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The Effect of Service Quality, Price and Product Quality on Customer Satisfaction at PT. Bukit Asam Tbk

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Abstract

This study aims to determine the effect of service quality, price, and product quality on customer satisfaction at PT Bukit Asam Tbk. The object of this study is customers of PT Bukit Asam Tbk. The sampling technique used a purposive sampling method with 30 customers. The research method used is associative research, utilizing the type of primary data obtained from the results of questionnaire answers. The analysis technique used is multiple linear regression. The results of this study indicate that simultaneously, there is a positive and significant influence of service quality, price, and product quality on PT Bukit Asam Tbk customer satisfaction. Partial testing shows a positive and significant effect of service quality on customer satisfaction of PT Bukit Asam Tbk. Partially, there is a positive and significant effect of price on customer satisfaction of PT Bukit Asam Tbk. Partially, there is a positive and significant effect of product quality on customer satisfaction of PT Bukit Asam Tbk.

Keywords: service quality, price, product quality, customer satisfaction

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1. Introduction

Every manufacturing and service industry company aims to continue developing and growing sustainably. This goal can be to increase profits or profits obtained by the company. This can be achieved if a company expands and improves a product's distribution sector. Companies must use this opportunity to increase revenue and strengthen their position in the market by implementing effective marketing strategies. Marketing implementation has a huge role in helping increase profits for the company. A marketing strategy is a systematic and planned marketing plan. To achieve optimal results, this marketing strategy must combine various marketing strategies, such as competition strategies within the company, promotions, prices, product development, and services provided to buyers. Companies must know the weaknesses of the products they offer and the company's strengths. This is needed to help companies better

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understand the potential within the company, as well as minimize all forms of shortcomings that the company has. Therefore, a marketing strategy needs to be able to analyze your company and business competitors. Maintaining buyer loyalty is very important to provide a good level of satisfaction for them and encourage them to continue buying the goods and services offered by the company. Satisfaction, in the Big Indonesian Dictionary, is a feeling of pleasure obtained after sacrificing something. All businesses must provide value to their customers while making a profit. A company can only succeed through a well-orchestrated value delivery process, selecting, providing, and communicating superior value to an increasingly broad range of buyers.

PT. Bukit Asam Tbk is a state-owned company in Indonesia focusing on the mining sector, especially managing and producing coal mining products. The company also provides additional services such as marketing, sales of coal products for sale abroad or export, and delivery of coal products according to consumer demand in the Sumatra, Java and Sulawesi regions. Delivery destinations and sales methods are adjusted to customer wishes. The prices set by PT Bukit Asam Tbk are carried out by determining international trading accounts such as the GCI (Global et al.) price index and ICI (Indonesian et al.) price index or reference coal prices (HBA), while for sales contracts with PLN (State Electricity Company) and PTSB (PT Semen Baturaja) refers to the domestic market bond (DMO) reference coal price set by the government. In addition, PT. Bukit Asam is blessed with abundant coal resources and varied types of coal quality. PT Bukit Asam has its brand regarding the type and quality of coal. The brands owned by PT Bukit Asam are the market and mine brands. The owned brand is closely related to performance, additional features, durability and product quality.

One of the phenomena that occur in the field of selling products to customers is by free-on-truck (foto), which is an agreement between the seller and the buyer where the seller is responsible for all risks and transportation costs for goods to the truck when the goods are taken. The existence of an agreement regarding the price and quality of products given by the company to customers in Tanjung Enim. After the sale is made, there is a problem that is a statement that there is dissatisfaction with the customer because not all of the suitability of customer demand expectations regarding the quality of the product that has been received. Customers try to request laboratory testing on independent laboratories (product sample umpire test) and test analysis results issued by third parties. PT Bukit Asam Tbk customers ask for an offer to decline prices because the quality of the products received is not following demand. Customers also ask PT Bukit Asam Tbk to improve product quality, which will be prepared for customers. PT Bukit Asam Tbk was asked to fulfil customer requests following the contract that had been agreed upon. However, not all of them were met, so PT Bukit Asam Tbk made price adjustments to the quality of the product agreed upon with the customer.

Different results are obtained on each indicator assessed based on a customer satisfaction survey conducted on the five companies. First, the indicator of the compliance of coal delivery time with an agreement shows that the five companies agreed that PT Bukit Asam Tbk could send coal on time following the mutual agreement. This shows that PT Bukit Asam Tbk has a good ability in terms of product delivery. Rarely is there a delay in shipping because management at PT Bukit Asam Tbk needs better coordination to allow adjustments to the available coal stock, vehicles, equipment and administration to manage timely delivery to all customers. PT Bukit Asam Tbk realizes that delays in shipping can worsen the company's image and cause shipping costs and higher operational costs, so PT Bukit Asam Tbk constantly adjusts the delivery agreement to the capabilities and resources owned. Second, in the case of services provided by

PT Bukit Asam Tbk, all companies agree that PT Bukit Asam Tbk can provide services that follow the needs of each company. PT Bukit Asam Tbk can provide the quality of coal that follows the desired standards, send products on time, provide accessible information services and many alternative channels to contact the company if there is a shortage or constraints in product delivery. Third, in terms of suitability of coal quality with demand, one company disagrees that PT Bukit Asam Tbk can provide coal quality following demand. This shows there are still things that need to be corrected from PT Bukit Asam Tbk in sending customer requests. Errors can arise because quality control is not reasonable and comprehensive, so coal still needs to be according to the quality that passes QC and is sent. That is, PT Bukit Asam Tbk has yet to improve the technology used to do quality checks on coal quality before being sent to customers.

