

## The Effect of Conflict Management, Work Motivation and Work Environment on the Performance of AO Mekaar PT Permodalan Nasional Madani Karo Area with Job Satisfaction as an Intervening Variable

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### ABSTRACT

The purpose of this study is to determine whether conflict management has a significant effect on job satisfaction, work motivation has a significant effect on job satisfaction, work environment has a significant effect on job satisfaction, job satisfaction has a significant effect on the performance, conflict management has a significant effect on the performance, work motivation has a significant effect on the performance, work environment has a significant effect on the performance, conflict management has a significant effect on the performance through job satisfaction, work motivation has a significant effect on the performance through job satisfaction, work environment has a significant effect on the performance through job satisfaction. This research uses a quantitative method with a comparative causal research type. The unit of analysis is the Account Officer (AO) Mekaar Karo Area. The population of this study was 99 Mekaar Area Karo Account Officers (AO), the entire population was taken as a sample. Data collection was carried out by distributing questionnaires to all respondents and measured using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree)

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## **INTRODUCTION**

Companies, including financial services companies, really need human resource management. One of the important things to focus on in human resources is improving employee performance because with an increase in employee performance, the company can grow. But then the problem that arises regarding the performance of these employees is how companies can improve the performance of their employees because employee performance sometimes fluctuates. Employee performance is often described as the results of achievements that employees have achieved based on the targets set by the company. If the employee concerned is able to achieve the target he is carrying out, the company considers the employee to have good performance. Conversely, if the employee is unable to achieve the target he is carrying out then the employee is considered to have less good performance. There are so many factors that can affect employee performance in a company. This factor can hinder and can encourage employee performance in a company. Personal factors (capacities and competencies, origins, and socioeconomic status), psychological variables (thought, mindset, character, education, and drive), and organizational variables (assets, leadership, benefits, framework, working conditions, and conflict management) are the elements that influence employee performance within a company, according to Mangkunegara (2017). Generally speaking, both internal and external factors influence how well a company's personnel perform. These internal factors can be related to a person's nature or self such as motivation, perception and attitude). Meanwhile, external factors include the work environment. things related to coworkers, executives or employees, workspaces, and the culture of the company. Meanwhile, Mathis & Jackson (2001) state that the following elements can influence employee performance: their connection with the company, the nature of their work, the support they receive, ability factors, incentive factors, and conflict variables (conflict management). From some of the experts' explanations above, several conclusions can be drawn about the factors that affect employee performance, including: conflict management, work motivation and work environment. These three factors affect employee performance but the effect is not direct. These factors first affect employee job satisfaction and then affect employee performance. This is because employee performance is closely related to job satisfaction. A person's job satisfaction is largely influenced by several factors, among others: psychological factors (interest, peace of mind at work, attitude towards work, self-motivation, talent and skills), social factors (social interaction including conflict management), physical factors (work environment, physical condition of employees, type of work, work time arrangements, etc.), financial factors (salary, social security, benefits and so on) and quality supervision factors. (Sinambela, 2016)

Just like PNM in Indonesia, Mekaar Karo Area also has credit products aimed primarily at Micro, Small and Medium Enterprises (MSMEs). One of these credit products is Mekaar. To market this Mekaar product, Mekaar Area Karo requires a workforce called an Account Officer (AO). As of July 2024, for the Karo Area alone, there were a total of 99 AOs in charge of marketing Mekaar products. The total target during July 2024 for PNM Karo Area was 1380 customers.

However, the number of customers who were successfully realized was only 784 people or only reached 56.81% of the target set. This realization is quite disappointing

Table 1. Realization of the Target Number of Mekaar Customers PNM  
 Karo Area During July 2024

Unit	Number of Account Officers Mekaar (Person)	Total Accumulated Target Amount Customers (People)	Customer Target Realization (People)	Achievement (%)
Barusjahe	11	150	112	74,67
Berastagi	15	210	100	47,62
Kabanjahe	15	210	116	55,24
Salak	9	120	55	45,83
Sidikalang	15	210	130	61,91
Sumbul	18	255	148	58,04
Tigapanah-Brand	16	225	123	54,67
Total	99	1380	784	56,81

From interviews with a number of Mekaar Area Karo AOs, they considered themselves to lack work motivation, which affected the performance of these AOs. In addition to work motivation, conflict management is a problem in Mekaar Area Karo, not a few employees have resigned from Mekaar Area Karo after conflicts with other employees. Another thing that is a problem in Mekaar Area Karo is the work environment, some AOs consider other things such as the work environment to be inadequate, especially in unit areas that are far from the area office. In theory, according to Pawirosumarto (2017: 519), employee job happiness is positively and significantly impacted by the workplace. He asserts that a safe, comfortable, and healthy work environment is necessary for people to perform their jobs as efficiently, effectively, and well as possible. From this, it is evident that job satisfaction is impacted by dispute resolution, employee motivation, and workplace culture of AO Mekaar Karo Area. In theory, job satisfaction affects employee performance. Indirectly through job satisfaction that is influenced by these three factors, employee performance is also influenced. In Mekaar Karo Area, conflict management, work motivation and work environment affect AO satisfaction and employee satisfaction in theory affects performance.

