The Influence Of Employee Experience Factors On Employee Performance With Mediation Job Satisfaction Of Generation Z Employees At Companies In East Java

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ABSTRACT

This research is based on the importance of understanding employee experience in improving employee performance, especially in the era of globalization involving generation Z who have different expectations and preferences in the world of work. The purpose of this study was to test and analyze the influence of employee experience factors on employee performance with job satisfaction mediation. In this study, research data were obtained from 207 respondents using a questionnaire and Likert scale measurement. The data analysis technique used is SEM-Partial Least Square (PLS) to test the hypothesis that has been formulated. The results of this study indicate that the physical environment, cultural environment, and cultural environment have a significant positive effect on employee performance mediated by job satisfaction of generation Z employees at companies in East Java partially. As well as a good physical environment, inclusive organizational culture, and technological support.

INTRODUCTION

A company or organisation has a main goal, namely for the vision, mission and goals of the organisation. In a company must have and manage factors that can help achieve these goals. Human resources are one of the main factors of an organisation's success depending on the use of human resources such as employees who provide energy, creativity, and enthusiasm for the organisation and play an important role in carrying out the organisation's operations (Idris et al., 2020: 3). Although various training and development programs have been used, many companies in East Java still face problems to optimise employee performance.Employee performance is critical to the success of an organisation. Companies in East Java, being one of the regions with rapid economic growth, must improve employee productivity in order to compete in an increasingly competitive market. It is important for a company to understand the various factors that influence employee performance, which include employees' experience of the physical environment, cultural environment and technological environment.

The physical environment in which employees actually work includes the workplace, facilities, equipment, lighting, sound, and ergonomics. (Kamarulzaman et al., 2011 in Lee & Kim, 2023:6) found that physical environmental factors such as office temperature, air quality, lighting, and sound conditions affect employee productivity and performance concentration. Organisational cultural environment plays an important role in influencing employee experience by supporting collaboration and open communication tends to create a positive cultural environment while technological environment refers to the resources and technology that can be used by employees to effectively complete job tasks such as hardware, software, UI, and design applications (McCarthy & Wright 2004 in Lee & Kim 2023:6). According to (Morgan 2017 in Lee & Kim 2023:6) defines employee experience as the intersection of employee expectations, demands, needs and organisational design related to employee expectations. Therefore, the result of the interaction between the employee and the organisation, including the overall perception of the role of organisational members (Lee & Kim, 2023:4) through a set of psychological and cognitive emotions associated with the benefits of the work experience and the provision of positive, collaborative, and personal experiences that allow all employees to contribute to the company.

In the current era of globalisation, companies in East Java are experiencing major changes in the world of work, especially with the influx of employees from Generation Z, a group born between 1997 and 2012, who bring different expectations, preferences, and perspectives to the world of work, compared to previous generations. Generation Z is highly connected to technology, has a different perspective on work and wants a more fulfilling work experience compared to previous generations, such as X and Y who tend to prioritise flexibility, advancement and a supportive work environment. An increasingly important concept when managing a Generation Z workforce is the employee experience. Job satisfaction is when employees feel satisfaction in doing their work, job satisfaction can also be interpreted as a preference or satisfaction with work or a positive experience at work (Idris et al., 2020: 3).Based on the International Islamic University of Malaysia (IIUM) survey (Othman et al., 2020: 1) the number of generation Z employees who are not satisfied with income and working conditions is one of the biggest problems faced by companies. Generation Z employees are looking for the ideal job and salary while demanding rapid advancement, skill development and an enjoyable life outside of work. Looking at the current situation and conditions, companies continue to change and improve employee governance to adapt to current changes, especially those related to HR management. Therefore, companies must pay more attention to the components that can affect the performance of their employees, if employees want to get optimal employee performance in generation Z, a company's success can be influenced by the performance of its employees.

LITERATURE REVIEW

Employee Experience

The world is changing, and many organisations are now focusing on their employees and the journey to provide a great work experience. Many HR professionals have designed the employee experience in the organisation much like creating a customer experience within the organisation. Employee experience is described as 'The set of perceptions an employee has about the workplace experience in response to the employee's interaction with the organisation' (IBM & Globforce 2016 in Darman & Napitupulu 2022:4). Another definition of employee experience is an employee journey that has many milestones and connections, referred to as employee experience. The value of employee experience has a direct impact on employee engagement, satisfaction, commitment, and ultimately employee performance (Plaskoff, 2017 in Jefta & Rudi 2023:6). Another opinion from (Lee & Kim 2023: 4) employee experience is a concept that can be compared to customer experience (CX) which represents user customer experience

(UX). It is defined as emotional and cognitive related to the benefits of a positive work experience and provides support for work experiences with the organisation that are compared during work in the company which includes impressions of experiences with the organisation about the physical environment, cultural environment, and technology.