Fourth, regarding good coal quality, two companies still disagree with the statement that PT Bukit Asam Tbk Bagus sent the quality of coal. This shows that PT Bukit Asam Tbk has yet to provide consistent coal quality to customers. Lack of quality control and frequent human error in checking coal quality can cause inconsistency in every shipment. Fifth, regarding the compatibility of coal prices with an agreement, all companies agree that PT Bukit Asam Tbk can meet the agreement related to coal prices well. In establishing cooperation with other companies, PT Bukit Asam Tbk always provides an affordable price by considering the quality of coal, ease of delivery, delivery distance and other factors so that in the process of shipping, there is no unexpected cost that causes an increase or decrease in prices that are not appropriate agreement. PT Bukit Asam Tbk always tries to fulfil the agreement that has been agreed upon with other companies, given that there are more and more competitors. Suppose PT Bukit Asam Tbk cannot provide the quality and price of coal according to the agreement. In that case, the customer will be disappointed and dissatisfied, so the customer's trust will fall, which ultimately causes a decrease in the amount of coal demand by the customer.

Sixth, in terms of suitability of coal prices with the quality provided, all companies agree that PT Bukit Asam Tbk can provide coal quality following the price offered. PT Bukit Asam Tbk realizes that price and quality are the determining factors for the most excellent customer satisfaction, so PT Bukit Asam Tbk constantly optimizes the suitability of coal quality with the price offered. The quality coal production process requires more operational costs. However, the quality produced also follows the benefits obtained because customers prefer to buy quality coal products at appropriate prices compared to coal, whose quality is not guaranteed at a lower price. Seventh, in terms of ease in getting coal at PT Bukit Asam Tbk, one company does not agree. Some customers still feel that the coal ordering process at PT Bukit Asam Tbk still needs to be solved. This is due to the need for more response speed and the capability of PT Bukit Asam Tbk to produce much coal. PT. Bukit Asam Tbk prioritizes coal quality so that sometimes it cannot fulfil all incoming orders. The coal ordering process must also go through strict administration and agreement with security considerations so that there are still customers who feel the process of getting coal from PT Bukit Asam Tbk is quite complex compared to other coal companies. Regarding the procedure for obtaining complicated coal, all customers agree that PT Bukit Asam Tbk can provide a firm and easy procedure for customers in the ordering process. Although PT Bukit Asam Tbk prioritizes the safety and quality of customer service, PT Bukit Asam Tbk continues to create a procedure that is strict, concise and easy to understand so that the process of ordering and forming agreements with customers takes place quickly and does not spend too long time. The conclusion obtained from the customer satisfaction survey of PT Bukit Asam Tbk is that customers still need to be more satisfied with several service

indicators provided by the company, namely in terms of suitability. The survey results show that there are still indicators that need to be improved by PT Bukit Asam Tbk in increasing customer satisfaction through optimizing product quality and service quality.

PT Bukit Asam Tbk, in selling coal, the firm is trying to hold the concept of customer satisfaction, whereby guiding these concepts is expected by customers of PT. Bukit Asam becomes very satisfied and will make it a permanent buyer. This will make the company PT Bukit Asam remain sustainable in the business of regulation in Indonesia. Several phenomena occur in the field; first, suitability with hope. This is not fully compatible with what PT Bukit Asam Tbk offers as a producer of coal products. Not entirely the suitability of PT Bukit Asam Tbk's services that are expected to be the customer. Second, the desire to re-buy and continuously. Some customers are interested in buying again, and some customers run to other producers; finally, the customer returns to buy coal products produced by PT Bukit Asam Tbk. Third, their willingness to recommend. Some customers still need to be willing to recommend PT Bukit Asam Tbk coal products to friends, relatives or relatives. Based on preliminary research, several phenomena are found in the quality of services provided by PT Bukit Asam Tbk, including not fully the best service provided to customers of PT Bukit Asam Tbk. Then, not all of the PT Bukit Asam Tbk customers get the ease of getting products. This is because PT Bukit Asam Tbk adjusts the number of products to be produced to the sales plan before the product sales are carried out. Also, not all PT Bukit Asam Tbk customers are applied to the same service because it is seen from the length of the subscription and the value obtained from the customer, for example, in the case of the facilities provided differently between customers who have bought with prospective customers. Not fully PT Bukit Asam Tbk understands and is sensitive to customer desires, for example, to the desired spec and patience and gives a little leeway the customer wants to the desired product.

In addition, there are several phenomena found in the price given by PT Bukit Asam Tbk. in practice, not all customers want to buy directly the existing products even though the price drops, but the requested products may not be obtained because PT Bukit Asam Tbk still maintains prices above the price world reference. Then, there is no according to the value of the product that is an agreement received by customers of PT Bukit Asam Tbk. Then, the price of the company's products cannot compete with its competitors, and even the price tends to be higher. The rise in world coal prices will make PT Bukit Asam Tbk customers wait and see developments in the event of a price change. Furthermore, there is a phenomenon found in the quality of the product provided by PT Bukit Asam Tbk: a product that customers get can occur (defects) or burn products themselves. This results if the product is not immediately used and will be related to the product's endurance that also participates.