## LITERATURE REVIEW

### Employee Performance

Performance, as defined by Khaeruman et al. (2021: 8), is the accomplishment of work outcomes or work performance of objectives that an employee or employees must meet within a specific time frame in line with their individual roles and functions. Performance, defined by Hasibuan (2014), is the outcome of an individual's efforts in completing the duties that are given to him, which are completed with expertise, skill, seriousness, and time. Riani (2011: 139), on the other hand, defines performance as the high caliber of work that an employee or employees accomplish while performing their duties in compliance with their assigned obligations. According to Mangkunegara (2017), performance is the sum of the quality and quantity of work outputs (output) that employees accomplish over a period of time (often per hour) while performing their activities in line with their obligations.

According to Hasibuan (2014), the performance of an employee can be said to be good or can be assessed from several things, among others:

1. Loyalty is the determination and ability of employees / employees to obey, implement and practice something that has been determined with full awareness and responsibility. So an employee / employee is said to have loyalty if he does his job seriously and is full of responsibility for the mandate given by the organization.
2. Work achievement is the amount of effort that employees put forth in completing the duties that have been delegated to them. Generally speaking, an employee's ability to accomplish their job is impacted by their experience, abilities, and talents in performing their duties and responsibilities.
3. Creativity, namely the ability of employees / employees to develop creativity and unleash their potential in completing their work so that work is more efficient and effective.
4. Cooperation which is measured by the willingness of employees / employees to participate and cooperate with other employees / employees so that the results of their work will be better.
5. Proficiency, namely the ability of employees / employees to complete the work that has been assigned to them, is also a benchmark in improving performance.
6. Responsibility is the ability of an employee / employee to complete the work assigned to him as well as possible and on time and be brave in being responsible for his work and work results.

Rivai (2013: 5) states that the conditions contained in the performance appraisal include:

1. Input (potential). In order for the performance appraisal to be unbiased and can achieve the goals as desired by the company, it is necessary to determine, agree and know the factors that will be assessed or evaluated in advance so that employees are more motivated.
2. Process (implementation). In the implementation phase, a process of consultation with as many individuals and groups as possible should be

undertaken, to ensure that all aspects of the performance appraisal system can be linked together from a practical point of view.

3. Output (results) are the output. The assessment's findings, including its advantages, risk impact, and recommendations for follow-up, must be made clear. Furthermore, it's important to determine whether the assessment's findings have improved employee job satisfaction, work ethic, motivation, and quality..

In general, the benefit of performance appraisal for all parties is that they know the benefits they can expect. Rivai (2013: 5) suggests interested parties in performance appraisal, among others:

1. Benefits to the person being appraised (employee). For the employee being assessed, the benefits of performance appraisal include:
  - a. Increase motivation
  - b. Clarity on the standard of results expected of them.
  - c. Knowledge of employee strengths and weaknesses.
2. Benefits to the Appraiser (supervisor or manager). For the appraiser, the benefits of conducting a performance appraisal include:
  - a. Opportunity to measure and identify employee performance for further management improvement.
  - b. Increase job satisfaction of both managers and employees.
3. Benefits for the company, the benefits of appraisal include:
  - a. Increase overall employee motivation.
  - b. Improving the employee's view of duty

Performance Indicators according to Robert L. Mathis and John H. Jackson (2006: 378) are as follows:

1. Quantity is the sum produced in terms like the amount of activities cycles completed. The quantity measured from employees is the amount of work completed.
2. Quality i.e. adherence to procedures, discipline, dedication. the extent to which the work's outcomes fulfill the activity's anticipated goals. Employees' quality jobs is evaluated based on the caliber of the job they create and the degree of completion of the work using their skills and talents.
3. Cooperation, namely the ability of an employee/employee to work together with other employees/employees in completing the work that has been determined so as to achieve maximum efficiency and results.

### **Job Satisfaction**

Sunyoto (2012: 201) defines job satisfaction as a worker's emotional state, whether positive or negative, regarding their employment. According to Mangkunegara (2017), job satisfaction is a sentiment that either supports or undermines an employee's sense of self in relation to their work and circumstances. When work requirements and employee self-needs are mutually beneficial, job happiness will be fulfilled in harmony. According to Wijono (2015: 120), each person's assessment of a positive and enjoyable work or experience determines their level of job satisfaction. Employees' assessments of their work expertise reveal whether they are content or dissatisfied with their jobs. Job

satisfaction, on the other hand, is defined by Sutrisno (2016: 74) as a worker's perspective regarding work in relation to work settings, employee collaboration, rewards earned at work, and issues pertaining to physical and psychological elements. Employee performance and productivity are at their highest when their demands are met, which leads to a greater and greater accomplishment of company objectives.