Job Satisfaction

Job satisfaction is defined as behaving towards various aspects of one's current job. Job satisfaction can be a cognitive, affective, and evaluative attitude resulting from an employee's job experience or assessment. In job satisfaction shows how well the organisation's employees feel about their jobs (Robbins & Judge, 2017 in Wardiansyah et al., 2024: 3). Another definition of Job Satisfaction is an expression of employee satisfaction about how the employee's work can help the organisation, which means that what is obtained at work meets the standards that are considered important. Job satisfaction is considered the result of the employee's experience in relation to his own values and what is expected and desired from his job. Simply put, job satisfaction is the attitude and feedback of employees towards their work (Setiani & Febrian, 2023: 4). Other research from (Hajiali et al., 2022 in Lee & Kim, 2023: 6) individual emotional responses to roles, environment, co-worker relationships, and aspects of work are known as job satisfaction.

Employee Performance

Many studies from various perspectives have been conducted to examine employee performance. One study that aimed to explore the concept of employee performance found that Organisation Citizenship Behaviour, LMX, individual learning, team learning, and innovative behaviour are factors that influence employee performance (Atatsi et al., 2019 in Harlianto & Rudi, 2023: 8).

Another empirical study, shows that management support and job situation affect performance directly and indirectly, but adaptability and enthusiasm affect job performance directly (Diamantidis & Chatzoglou, 2019 in Harlianto & Rudi, 2023:8). Another definition of employee performance can be defined as the work of an individual or group of employees measured according to the standards set by the company (Suratini et al., 2015 in Iskandar & Nur Dwi Jayanto, 2022: 4). Compared to the results of what is done by employees which describes the achievement of employees in their fields.

METHODS

The hypotheses proposed in this study were tested using a quantitative approach, using samples and data of generation Z employees in East Java. The collection method carried out by researchers using the google form platform method, which consists of questions that are in accordance with the needs of researchers, then widely distributed to generation Z employees in companies in East Java. The data was processed using warpPLS 7.0 software and Partial Least Square Structural Equation (PLS-SEM) analysis techniques. The respondents of this study were 207 respondents with the criteria of Generation Z employees who worked in East Java with a range of years 1995 - 2010 and had worked for 6 months.

RESULTS

Data analysis uses the outer model to test validity and reliability to determine that the measurements taken are valid and reliable. To test validity, this study used the output of Combined loadings and cross loadings. In the outer loading value, which is 0.5, it can be considered sufficient so that it fulfils the requirements for convergent validity (Ghozali, 2021: 68-71).

Table 1. Validity And Reliability Test Results

Indicator	Item Code	Question Item	Loading Factor
Physical Environment (PK1)	PK1.1	My company provides a choice of workspaces for employees	0.825
	PK1.2	I feel proud when I invite my family to visit my office	0.809
	PK1.3	I feel proud when I invite friends to visit my office	0.848
	PK1.4	The company I work for provides a flexible work environment.	0.742
Cultural Environment (PK2)	PK2.1	I feel I am treated fairly in the company	0.865
	PK2.2	My company supports cultural diversity.	0.716
	PK2.3	My company pays attention to employees' physical well-being	0.824
	PK2.4	My company pays attention to employees' mental wellbeing.	0.875
	PK2.5	My company pays attention to opportunities for employee development	0.867
	PK2.6	Our company provides resources for employee development	0.838
Technological Environment (PK3)	PK3.1	The technology system in my company is easy to use.	0.887
	PK3.2	The technology system in my company is useful.	0.910
	PK3.3	The company supports employees in using the technology in the company.	0.899
	PK3.4	The technology in my company is continuously improved by considering feedback or suggestions from employees.	0.805
Affective Job Satisfaction	KKA.1	I am satisfied with what I have done while in the company	0.847
	KKA.2	I enjoy my work	0.872
	KKA.3	I feel appreciated for what I do now	0.852
	KKA.4	I feel like continuing what I am doing now at the company	0.871
Performance Attainment Level	KK1	I think my performance is better than my colleagues who have the same qualifications as me	0.898
	KK2	My performance achievement is good	0.920
	KK3	I think my performance is better than other company employees who have the same qualifications as me.	0.885

Source: Data processed with WarpPLS 7.0, 2024

In the table above, are the results of the instrument test on the sample where, in collaboration research, where the sample uses a loading factor value> 0.07. The Employee Experience variable all items are declared valid and reliable with a loading factor value> 0.07 with

Composite Reliability (CR)> 0.7 and Cronbach's alpha (CA)> 0.6. Job Satisfaction variable with all items declared valid and reliable with a loading factor value> 0.7 Composite Reliability (CR)> 0.7 and Cronbach's alpha (CA)> 0.6. Furthermore, the Employee Performance variable with all items declared valid and reliable with a loading factor value> 0.7. The results of the validity and reliability tests above state that all items are valid and reliable, so that further analysis can be carried out.