2. Literature Review

Customer satisfaction is a reciprocity given by buyers because of the suitability they obtain based on the value of a product or service after the buyer uses it (Sentiana, 2018). After buyers use it, they can feel customer satisfaction. After that, customers can assess whether the product or service exceeds what the company offers and what they want. (Armanto, 2018). Customer satisfaction is influenced by short-term emotional reactions obtained by buyers based on a short time and comparing the service they understand with the expected service (Prihandoyo, 2019). With a product, whether the buyer is satisfied or not, is an important thing that influences its growth and development. Customer satisfaction can be a benchmark for consumers to repurchase the products or services offered, including ways for loyal customers to get free

promotions. It is vital to achieve this sustainably and over time. This can be achieved by improving the quality of service in various ways. Each company has its own methods and services when it wants to meet buyers' needs. This is not only very important for the company but can also provide something that stands out and looks superior to other companies. Buyers have a greater tendency to buy goods according to their wishes and feel satisfied and will recommend the goods to their friends. This can be a potential for companies to have customers who are loyal to the brand or product, and they will also be more prepared to pay premium prices, and buyers will not be easily tempted to move to another product or brand. (Tjiptono & Diana, 2019).

Service quality is a perception or thought of buyers regarding the services they provide that exceed their expectations (Javed et al., 2021). Companies that strive to provide quality service often try to find out what the concerns or concerns of customers, both external and internal, are. This relates to customer requests, complaints and questions that must be answered promptly and attentively (Joudeh & Dandis, 2018). The level of excellence in meeting customer needs is known as service quality, which comes from understanding and fulfilling customer needs rather than the company (Putri & Utomo, 2017). Marketing strategy is essential, especially concerning the services the company provides. To achieve this quality, companies must provide services that customers can access and use and meet or exceed their expectations. The higher the company's service quality, the higher the consumer satisfaction will be.

Research by (Jalaludin, 2021), (Triana et al., 2017) found that the level of consumer satisfaction influences the services provided by the company. However, (Sundari & Tanjung, 2023) and (Wahyuningsih, 2023) in their research explained that the company's services did not significantly impact consumer satisfaction. Buyers will consider the quality of service and the price of a product. The advantage companies get in marketing is the price (Keller, 2021). This price is calculated based on the total money buyers spend to get what they want (Indrasari, 2019). Customers will usually use price as an indicator of satisfaction because they will check the price of a product before purchasing (Sudirman et al., 2020). Price is one of the factors behind satisfaction because customers know that they get the most benefit from the product compared to what they spend (Wantara & Tambrin, 2019). Price is an integral part of the product because price influences customers' choice to buy. Price is the total value consumers spend to get what they need, various goods put together, or a combination of products and services. Thus, price will also influence what the company will get (Budiono, 2020).

An essential factor to consider during the planning process is product quality. Product quality refers to the product's ability to perform its function (Khoironi et al., 2018). Customers desire to get goods of the best quality (Doležalová et al., 2016). To ensure the success of a product, consumers must be satisfied with its quality and continue to purchase products that meet their needs. So, the development and innovation of a company's product are consumer-oriented, and of course, the product must be of high quality (Albari & Kartikasari, 2019). Based on Meisara and Napitupulu (2019), research explains that there is a positive influence between product quality and customer satisfaction. Sambara et al. (2021) explain the same thing through their research. However, research (Putri et al., 2020) and (Bansaleng et al., 2021) explain that product quality does not impact consumer satisfaction.

According to Indrasari (2019), product quality, service quality, price, emotions, and cost are the five main factors that underlie someone's satisfaction. *Service quality* meets customers' needs, desires, and provisions or delivery utilizing the desired expectations. Service quality is closely

related to the level of satisfaction, and high service quality will make customer satisfaction very high (Ragmandika & Purwanto, 2020). Research (Umami et al., 2019) also stated that service quality influences customer satisfaction at Kedai Warsu Cofee. So, in Kedai Warsu, Cofee has quality products. Other research that is in line (Putri et al., 2020) explains that the quality of service affects customer satisfaction in Shopee. In serving customers, PT Bukit Asam Tbk prioritizes customer satisfaction by providing high-quality services. Suppose PT Bukit Asam Tbk meets the customer's wishes. In that case, customer satisfaction and excellent quality of service become very important because the company's value in the customer's eye becomes more positive.

The most essential factors in their influence regarding prices are price competitiveness, affordability, suitability based on quality, and suitability based on the usefulness and use of the product (Kumrotin & Susanti, 2021). Studies conducted by Sari and Marlius (2023) explained that prices influence consumer satisfaction. In other words, product prices reflect product quality and customer satisfaction in line with (Rumagit et al., 2020), who researched how the quality of service and prices impact the satisfaction or failure of customers in Casey Music Studio. The results explained that the two were significantly affected by a high significant level. PT Bukit Asam has many businesses in increasing customer satisfaction through the best prices based on the quality of coal customers desire. Prices are approved based on contracts with customers, and it is expected that coal products are provided according to price.