According to Mangkunegara (2017), there are three ways to measure job satisfaction, including:

1. Measuring Job Satisfaction with the Position Index Scale. Measurement with the position index scale has five scales for measuring employee attitudes, namely: job, coworkers, a raise, compensation, and supervision. Every question has to be replied with the choice to mark it as yes, no, or neither.
2. Facial expressions are used for assessing job satisfaction. Images of the faces of individuals with extremely happy, pleased unfavorable glum, and very gloomy emotions are used to estimate job satisfaction according to facial expressions. Employees will be asked to choose a facial expression that matches their current job conditions.
3. Using the Minnesota Questionnaire to gauge job satisfaction. The Minnesota questionnaire is used to gauge job satisfaction using the following categories: extremely unhappy, unhappy, neutral, pleasant, and very gratifying. Workers are invited to select alternate responses based on their work environment.

According to Hasibuan (2014), it is explained that there is no absolute benchmark for the level of job satisfaction because each individual employee has different standards of satisfaction. According to him, there are 3 indicators of job satisfaction, among others:

1. The state of discipline is established and shaped by a sequence of actions that demonstrate the virtues of loyalty, conformity obedient behavior and discipline.
2. An internal consensus that emerges among an individual or group of individuals to accomplish certain objectives in compliance with set quality requirements is known as work morale.
3. Turnover, namely the flow of employee turnover or the entry and exit of employees in an company that can affect the performance of an organization.

According to Afandi (2018: 82), there are 5 indicators about job satisfaction:

1. Work: the nature of one's labor, including any aspects that are fulfilling.
2. Wages: The amount of money an individual is paid for doing labor that is reasonable and in line with accepted demands.
3. Promotion: the potential for growth via promotion.
4. A supervisor is someone who continuously issues directives or instructions for carrying out tasks.
5. Coworkers: colleagues who support one another in completing tasks.

Mangkunegara (2017) said that there are two factors that influence job satisfaction:

1. IQ, special cognitive ability, marital status, medical history, education, job expertise, tenure, temperament, feelings, perception, method of thinking, and work attitude are all examples of employee factors.
2. Factors related to the job, such as the nature of the work, organizational structure, position, rank (class), level of supervision, financial stability, prospects for advancement, social contact, and professional relationships.

### **Conflict Management**

Conflict management, as defined by Wirawan (2010), is the process by the sides to a dispute or other parties develop and put into practice conflict management methods in order to regulate the conflict and achieve the intended resolution. In order to increase individual performance and efficiency within the organization, leaders use conflict management techniques to incite, lessen, and resolve conflict. To put it another way, a dispute's participants and external parties engage in a number of behaviors and acts that make up conflict management. Therefore, conflict management is a strategy that may be applied by the parties to the conflict or by a third party to resolve disagreements between two or more individuals or organizations in order to get insight into the issue. In contrast, conflict management is a procedure by which parties to a dispute or a third party create and carry out a conflict plan in order to manage the dispute and achieve the intended outcome (Wirawan, 2010). In essence, conflict management is a strategy used by leaders to incite, lessen, and resolve disputes in order to enhance individual performance and organization productivity.

According to Wirawan (2010), conflicts are classified into several types, among others:

1. Conflict within the individual. This conflict occurs when an individual is uncertain about what work he or she is expected to do, when certain demands of the job clash with other demands, or when the individual is required to do things that are beyond his or her capabilities.
2. Conflict between individuals within the same organization. These conflicts occur because of differences in personality. Often such conflicts arise from role-related pressures or from the way people personalize conflicts between groups.
3. Conflict between individuals and groups. Conflict between individuals and groups is often related to the way individuals deal with pressures to conform, which are emphasized to them by their work group.
4. Groups from the same organization clash with one another. This type of conflict is common in organizations because every group has distinct interests and objectives, and even though they may conflict with one another, each group wants all of its objectives and interests to be fully met.
5. Economics of inter-organizational conflict. As a result of this conflict, new goods, services, and technology are created, costs are reduced, and resources are used more effectively.

According to Wirawan (2010), there are several indicators of conflict management, among others:

1. restricted resources. Every business or organization needs a certain amount of resources.
2. Structure of Organization. The division of work in the administrative structure of labor specialty in its application is one of the reasons for conflict within the company.
3. Interaction, Conflict-causing communication elements include the use of terminology that is not comprehended by the people involved and information which is not publicly available.
4. individual variations, Education, cultural backgrounds, social environment, race, and other factors all influence individual variances.

### **Work Motivation**

People act for one purpose, which is to accomplish their goals. Motivation is the drive that drives an individual to take action (Emron, 2010: 115). Therefore, motivation is a personality trait that motivates people to engage in specific behaviors in order to accomplish their goals. According to Nawawi (2003: 8), motivation is a state that propels or induces an individual to engage in a conscious action or activity. However, according to Daft (2010: 139), work motivation is an impulse that can originate in or out of an individual and inspires zeal and tenacity in order to accomplish a goal. According to Robbins (1996: 217), motivation is the readiness to put out significant effort in pursuit of organizational objectives that are synchronized with the capacity to satisfy personal needs. According to Mangkunegara (2017), motivation is a powerful factor that stimulates, guides, and sustains behavior associated with the surroundings. According to Kreitner and Kinicki (2001: 981), motivation is an emotional response that awakens and guides behavior toward the accomplishment of objectives.