Discriminat Validity
This study uses discriminant validity to measure the extent to which indicators of a construct in a model are less correlated or different from indicators of other constructs.

Reliability
In reliability testing, it can be seen from Cronbach's alpha (CA) and Composite Reliability (CR). In the WarpPLS application, it can be seen that in the latent variable coefficients view. Variables are considered valid if the CA value is> 0.6 and CR> 0.7. The data processing results of each variable can be seen in the following table:

Table 2. Cronbach's Alpha And Composite Reliability Coefficient

Variabel	Koefisien Cronbach's alpha	Koefisien Composite Reliability	Decision
PK1	0.821	0.882	Reliabel
PK2	0.911	0.931	Reliabel
PK3	0.898	0.930	Reliabel
KKA	0.883	0.920	Reliabel
KK	0.870	0.921	Reliabel

Source: Data processed with WarpPLS 7.0, 2024

The table above shows that the Cronbach's Alpha value is> 0.6 and Composite Reliability .0.8, so it can be concluded that the table above has high reliability.

Inner Model
The inner model is a structural model measurement aimed at understanding how the relationship between latent variables and the research model is as follows:

Table 3. R-SQUARE, VIF, AND Q-SQUARE

	PK1	PK2	PK3	KKA	KK
R-Square				0.660	0.666
Adj. R-Square				0.654	0.665
Full Collin. VIF	2.380	3.574	2.681	4.004	3.278
Q-Square				0.661	0.667

Source: Data processed with WarpPLS 7.0, 2024

R-Square is the value used for how much influence exogenous variables (X) have on endogenous (Y), where R-square with a value of 0.75 is considered a strong model, 0.50 is

considered a moderate model, and 0.25 is considered a weak model (Sugiyono 2019: 85). Employee Performance has an Adjusted R-Square value of 0.665 and an R-Squared of 0.644. So it is explained that all exogenous constructs simultaneously can be said to affect endogenous variables by 66.6% so that where the influence of exogenous constructs on endogenous is said to be moderate.In the full colineary VIF value to check whether there is a collinearity problem, critical may occur if VIF ≤ 5, not critical if VIF = 3-5, there is no problem if with VIF ≤ 3.3 (Solimun et al., 2017).

That the table above shows that all variables show full collineary VIF <3 so that it can show that collinearity in the model does not have a problem. And in the overall Q-Squared value that shows a value> 0 so that where the entire model has good predictive ability.Respondents' responses and the meaning of each variable.

The mean / average of the Employee Experience variable is 4.08, which means that the Employee Experience is high. The largest mean of the PK statement items is 4.32 in statement PK2.2 'My company supports cultural diversity' and the lowest mean value is 3.86 in statement PK1.2 'I feel proud when I invite my family to visit my office' so that it can be seen that the average respondent's response to the variable 4.08 is High.

Job Satisfaction is 4.07, which means that the Affective Job Satisfaction variable is classified as high. The largest mean of the KKA statement items is 4.19 in the KKA.2 statement 'I enjoy my job' and the lowest mean value is 4.02 in the KKA.4 statement 'I feel like continuing what I am currently doing at the company' so it can be seen that the average respondent's response to the variable 4.07 is High. Employee Performance is 3.88, which means that the Employee Performance variable is classified as High.

At the largest Mean of the KK statement item 4.00 in statement KK1.2 'My performance achievement is good' and the lowest Mean value of 3.69 in statement KK1.3 'In my opinion, my performance is better than other company employees who have the same qualifications as me' so that it can be seen that the average respondent's response to the Employee Experience variable of 3.88 is classified as High.