According to Indrasari (2019), other indicators exist, such as labour, product quality, and warehousing. The quality of the product reduces the possibility of the product to provide value to customers. Customer experience when using the product will determine the customer's assessment of the product (Dujya et al., 2022). *Product quality* is defined as the process of processes, products, individuals, services, and conditions around the environment (Lestari & Iskandar, 2021). Previous studies explained that customer satisfaction affects the quality of company goods (Saputro & Swih, 2022). This means that customer satisfaction is more significant if the product is high quality, and vice versa; customer satisfaction is lower if the product is of low quality. High-quality products will provide features and advantages expected by customers. PT Bukit Asam has many types of products. The products' quality has the best to the best type of product. Customers can choose the products needed; PT Bukit Asam will later provide products according to the agreement.

3. Research Method

The research object is PT Bukit Asam Tbk, located on Jalan Parigi No.1 Tanjung Enim, Lawang Kidul District, Muara Enim Regency, South Sumatra. Using operational variables is to learn how the variables are related. The research variable is everything researchers offer to be examined in gathering information and making conclusions (Sugiyono, 2016). Service Quality (X1), Price (X2), and Product Quality (X3) are the independent variables, and customer satisfaction (Y) is the dependent variable. Before the variable is used as a research tool in this study, the satisfaction variable (Y) must be operational. The population used in this study was 35 customers of PT Bukit Asam. The sample used in research on consumers of PT. Bukit Asam is 30 customers. The company's criteria used as a sample are companies that purchase products in 2022 and companies that make payments on time during 2022. This study uses multiple regression analysis.

Research Variables Definition of Operational Indicators Customer satisfaction (Y) Customer satisfaction is the level of feelings of PT Bukit Asam Tbk consumers after comparing what they

receive and their expectations a) Conformity to expectations b) Interest in visiting again c) Willingness to recommend. Service quality (X1) Service quality is an effort to fulfil customer needs and desires as well as delivery provisions to balance PT Bukit Asam Tbk customer expectations: a) Reliability, b) Responsiveness, c) Guarantee, d) Empathy Price. (X2) Price is a value created to be a benchmark for the value of goods or services at PT Bukit Asam Tbk a) Affordability of prices b) Price compliance with product quality c) Price competitiveness d) Price can influence consumers in making decisions. Quality Product (X3) Quality of PT products. Bukit Asam Tbk is a product advantage offered by the company based on suitability to customer tastes or suitability to customer needs and requirements: a) Product durability, b) Performance, c) Product diversity function

4. Findings and Discussions

Based on the results of respondent data collection, seen from the length of subscription with PT Bukit Asam Tbk, data was obtained that as many as 22 respondents or 73.3 per cent, who had subscribed for more than 5 years; 7 respondents or 23.4 per cent, have subscribed for less than 3 years; and 1 respondent or 3.3 per cent who have subscribed between 4 years to 5 years. The results of multiple linear regression analysis can be seen in the following table.

Table 1. Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	3.015	2.344	
	Service Quality	0.192	0.088	0.213
	Price	0.545	0.093	0.513
	Product Quality	0.203	0.079	0.310

The following equation model was obtained based on the analysis results:

$$Y = 3,015 + 0,192X_1 + 0,545X_2 + 0,203X_3$$

The model can be explained as follows: The constant value above is 3,015; the value means that if the variable service quality, price, and product quality are considered ceteris paribus, then the customer satisfaction variable is 3.015 points. The beta value of the service quality variable is 0.192, which shows if the service quality variable is plus 1 point. At the same time, other factors are considered ceteris paribus; customer satisfaction will increase by 0.192 points. The beta value of the price variable is 0.545, indicating that if the price variable plus 1 point while other factors are considered ceteris paribus, customer satisfaction will increase by 0.545 points. The beta value of the product quality variable is 0.203, which shows that if the product quality variable plus 1 point. At the same time, other factors are considered ceteris paribus; customer satisfaction will increase by 0.203 points.

Table 2. F test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	851.509	3	283.836	120.405	0.000 ^a
	Residual	61.291	26	2.357		
	Total	912.800	29			

The testing results simultaneously show the Fcount value of 120.405 while the Ftable at the significance confidence level of 5% and DF of K = 3 and DF2 = N-K-1 (30-3-1 = 26), then the F-table value is 2.97. Therefore, F-count 120,405 is more significant than F-table 2.97, and the above table also shows a significance value of 0,000, more minor than the alpha value of 0.05. It can be said that simultaneously, the quality of service, price, and product quality significantly influence the customer satisfaction of PT Bukit Asam Tbk.

Table 3. t-test

Model	t	Sig.
(Constant)	1.286	0.210
Service Quality	2.171	0.039
Price	5.827	0.000
Product Quality	2.579	0.016

The influence of service quality on customer satisfaction. The value of the t count is 2.171, and the t table value is 1.697, while the significance value is 0.039 and the alpha value is 0.05. The value of the t count is greater than the t table value, and the significance value is smaller than the alpha value. It can be concluded that H0 is rejected or there is a positive and significant influence on service quality on customer satisfaction of PT Bukit Asam Tbk. The effect of price on customer satisfaction. The value of the t count is 5.827, and the t table value is 1.697, while the significance value is 0,000 and the alpha value is 0.05. The value of the t count is greater than the t table value, and the significance value is smaller than the alpha value. It can be concluded that H0 is rejected or there is a positive and significant influence on customer satisfaction of PT Bukit Asam Tbk. The influence of product quality on customer satisfaction. The t value is 2.579, the t table value is 1.697, the significance value is 0.016, and the alpha value is 0.05. The value of the t count is greater than the t table value, and the significance value is smaller than the alpha value. So, it can be concluded that H0 is rejected or there is a positive and significant influence on product quality on customer satisfaction of PT Bukit Asam Tbk.