According to Hasibuan (2014), the purpose of motivation is as follows:

1. Increase job satisfaction and staff morale.
2. Boost worker productivity.
3. Keep the personnel of the company stable.
4. Boost the discipline of your staff.
5. Simplify the hiring process.
6. Establish a positive working environment and rapport.
7. Boost involvement, loyalty, and inventiveness
8. Raise the standard of employee welfare.
9. Greater accountability for their work.
10. Boost productivity when using equipment and supplies.

According to Hasibuan (2014): The types of motivation that are generally given to an individual within the scope of the company are as follows:

1. Positive motivation (positive incentives). Positive motivation can be done by giving rewards to those who perform above standard performance.
2. Negative motivation (negative incentives). In this negative motivation, it can be done by being guided by standards. Later employees who do not pass this standard will be punished.

Indicators of work motivation according to Siagian (2015: 242) include the following:

1. Self-Direction. A person will feel honored if he is appreciated by others in his work environment. This situation will support the person to work better.
2. Power. A person will be motivated if he is given power and authority over his work completely without coercion from other parties as long as the work done does not deviate from company goals.

Job Security Needs. The need to get guarantees and a sense of security apart from physical danger and free from the fear of losing their jobs and getting threats for their future.

The dimensions or indicators of work motivation are as follows:

1. Salary. Salary is an important aspect of meeting the needs of yourself and your family.
2. Supervision. Smooth supervision will support increased worker productivity through good work management.
3. Working relationship. The achievement of good relations, full of kinship and mutual assistance between fellow employees or between employees and superiors.
4. Success (achievement). Working conditions that are peaceful, safe and calm and supported by adequate facilities will certainly make employees feel at home to work.
5. Responsibility. Responsibility is the obligation of an individual to carry out assigned functions.

### **Work Environment**

According to Afandi (2018: 66), the work environment is everything that surrounds staff and can influence their job satisfaction in executing their duties in order to achieve the best possible outcomes at work. The work environment includes facilities that assist employees in finishing the tasks that are assigned to them in order to boost employee work in the workplace. According to Nitisemito (2018: 183), the work environment encompasses everything that surrounds an employee and may influence his ability to do the activities that have been delegated to him, including things like music and cleanliness.

Mahadika (2019: 4) outlines the following as markers of the workplace:

1. The actual workplace. The physical surroundings of the workplace that have the potential to impact workers are collectively referred to as the physical work environment. The following are some of the physical characteristics of an ideal workplace:
  - Details
  - The temperature
  - Noise in the Air
  - Workplace smells
  - Security of employment
2. Non-physical work environment, specifically an enjoyable one in the sense of fostering cordial working relationships between superiors and employees, as, at their core, people find fulfillment in their work and are

not just searching for financial gain. Included in the non-physical work environment are:

- Employee relationships
- Relationship with seniors

Sedarmayati (2009: 30) explains that the employee work environment has several indicators, namely:

1. Safe, a safe work environment will make working conditions comfortable from all forms of disturbance.
2. A proper place, meaning that if the workplace is too narrow, the hot temperature will make employees not concentrate on doing their activities so that work becomes ineffective.
3. People in the work environment, meaning attention, attitude, friendliness, care between employees is very important because it is the main point that will make employees active to work.