Hypothesis Testing

Hypothesis testing can be said that it is accepted if it meets the requirements, namely with a p value <0.05. With the hypothesis test can be seen from the table below as follows:

Table 4. Hypothesis Testing

Hypothesis	Description	Coefficient (β)	P Value	Hypothesis Test Conclusion
H1	PK1 → KKA → KK	0,233	<0,001	H1 diterima
H2	PK2 → KKA → KK	0,460	<0,001	H2 diterima
H3	PK3 → KKA → KK	0,198	0,002	H3 diterima

Source: Data processed with WarpPLS 7.0, 2024

From the results of data processing, it shows that the overall hypothesis is stated to have a positive and significant effect, because the overall P Value <0.001 which indicates that there is mediation provided by Job Satisfaction, so it is said to be mediated by Job Satisfaction because without being mediated it still shows significant results. In testing the hypothesis results are carried out as follows:

Figure 1. Model of Hypothesis Test Results Model of Hypothesis Test Results
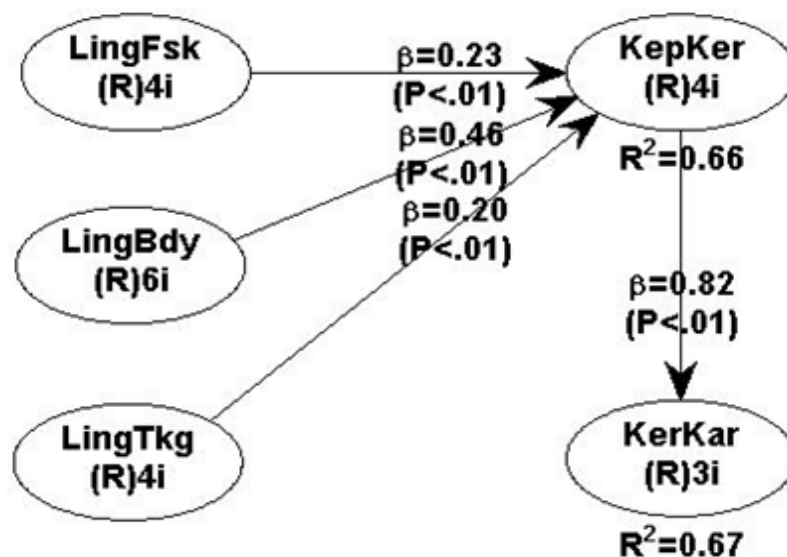
Source: data processed by WarpPLS 7.0, 2024

DISCUSSION

The Physical Environment Has A Positive And Significant Effect On Employee Performance Through The Mediation Of Job Satisfaction Of Generation Z Employees At Companies In East Java.

The results of hypothesis testing show that the coefficient value of the physical environment on employee performance through job satisfaction has a value of 0.233 which is positive, and at a p-value <0.001 which means a significant effect of the physical environment on employee performance through mediation of job satisfaction. So it can be concluded that the physical environment has a positive and significant effect on employee performance through the mediation of job satisfaction, which means that the higher the physical environment in the organisation, the higher the employee performance.

Cultural Environment Has A Positive And Significant Effect On Employee Performance Through Mediation Of Job Satisfaction Of Generation Z Employees At Companies In East Java

The results of hypothesis testing show that the coefficient value of the cultural environment on employee performance through mediation of job satisfaction has a value of 0.460 which is positive, and the p-value <0.001 which means that the cultural environment has a significant effect on employee performance through mediation of job satisfaction. So it can be concluded that the cultural environment has a positive and significant effect on employee performance through the mediation of job satisfaction, which means that the higher the cultural environment in the organisation, the higher the employee performance.

Technological Environment Has A Positive And Significant Effect On Employee Performance Through Mediation Of Job Satisfaction Of Generation Z Employees At Companies In East Java

The results above hypothesis testing show that the coefficient value of the technological environment on employee performance through mediation of job satisfaction has a value of 0.198 which is positive, and at a p-value <0.001 which means a significant effect of the technological environment on employee performance through mediation of job satisfaction. So it is concluded that the technological environment on employee performance through mediation

of job satisfaction, which means that the higher the technological environment in the organisation, it will also improve employee performance.

CONCLUSION AND LIMITATION

Based on the results of the objectives and analysis, it can be concluded that H1 Accepted, Physical Environment has a positive and significant effect on Employee Performance through mediation of Job Satisfaction, the higher the physical environment, the higher the employee performance. H2 Accepted, Cultural Environment has a positive and significant effect on Employee Performance through mediation of Job Satisfaction, the higher the cultural environment, the higher the employee performance. H3 Accepted, Technological Environment has a positive and significant effect on Employee Performance through mediation of Job Satisfaction and the higher the technological environment, the higher the employee performance.The implications of this study indicate that companies must pay attention to and improve employee experience factors to achieve the best performance.

Therefore, companies in East Java are advised to improve in the work environment, organisational culture, and technology to increase employee satisfaction and performance of generation Z employees. This research is expected to be a reference for further research and human resource management practices.

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