The influence of service quality, price, and product quality on customer satisfaction of PT Bukit Asam Tbk. The results of the analysis together or the F test shows that there is an influence of service quality, price, and product quality on customer satisfaction of PT Bukit Asam Tbk. The influence is positive, so it can be said that for the effectiveness of increasing customer satisfaction can be improved by improving quality services, prices that are in accordance with quality, and improve product quality. The results of this study are in line with theory (Indrasari, 2019) which states that the factors that affect customer satisfaction are product quality, service quality, price, emotional and cost. Customers will feel satisfied if they get good service or as expected. If the service from the seller is good, the customer will be satisfied and give a good impression to the business. In terms of price, if a product that has the same quality but sets a

relatively cheap price will provide a higher value to customers. If an item has a high price but does not have good quality, customers will be more easily disappointed. Adjust the value of an item with the quality it has. Meanwhile, in terms of product quality every customer must expect the product they buy has high quality. Products with high quality can provide high value to satisfaction measurement. If a product has good quality, the product can cover the price that must be spent so as to foster satisfaction because the value is commensurate. The results of this study are in line with research conducted by (Santoso, 2019) which found that together the quality of the product, service quality, and price affect the satisfaction of customers. Research (Linardi, 2019) also found that product quality, service quality, and price have a significant effect on customer satisfaction. In addition, (Bilgies, 2016) also in his research stated that together product quality, price, and service quality had a significant effect on customer satisfaction.

PT Bukit Asam Tbk is also considered capable of providing convenient services with easy-to-understand procedures and fast and responsive information services. Hence, most customers agree that PT Bukit Asam Tbk can provide comfortable services with an average level of agreement of 4.37. The ability of a company to present information on product availability, product quality, production process and return procedures or complaints quickly encourages customers to make purchases because it shows that the company can be responsible and guarantee that the services and products provided are guaranteed quality. Customer confidence also increases if the company can provide comfortable services. The smooth and effortless communication process is a consideration factor for customers of PT Bukit Asam Tbk in determining coal suppliers to be used. While indicators with the lowest level of satisfaction are customer loyalty, complaint response speed and suggestions, satisfying prices and satisfying product quality, most customers of PT Bukit Asam Tbk disagree and have forgotten coal products in other places because they are suitable for coal products produced by PT Bukit Asam Tbk. The level of agreement only reaches 4.03, which shows that customers still need to fully agree with the statement that customers have forgotten competitor products after purchasing coal products at PT Bukit Asam Tbk. This shows that PT Bukit Asam Tbk has yet to fully show the superiority of products and services owned by customers. PT Bukit Asam Tbk still needs to continue conducting regular customer satisfaction studies to determine marketing strategies and improve quality aspects that need to be improved so that customers do not switch to competitors.

Customers also feel that PT Bukit Asam Tbk still needs to be faster in handling customer complaints and suggestions. The average level of customer agreement in terms of the speed of PT Bukit Asam Tbk in responding to complaints and suggestions is 4.17. Although PT Bukit Asam Tbk has provided good information services, the speed of PT Bukit Asam Tbk in handling complaints and customers' suggestions still needs to be faster, which causes customers to feel unnoticed. This causes decreased customer satisfaction, so PT Bukit Asam Tbk needs to speed up improvements based on customer complaints and suggestions. Although PT Bukit Asam Tbk considers complaints and suggestions given by customers to be not precisely adjusted in the company because of the limited time or resources owned, PT Bukit Asam Tbk should give a response that shows why complaints or suggestions given have not been made so that customers feel cared for and remain Willing to give complaints and suggestions to the company. A satisfying price also has an average level of agreement of 4.17, showing that PT Bukit Asam Tbk has yet to provide a satisfying price to customers fully. However, a survey conducted by PT Bukit Asam Tbk stated that the company is more focused on providing high coal quality and

a fast and appropriate shipping process so that the costs incurred are also adjusted. The initial survey conducted shows that PT Bukit Asam Tbk can provide coal prices following mutual agreement with customers so that the price setting is not only decided unilaterally by PT Bukit Asam Tbk but considers the number of products, the distance of shipping and other provisions provided by the customer. The results also showed that the quality of coal products PT Bukit Asam Tbk provided still needs improvement. This is seen from the average level of agreement, which is only 4.17. PT Bukit Asam Tbk has yet to provide consistent product quality every time. The results of this study follow the results of the initial survey of customer satisfaction, stating that a company states that PT Bukit Asam Tbk has yet to be able to provide consistent coal quality.

Effect of Service Quality on Customer Satisfaction of PT Bukit Asam Tbk. The partial analysis results showed an influence of service quality on customer satisfaction of PT Bukit Asam Tbk. The effect is positive, so the effectiveness of increasing customer satisfaction can be improved by improving quality services. The results of this study align with the theory of Indrasari (2019), which states that one factor that influences customer satisfaction is the quality of service. Customers will feel satisfied if they get good service or as expected. If the service from the seller is good, the customer will be satisfied and give a good impression of the business. The results of this study align with research conducted by Setyawati (2023), who found that the quality of service has a significant effect on customer satisfaction. Sulistyawati and Seminary Research (2015) also found that the quality of service to customer satisfaction of the Indus Ubud Gianyar restaurant. In addition, Panjaitan and Yuliat (2016) also stated that the quality of service to customer satisfaction at the Bandung Branch JNE.