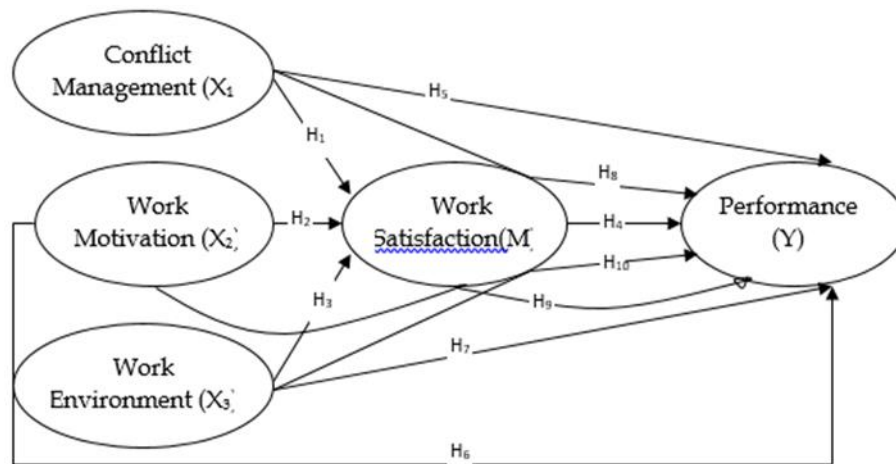


Figure 1. Conceptual Framework

### Hypothesis

1. H<sub>1</sub> : Conflict management has a significant effect on job satisfaction of AO Mekaar Karo Area.
2. H<sub>2</sub> : Work motivation has a significant effect on job satisfaction of AO Mekaar Karo Area.
3. H<sub>3</sub> : The work environment has a significant effect on job satisfaction of AO Mekaar Karo Area.
4. H<sub>4</sub> : Job satisfaction has a significant effect on the performance of AO Mekaar Karo Area.
5. H<sub>5</sub> : Conflict management has a significant effect on the performance of AO Mekaar Karo Area.
6. H<sub>6</sub> : Work motivation has a significant effect on the performance of AO Mekaar Karo Area.
7. H<sub>7</sub> : The work environment has a significant effect on the performance of AO Mekaar Karo Area.
8. H<sub>8</sub> : Conflict management has a significant effect on the performance of AO Mekaar Karo Area through job satisfaction as an intervening factor.

9. H9 : Work motivation has a significant effect on the performance of AO Mekaar Karo Area through job satisfaction as an intervening factor.
10. H10 : The work environment has a significant effect on the performance of AO Mekaar Karo Area through job satisfaction as an intervening factor.

## **METHODOLOGY**

The writers of this study took a quantitative method. The quantitative approach, according to Sugiono (2022: 16), is study grounded in the positivist ideology that looks at particular populations or samples, uses instruments for data collecting, and analyzes statistical data. This research is a type of comparative causal research. According to Kerlinger (1986), causal comparative research, also referred to as ex-post facto research, is a methodical empirical study in which researchers are unable to directly influence independent variables because their presence already took place or because they are essentially unmanageable. The majority of them are AOs who work in the Karo Regency area. According to Sugiyono (2018), a sample can also be interpreted as a subgroup of the existing population, in other words, several members of the population will form a sample. This sample will later be used as the main respondent in the study. A sample return method known as census or total sampling involves sampling each individual of the population. In order to sample each segment of the population as participants in research or information respondents, censuses should be used for research with populations under 100. Data gathered directly from field research is referred to as primary data. The primary data used in this study comes from questionnaires that research participants completed or from summaries of those questionnaires. Secondary data is additional data that is not the main source in research. Secondary data in this study are in the form of company documents such as company profiles, number of employees and so on in addition to data obtained from the results of filling out questionnaires. The data collection technique in this study used a questionnaire or questionnaire. One way to convert closed questionnaire answers into numbers is by using a Likert scale. Sugiyono (2013) claims that the Likert scale is utilized to gauge an individual's attitudes, beliefs, and perceptions or group about social phenomena. The Likert scale was used in this study to convert the answers to the closed questionnaire into numbers. The determination of the Likert scale in this study uses a scale of 1 (strongly disagree) to 5 (strongly agree). Processing of questionnaire data using SEM-PLS with the help of SmartPLS software.

Table 2. Research Object

Criteria	Description	Total	
Age	<21 years old	39	39%
	22- 27 years old	54	55%
	28 - 33 years	4	4%
	34 - 40 years	1	1%
	> 41 years	1	1%
	Total	99	100%
Education	SMA/SMK	85	86%
	D3	2	2%
	S1	11	11%
	S2	1	1%
	Total	99	100%
Length of Service	< 1 year	39	39%
	1 - 3 years	42	42%
	4 - 6 years	16	16%
	7 - 9 years	2	2%
	Total	99	100%

## RESULTS

### Convergent Validity

According to Hair et al. (2021), convergent validity can be seen from the outer loading value. Indicators are said to be valid if they have an outer loading value above 0.70

Table 3. Outer Loading

	Job Satisfaction	Employee Performance	Work Environment	Conflict Management	Work Motivation
m1	0,892				
m10	0,903				
m2	0,819				
m3	0,888				
m4	0,818				
m5	0,802				
m6	0,771				
m7	0,890				
m8	0,889				
m9	0,893				
x1.1				0,846	
x1.2				0,829	
x1.3				0,823	

x1.4				0,819	
x1.5				0,873	
x1.6				0,820	
x1.7				0,814	
x1.8				0,797	
x2.1					0,743
x2.2					0,792
x2.3					0,763
x2.4					0,809
x2.5					0,877
x2.6					0,872
x2.7					0,868
x2.8					0,865
x3.1			0,882		
x3.10			0,822		
x3.2			0,884		
x3.3			0,837		
x3.4			0,858		
x3.5			0,887		
x3.6			0,823		
x3.7			0,805		
x3.8			0,844		
x3.9			0,715		
y1		0,896			
y2		0,893			
y3		0,919			
y4		0,931			
y5		0,902			
y6		0,870			

All indicators on the Conflict Management, Work Motivation, Work Environment, Job Satisfaction, and Employee Performance variables have an outer loading value above 0.70. Thus, all indicators have met the criteria

**Discriminant Validity**

Discriminant validity was tested using the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT)

Table 4. Fornell Larcker Criterion

	Job Satisfact ion	Employee Performance	Work Environm ent	Conflict Manageme nt	Work Motivati on
Job Satisfaction	0,958				
Employee Performance	0,918	0,922			
Work Environmen t	0,917	0,853	0,937		
Conflict Managemen t	0,836	0,821	0,889	0,928	
Work Motivation	0,912	0,886	0,919	0,900	0,925

Based on the Fornell-Larcker Criterion, the AVE square root value for each construct is higher than its correlation with other constructs, thus meeting the discriminant validity criteria.

