who are satisfied with their salary tend to perform better and be more productive. According to the literature review, several factors that affect employee satisfaction with salary are:

- a. The amount of salary received by the employee.
- b. The balance between workload and salary
- c. The opportunity for salary and career advancement
- d. The availability of other benefits and incentives, such as health insurance and annual leave.
- e. The opportunity for training and career development

These elements have a significant impact on employee compensation satisfaction, and therefore businesses must ensure that employees are satisfied with their salaries. The analysis and interpretation show that employee performance is significantly influenced by wage satisfaction, and businesses should pay attention to wage satisfaction elements to ensure that employee performance is consistently high and productive. Employers are required to offer fair and equitable compensation for workload, as well as opportunities for professional advancement, salary increases, and other facilities and incentives.

Analysis of the Effects of Work Stress on Employee Performance

One of the factors that affects employee performance is work-related stress. Employees who are under pressure at work will perform poorly and unproductively. Conflict with colleagues, excessive workload, and pressure from superiors can all contribute to workplace stress. According to the literature review, there are many strategies for managing work-related stress, such as:

- a. Engaging in relaxation activities such as yoga or meditation.
- b. Seeking support from family and friends
- c. Ensuring that the workload is in line with one's abilities and capacity.
- d. Seeking solutions to problems and conflicts that arise.
- e. Ensuring that employees have sufficient rest time.

The interpretation of this analysis indicates that work-related stress has a detrimental effect on employee performance, and businesses should take preventative action to avoid employees experiencing too much work-related stress. Companies should ensure that workloads are aligned with employees' skills and capacities, and they should offer assistance and resolve any problems or conflicts that may arise.

Conceptual Framework

With knowledge of problem formulation, theoretical findings, previous research, and an explanation of the relationships between these variables, the framework of the article's thinking is as follows:

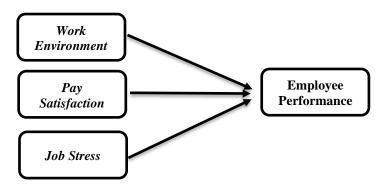


Figure 1. Conceptual Framework

The explanation of the figure is as follows:

- 1. Independent variables:
 - a. Work environment: the work environment includes physical and social factors within the workplace.
 - b. Pay satisfaction: the level of satisfaction employees have with the salary or income received from the company.
 - c. Job stress: the level of stress experienced by employees due to their job or work demands.
- 2. Dependent variable:

Employee performance: the quality and quantity of work results achieved by employees in carrying out assigned tasks.

- 3. Hypotheses:
 - a. The first statement is that the work environment has a beneficial impact on employee performance.
 - b. The second hypothesis is that employee performance is positively influenced by pay satisfaction.
 - c. The third hypothesis is that employee performance is negatively influenced by job stress.
 - d. The combination of job stress, pay satisfaction, and work environment has a substantial impact on employee performance.
- 4. Relationships between variables:

Employee performance is influenced by the work environment, pay satisfaction, and job stress collectively. Employee performance has a positive correlation with the work environment and pay satisfaction, but a negative correlation with job stress.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The literature review results indicate that the work environment, pay satisfaction, and workload have an impact on employee performance. A positive and supportive work environment can enhance productivity and motivation among staff members while also helping to retain them within the organization. The relationship between pay satisfaction and employee performance is crucial because happy workers are more motivated and efficient. Conversely, high job stress has a detrimental effect on employee performance, so employers must take steps to prevent this from happening.

Recommendations

Based on the results of the literature review, there are several recommendations that can be given to companies to improve employee performance, including:

- a. Companies should ensure that the work environment is conducive and comfortable for employees.
- b. Companies should ensure that employee salaries are commensurate with their performance and achievements.
- c. Companies should provide support and solutions to problems and conflicts that arise in the workplace.
- d. Companies should ensure that the workload is in line with the capabilities and capacities of employees.
- e. Companies should ensure that employees have adequate rest time and pay attention to employees' mental health.

By implementing the above recommendations, it is expected that the company can improve employee performance and retain employees in the company.

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