Customer assessment of employee hospitality in serving customers also has a high level of satisfaction, with an average level of agreement of 4.27. Some theories also prove that the company can provide good services by providing friendly employees and comfortable facilities so customers feel safe when making purchases. In this case, PT Bukit Asam Tbk also has friendly employees in handling customers. The number of orders that came in caused customers to queue up and understand the procedure for coal ordering. Therefore, PT Bukit Asam Tbk provides friendly employees showing the proper order procedure for customers so that customers feel valued, which ultimately increases customer satisfaction in transactions with PT Bukit Asam Tbk. The service indicator with the lowest satisfaction assessment is the company's ability to understand customer feelings, with an average level of agreement of 3.83. This shows that PT Bukit Asam Tbk can still not provide services following customer feelings. Customer feelings in the form of curiosity, ordering, wanting to be quickly processed, getting discounts and wanting to take precedence are several forms of feelings often shown by customers when making transactions with PT Bukit Asam Tbk. As a company that has responsibilities to all customers, PT Bukit Asam Tbk has a strict service procedure and strives not to prioritize services to specific customers even though the customer buys more significantly than other customers. PT Bukit Asam Tbk only provides discounts on certain purchases that all customers can enjoy without exception. PT Bukit Asam Tbk is trying to provide fair and objective services to all customers so that employees of PT Bukit Asam Tbk do not provide services that follow the feelings of customers who tend to involve emotions. However, PT Bukit Asam Tbk employees provide friendly services and wholeheartedly serve customers.

Service aspects based on sensitivity to customers also have a low level of satisfaction, with an average level of agreement of 3.93. PT Bukit Asam Tbk is a company that focuses on providing quality coal, so the service aspect is not a priority. Unlike companies that focus on services such

as banks, PT Bukit Asam Tbk has different priorities. Services provided by PT Bukit Asam Tbk are focused on delivering good information to customers, receiving complaints, handling shipping constraints, handling shipping errors and suggestions given by customers. So, PT Bukit Asam Tbk is not concerned with empathy in providing services. Nevertheless, PT Bukit Asam Tbk still provides waiting rooms, toilets and other facilities that increase customer comfort. PT Bukit Asam Tbk still needs to provide a particular smoking room, a worship room or other that customers need specifically. PT Bukit Asam Tbk focuses on providing general services and is aimed at all customers. PT Bukit Asam Tbk also provides channels/channels such as telephone and other social media channels to make it easier for customers if they want to order or ask for order procedures from the company.

Effect of Price on Customer Satisfaction of PT Bukit Asam Tbk. The results of the partial analysis showed that there was a price influence on customer satisfaction of PT Bukit Asam Tbk. The effect is positive, so the effectiveness of increasing customer satisfaction can be increased by increasing prices. Prices have the highest contribution value; this shows that prices are essential for customers in deciding their choice of coal products. This study's results align with the theory of Indrasari (2019), which states that price is one-factor affecting customer satisfaction. Suppose a product that has the same quality but sets a relatively low price will provide a higher value to customers. Customers will be more easily disappointed if an item has a high price but needs better quality. Adjust the value of an item with the quality it has.

This study's results align with research conducted by Sari and Mayasari (2022), who found that prices have a positive and significant effect on customer satisfaction. This research was conducted at the Tirta Yasa wholesale shop in Banjar District. In addition, Napitupulu (2019) also found that there was a positive and significant influence on prices on customer satisfaction at PT Ramayana Lestari Sentosa. In line with research (Ariyanti et al., 2022) has also proven that partial prices can have an impact on customer satisfaction. Customers are not fully satisfied that the prices given by PT Bukit Asam Tbk are affordable and also more affordable than other competitors, with an average satisfaction indicator of 3.87. PT Bukit Asam Tbk, in its perception, has provided the best price to customers because it has a benchmark for national and international coal prices. The company can only raise or lower by looking at the price benchmark. Customers also agree with the ability of PT Bukit Asam Tbk to provide prices following the benefits of the product, with an average level of agreement of 4.13. PT Bukit Asam Tbk offers a variety of facilities for customers who buy a certain amount and a specific price. If customers buy high-quality coal, quality control and coal delivery are also better and more careful to satisfy customers with the prices and benefits received. Price suitability with the benefits of coal received causes customers not to feel disappointed to have bought products from PT Bukit Asam Tbk.

Quality indicators with the lowest satisfaction based on customer assessment are high price changes with an average level of agreement of 3.53. This shows customers feel a high price change in PT Bukit Asam Tbk coal products. The price of national and international coal, which tends to fluctuate every month, causes PT Bukit Asam Tbk to fluctuate to increase coal prices suddenly with the factors that cause changes in the index to coal prices. This causes low customer assessment of changes in coal prices at PT Bukit Asam Tbk because PT Bukit Asam Tbk tends to fluctuate. Customers assume that price changes will cause difficult prices to return to their original price, which ultimately causes the price of other products to change. For example, suppose there is an increase in coal prices. In that case, it will be challenging to go back down because the producer also considers the profit factor so that the price increases that

too often provide losses to customers. Customers also feel less satisfied with the delivery of information on coal delivery transportation costs, with an average agreement rate of 3.73. This shows that customers feel that PT Bukit Asam Tbk needs to be more able to communicate transportation costs well to customers. Hence, customers are worried that there is an error in delivering the intended transportation costs. PT Bukit Asam Tbk provides coal at various prices and follows the quality of each product. The price of coal products is not included in the cost of shipping products, so if the customer has a distance from the coal production location, the shipping costs are also high. This causes customer satisfaction to be reduced.