Table 5. Heterotrait-Monotrait Ratio

	Job Satisfacti on	Employee Performance	Work Environme nt	Conflict Management	Work Motivatio n
Job Satisfaction					
Employee Performance	0,837				
Work Environment	0,841	0,833			
Conflict Management	0,783	0,764	0,946		
Work Motivation	0,811	0,817	0,826	0,829	

Overall, the discriminant validity of this model is quite good, as the majority of HTMT values are below 0.90. However, there are indications of a lack of discrimination between the Work Environment and Conflict Management variables, meaning that respondents in this study may perceive that the problems in their work environment are closely related to the conflicts that occur, so these two variables are perceptually not too different.

### Construct Reliability and Validity

Construct reliability is seen from the Cronbach's Alpha, Composite Reliability and AVE values. Hair et al. (2021) suggest a minimum limit of 0.70 for Cronbach's Alpha, Composite Reliability and a minimum of 0.50 for AVE.

Table 6. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Job Satisfaction	0,960	0,962	0,965	0,736
Employee Performance	0,954	0,955	0,963	0,814
Work Environment	0,952	0,955	0,959	0,701
Conflict Management	0,934	0,936	0,946	0,686
Work Motivation	0,932	0,936	0,944	0,681

All of these values meet the construct reliability requirements because the Cronbach's Alpha, Composite Reliability values are above 0.7 and AVE is above 0.5.

### R-Square

The coefficient of determination ( $R^2$ ) is used to measure the influence of exogenous variables on endogenous variables

Table 7. R-Square

	R Square	R Square Adjusted
Job Satisfaction	0,869	0,864
Employee Performance	0,896	0,891

The  $R^2$  results show that, Job Satisfaction has an  $R^2$  of 0.869, meaning that 86.9% of the variation in Job Satisfaction is explained by Conflict Management, Work Motivation, and Work Environment. Employee Performance has an  $R^2$  of 0.896, meaning that 89.6% of the variation in Employee Performance is explained by Job Satisfaction, Conflict Management, Work Motivation, and Work Environment. Based on Hair et al. (2021), an  $R^2$  value of 0.75 or more indicates a substantial level of accuracy.

### F-Square

The  $f^2$  value shows the amount of contribution of each variable to the endogenous variable.

Table 8. F-Square

	Job Satisfaction	Employee Performance	Work Environment	Conflict Management	Work Motivation
Job Satisfaction		0,154			
Employee Performance					
Work Environment	0,271	0,236			
Conflict Management	0,006	0,033			
Work Motivation	0,190	0,114			

Work Environment makes a large contribution to Job Satisfaction ( $f^2 = 0.271$ ) and Employee Performance ( $f^2 = 0.236$ ). Work Motivation contributed moderately to Job Satisfaction ( $f^2 = 0.190$ ) and little to Employee Performance ( $f^2 = 0.114$ ). Conflict Management showed a small contribution ( $f^2 < 0.02$ ) to both Job Satisfaction and Employee Performance.

### Q-Square

Table 9. Q-Square

	SSO	SSE	$Q^2 (=1 - SSE/SSO)$
Job Satisfaction	990,000	356,375	0,640
Employee Performance	594,000	163,870	0,724
Work Environment	990,000	380,519	0,616
Conflict Management	792,000	349,694	0,558
Work Motivation	792,000	355,196	0,552

Based on the  $Q^2$  value, all endogenous variables (Job Satisfaction and Employee Performance) have  $Q^2$  above 0.35. According to Hair et al. (2021),  $Q^2$  above 0.35 indicates great predictive relevance.

## Hypothesis Test

Table 10. Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Employee Engagement -> Employee Performance	0,561	0,579	0,094	5,956	0,000
Job Appreciation -> Employee Performance	0,207	0,217	0,121	3,713	0,015
Rewards -> Employee Engagement	0,580	0,585	0,107	5,426	0,000
Performance Measurement System -> Employee Performance	0,326	0,321	0,095	3,427	0,001
Performance Measurement System -> Employee Engagement	0,228	0,230	0,099	2,300	0,023
Rewards -> Employee Engagement -> Employee Performance	0,326	0,337	0,077	4,238	0,000
Performance Measurement System -> Employee Engagement -> Employee Performance	0,128	0,134	0,065	1,983	0,049

## DISCUSSION

### The Effect of Conflict Management on Job Satisfaction

The results showed that conflict management had no significant effect on job satisfaction. The path coefficient of -0.070 with a p value of 0.426 ( $> 0.05$ ) indicates that conflict management that occurs in the work environment is unable to increase or decrease the level of job satisfaction of AO Mekaar PT Permodalan Nasional Madani Karo Area. Not all conflicts have a direct impact on perceived satisfaction if the conflict that arises is not constructive or not managed effectively. (H1 is rejected)

### The Effect of Work Motivation on Job Satisfaction

Work motivation is proven to have a positive and significant effect on job satisfaction with a coefficient of 0.475 and a p-value of 0.000 ( $< 0.05$ ). This means that the higher the motivation of employees, the level of job satisfaction will also increase. Intrinsic and extrinsic motivation are important factors in building job satisfaction. (H2 is accepted)

### The Effect of Work Environment on Job Satisfaction

The work environment has a significant positive effect on job satisfaction with a coefficient of 0.539 and a p-value of 0.000. This shows that the better the perceived work environment conditions, the higher the level of job satisfaction.

Physical and social factors in the workplace play an important role in increasing employee comfort and satisfaction. (H3 accepted)

#### **The Effect of Job Satisfaction on Employee Performance**

Job satisfaction has a significant positive effect on employee performance, with a coefficient of 0.350 and a p-value of 0.005. This shows that employees who are satisfied with their jobs tend to perform better. A high level of satisfaction increases employee loyalty, commitment, and performance. (H4 accepted)

#### **The Effect of Conflict Management on Employee Performance**

The effect of conflict management on employee performance is also insignificant, with a coefficient of -0.142 and a p-value of 0.190. This means that the ability to manage conflict does not necessarily affect the work performance of Mekaar AOs directly. Conflicts that are not constructive or oriented towards solving organizational goals tend not to contribute to improving performance. (H5 is accepted)

#### **Effect of Work Motivation on Employee Performance**

Work motivation has a significant positive effect on employee performance with a coefficient of 0.345 and a p-value of 0.009. The higher the work motivation, the higher the performance achieved by employees. Motivation is the main driver to achieve work targets and encourage productivity. (H6 accepted)

#### **Effect of Work Environment on Employee Performance**

The work environment also shows a positive and significant influence on employee performance with a coefficient of 0.505 and a p-value of 0.000. A comfortable, conducive, and supportive work environment is able to increase the effectiveness of Mekaar AO work. The quality of the work environment is directly proportional to the increase in productivity and quality of work results. (H7 is accepted)

#### **Mediation of Job Satisfaction on the Relationship between Conflict Management and Employee Performance**

Testing the relationship between Conflict Management through Job Satisfaction on Employee Performance produces a coefficient value of -0.025 with a p-value of 0.405 ( $> 0.05$ ). This shows that Job Satisfaction does not act as a mediator in the relationship between Conflict Management and Employee Performance. Thus, either directly or indirectly, conflict management in the organization does not make a significant contribution to changes in employee performance. (H8 is rejected). Conflicts that are not managed positively do not result in changes in employee perceptions or behavior towards their work tasks and results.

#### **Mediation of Job Satisfaction on the Relationship between Work Motivation and Employee Performance**

Job Satisfaction is proven to significantly mediate the relationship between Work Motivation and Employee Performance with a coefficient value of 0.166 and a p-value of 0.027 ( $< 0.05$ ). This means that increasing employee work motivation will increase job satisfaction, and increasing job satisfaction has an impact on improving employee performance. High motivation encourages satisfaction in carrying out tasks, which in turn results in better performance.

### **Mediation of Job Satisfaction on the Relationship between Work Environment and Employee Performance**

The test results show that Job Satisfaction significantly mediates the relationship between Work Environment and Employee Performance with a coefficient value of 0.189 and a p-value of 0.021 (<0.05). This means that a good work environment not only improves employee performance directly, but also improves performance through increased job satisfaction. A supportive work environment will improve employees' perceptions of their work (job satisfaction), which in turn contributes to achieving more optimal performance.

### **CONCLUSIONS**

#### **No Matter How Well Managed Conflict Management has No Effect on Job Satisfaction**

Conflict management has no significant effect on job satisfaction. This shows that although conflicts occur in the implementation of tasks in the field, Mekaar AOs tend to resolve differences directly without changing their perception of satisfaction at work. This real condition can be seen from the strong solidarity of the field team that prioritizes target achievement and service to customers rather than prolonging conflict.

#### **The Higher the Work Motivation, the Higher the Job Satisfaction**

Work motivation has a positive and significant effect on job satisfaction. Mekaar AOs who have high motivation, both in the form of encouragement to meet performance targets and encouragement to achieve incentives and career development, show higher levels of job satisfaction. It can be seen in the field that AOs who are eager to complete their responsibilities tend to be more satisfied with their work.

#### **The Better the Work Environment, the Higher the Job Satisfaction**

The work environment has a positive and significant effect on job satisfaction. Mekaar AOs who work in a supportive environment, both in the form of work facilities and harmonious relationships between individuals, feel more comfortable and satisfied with their work. Conditions in the field show that AOs who feel supported by coworkers and superiors are able to maintain a high level of job satisfaction.