Effect of product quality on customer satisfaction of PT Bukit Asam Tbk. The partial analysis results showed an influence of product quality on customer satisfaction of PT Bukit Asam Tbk. The effect is positive, so the effectiveness of increasing customer satisfaction can be increased by increasing product quality. Quality products are one factor that determines a person's decision to use or not the product produced. Therefore, ensuring and maintaining sustainable product quality can be one of the effective strategies for winning the coal market among customers. This study's results align with the theory (Indrasari, 2019), which states that product quality is one factor that influences customer satisfaction. Every customer indeed expects the product they buy to be of high quality. Products with high quality can provide high value to satisfaction measurement. If a product has good quality, the product can cover the price that must be spent to foster satisfaction because the value is commensurate. The results of this study align with research conducted by Razak (2019); his research found that there is a positive and significant influence on product quality and customer satisfaction. In addition, (Syafarudin, 2021) found that the quality of the product affects consumer satisfaction. Similarly, research (Sambo et al., 2022) also found that product quality positively and significantly influences customer satisfaction. Aspects of brand diversity and varied products also have high satisfaction, with an average level of customer agreement of 4.13. Customers agree that there are variations of products with various brands, making it easy for customers to choose coal that suits their needs and budget of customers. The many choices of coal and quality levels owned by PT Bukit Asam Tbk help customers adjust the product to be purchased with the quality standards of the product that customers want.

In addition, aspects of coal endurance also have high satisfaction based on customer assessment, with an average agreement rate of 4.13. The high durability of coal shows high quality. That is, PT Bukit Asam Tbk can prove that the products sent have guaranteed quality, as evidenced by high product durability. Coal, various kinds of fuel in the industry, requires high product durability so that customers pay low costs for fuel, which is operational costs. The quality aspect that has low satisfaction is an explanation of the risk information of using coal provided by PT Bukit Asam Tbk in each type of product, with an average level of agreement of 3.83. This shows that the risk information on the use of products still needs to be explained in detail in each type of product being marketed. Risks, side effects of using products and how to use the right product are considered the conditions that must be conveyed to the customer to avoid adverse effects due to the use of coal. However, customers assume that PT Bukit Asam Tbk still needs to improve in detail. This explains this to customers, given that PT Bukit Asam Tbk provides various coal products with different levels of quality. Another quality aspect considered low satisfaction is a diverse type of coal with an average level of agreement of 3.90. This shows that customers are unsatisfied with the many types of coal provided by PT Bukit Asam Tbk. A significant type of coal with insignificant differences can confuse customers when choosing the product to be purchased. The confusion will complicate the decision-making process at the time

of the transaction, so customers feel uncomfortable with it. That is, PT Bukit Asam Tbk should provide variations of products with significant differences so customers can choose products easily.

5. Conclusion

Based on the results of the study, it can be concluded from the previous description that: (1) there is an influence of service quality, price, and product quality together on customer satisfaction of PT Bukit Asam Tbk; (2) there is an effect of service quality on customer satisfaction of PT Bukit Asam Tbk; (3) there is an influence on the customer satisfaction of PT Bukit Asam Tbk; (4) There is an influence on product quality on customer satisfaction of PT Bukit Asam Tbk.

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The Influence of Organizational Culture, Motivation, and Leadership on the Performance of Palembang High Court Employees

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Abstract

This study aims to determine the effect of organizational culture, motivation, and leadership on the performance of Palembang High Court employees. To determine the effect of organizational culture on the performance. To determine the effect of motivation on the performance and the influence of leadership on the performance. This type of research is associative. The sample in this study was 155 respondents with a technique in collecting samples using the cluster random sampling technique. The data used in this study are primary, namely the number of respondents, agency profiles, and secondary data collection methods, namely the questionnaire. The analysis technique used is multiple linear regression analysis. The study results show that: (1) There is a positive and significant influence of organizational culture, motivation, and leadership on the performance of Palembang High Court employees. (2) Organizational culture has a positive and significant influence on performance. (3) Motivation has a positive and significant effect on the. (4) There is no positive and significant influence of organizational culture, motivation, and leadership on the performance of Palembang High Court employees. (2) Organizational culture has a positive and significant influence on performance. (3) Motivation has a positive and significant effect on the. (4) There is no positive and significant influence of organizational culture, motivation, and leadership on performance (2) There is a positive and significant influence of organizational culture on the performance of Palembang High Court employees. (3) Motivation has a positive and significant effect on performance (4) There is no positive and significant influence of organizational culture, motivation, and leadership on the performance of Palembang High Court employees.

Keywords: Organizational Culture, Motivation, Leadership and Performance

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1. Introduction

Human Resources (HR) is an important element for an organization. Other important elements are information systems, facilities and infrastructure, and sufficient finances. Human resources that are superior, productive, and able to compete are the main key to making the nation, state, and organization progress. Natural resources, capital, available facilities, and infrastructure will not be able to be managed well without reliable human resources.