#### **The Higher the Job Satisfaction, the Higher the Employee Performance**

Job satisfaction has a positive and significant effect on employee performance. Mekaar AOs who are satisfied with their jobs show higher dedication in providing services to customers and achieving work targets. In the field, AOs who are satisfied with their jobs are able to maintain commitment and loyalty to the company.

#### **No Matter How Well Managed, Conflict Management has no Effect on Employee Performance**

Conflict management has no significant effect on employee performance. Conflicts that arise in the field are not strong enough to affect the productivity level of Mekaar AOs. Employees focus more on achieving work targets and completing tasks rather than maintaining conflict, so performance is maintained despite internal dynamics.

### **The Higher the Work Motivation, the Higher the Employee Performance**

Work motivation has a positive and significant effect on employee performance. Mekaar AOs with high motivation are able to show optimal performance in achieving targets, serving customers, and completing work administration. This is reflected in the work enthusiasm and diligence of AOs in the field in meeting the performance indicators set by the company.

### **The Better the Work Environment the Higher the Employee Performance**

The work environment has a positive and significant effect on employee performance. Comfortable, safe, and supportive working conditions increase AO morale in carrying out their duties. AOs who feel they are in a conducive environment show higher work productivity, strong team cohesiveness, and enthusiasm in achieving organizational targets.

### **Job Satisfaction Does Not Play a Role in Mediating Conflict Management on Employee Performance**

Job satisfaction does not act as a mediator in the relationship between conflict management and employee performance. The results show that conflicts that occur in the work environment of AO Mekaar, although present, do not have a significant effect on either the level of job satisfaction or employee performance. AO Mekaar is more focused on achieving the tasks and targets given, without being overly affected by conflicts that may arise in daily work activities. Therefore, conflict management is not a dominant factor that changes perceptions of satisfaction or impacts performance in this work environment.

### **The Higher the Mediating Effect of Job Satisfaction, the Higher the Effect of Work Motivation on Employee Performance**

Job satisfaction acts as a significant mediator in the relationship between work motivation and employee performance. High work motivation not only improves performance directly, but also through indirect channels, namely by increasing job satisfaction first. Mekaar AOs who have strong motivation-both in the form of encouragement to achieve targets, obtain incentives, and self-development-show higher levels of job satisfaction. This satisfaction then strengthens their dedication and commitment in achieving optimal performance. Thus, efforts to increase employee motivation will indirectly strengthen performance through increased job satisfaction.

### **The Higher the Mediating Effect of Job Satisfaction, the Better the Effect of Work Environment on Employee Performance**

Job satisfaction is proven to act as a significant mediator in the relationship between work environment and employee performance. The analysis shows that a conducive work environment not only has a direct effect on improving performance, but also improves performance indirectly through increased job satisfaction. Mekaar AOs who feel they are in a comfortable, safe work environment, and are supported by harmonious working relationships, show higher satisfaction, which in turn encourages increased individual performance and achievement of company targets. Thus, a good work environment is an important factor in shaping job satisfaction, which then leads to improved performance of AO Mekaar.

## RECOMMENDATIONS

Based on the research results and conclusions that have been presented, some suggestions that can be given to PT Permodalan Nasional Madani, especially the Karo Area, are as follows:

Improve employee motivation. Management needs to continue to encourage the work motivation of Mekaar AOs through the provision of awards, career development, training programs, and the provision of performance-based incentives. This strategy is important because work motivation is proven to have a significant effect on job satisfaction and employee performance.

Improve and maintain the working environment. A comfortable, safe and conducive working environment needs to be maintained and improved. This can be done through improving work facilities, encouraging harmonious working relationships, and creating a supportive working atmosphere among employees and between employees and superiors.

Minimize conflict and improve constructive conflict management. Although conflict management did not have a significant effect in this study, it is still necessary to manage conflict more constructively to maintain work stability in the future. Training on effective communication and conflict resolution can be provided so that conflicts that arise can be managed as a source of innovation and work improvement, not as an obstacle.

Focus on improving job satisfaction as a strategy to improve performance. Because job satisfaction acts as an important mediator between motivation and work environment on performance, companies should pay attention to the factors that shape job satisfaction. Efforts such as listening to employee aspirations, providing self-development opportunities, and building a positive work culture are necessary.

## FURTHER STUDY

Based on the limitations in this study, the following are suggested for the development of future research:

Expanding research variables. Future research can add other variables such as transformational leadership, job stress, or work-life balance to provide a broader understanding of the factors that influence employee performance.

Conduct longitudinal research. It is recommended that further research be conducted longitudinally (over a longer period of time) to see changes in employee behavior over time, so that the mediating effects and relationships between variables can be observed in more depth.

Expanding the research population. Future research can be carried out by expanding the scope of respondents not only in the Karo Area, but also in other areas within the scope of PT Permodalan Nasional Madani or even similar companies, to increase the generalization of research results.

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