In producing human resources that have these criteria, improvements need to be made in terms of character, habits, and quality of education.

The changes that occur in various fields along with the times have an impact on the order and values of individual and organizational life, especially in the world of government, which is required to always be able to adapt and develop according to the challenges faced. In achieving organizational goals, work performance or work results within the organization can be seen from a series of activities carried out by the organization. Organizational activities in the form of human resource management and work implementation processes are needed to achieve optimal results by what the organization expects.

Performance can be viewed as a process or result of work. Performance is a process of how work takes place to achieve work results. However, the results of the work itself also show performance (Wibowo, 2022:70). According to Kasmir, (2022:189-193) performance is influenced by several factors, namely ability and expertise, knowledge, work design, personality, motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline

According to Wibowo (2021:16), organizational culture is the basic philosophy of an organization which contains shared beliefs, norms, and values which are the core characteristics of how to do things in an organization. These beliefs, norms, and values become the guidance of all human resources in the organization in carrying out their performance. The behavior of diverse individuals and groups encourages the establishment of norms that can accommodate various individual and group interests to jointly realize organizational goals. A norm or guideline that an organization uses to carry out its activities is what is then known as organizational culture.

According to Wibowo (2022:322-323), motivation is an encouragement to a series of human behavioral processes in achieving goals. Meanwhile, the elements contained in motivation include the elements of generating, directing, maintaining, showing intensity, being continuous, and having a goal. Employee performance will be high if there is motivation, and vice versa, if employees are not motivated, this will result in poor performance. With work motivation, it will be easier to achieve the expected performance in the organization.

According to Yulius (2022:91), leadership is related to a process of social influence, in which case the influence is deliberately carried out by someone on another person to structure activities and relationships within an organization or group to achieve goals. One of the keys to success in an organization is how a person leads, whether or not the way a leader leads an organization will have a clear impact on the organization. So this can be said to be a significant factor in the organization.

Monce Brury (2016) states that leadership, organizational culture, work motivation, and job satisfaction significantly affect employee performance. Azhary (2017) stated that the organizational culture and leadership style studied simultaneously influenced employee

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performance. Sudarsih, et al (2015) stated that organizational culture has a positive but not significant effect on performance. Girsang (2019) stated that organizational culture as a variable itself does not have a significant effect on employee performance at Putri Hijau Hospital.

The influence of work motivation on employee performance researched by Iman Tindow et al (2014) shows that there is a positive and significant influence between work motivation and employee performance. This is contrary to the results studied by Lihawa et al (2016) which showed that there was no influence between work motivation and employee performance.

The researcher took as research objects civil servants at the Palembang High Court, Palembang District Court, Pangkalan Balai, and Kayuagung. Meanwhile, the function of the High Court is to carry out secretarial administrative affairs in the form of personnel, financial, and management matters, and clerk's administrative affairs in the form of civil, criminal, and legal clerkship matters, prepare programs and evaluations and carry out public relations. Apart from that, it also provides guidance on management and facilities and technical guidance for first-level courts. The main duties and functions of the High Court can generally be carried out properly by the provisions outlined and the instructions of the Leadership of the Supreme Court of the Republic of Indonesia. (LKjIP Palembang High Court, 2022).

The phenomenon that occurs in performance is that there are still employees who lack a high work ethic, usually caused by a lack of motivation and communication between superiors and subordinates. There are still many who do not receive facilities to support the effectiveness of their work. There are employees whose positions do not match their educational background.

The phenomenon in organizational culture is that there are still employees who complain about work. There are still employees who cannot express their opinions regarding work matters. some employees use their authority for their interests

The phenomenon that occurs in motivation is that there are still a lot of employees who relax at work;. However, there are not too many employees like that, there are employees who do not receive rewards in the form of facilities to work appropriately. Some employees feel a lack of support from colleagues or leadership

The phenomenon that occurs in leadership is There are still employees who cannot communicate smoothly with the leadership. Some employees do not carry out their duties and responsibilities appropriately. Lack of warnings from leadership for low employee performance.

Based on the research background, the researcher is interested in conducting research with the title The Influence of Organizational Culture, Motivation, and Leadership on the Performance of Palembang High Court Employees

2. Literature review

2.1. The influence of organizational culture, motivation and leadership on performance.

According to Kasmir (2022: 189) factors that influence employee performance are abilities and skills, knowledge, work plans, personality, motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, work discipline. This is supported by research by Irena Lara Shati and Arini Mustika Dewi (2014) with the research title The Influence of Leadership, Organizational Culture and Work Motivation in Regional Tourism Companies in West Java Province showing the results that the

influence of the leadership role, organizational culture and motivation on employee work performance has a significant effect. Simultaneous and significant. Meanwhile, research by Juanti (2017) entitled *The Influence of Leadership, Motivation and Organizational Culture on Employee Performance at Kudungga Regional Hospital, East Kutai Regency* shows that the results of leadership and organizational culture partially do not affect employee performance at Kudungga Regional Hospital, while motivation influences employee performance at Kudungga Regional Hospital, East Kutai. Quantity, namely Measuring the Performance Achievements of the Palembang High Court for 2018-2021, shows a downward trend in the average performance achievements in strategic target I from 2020 to 2021. Employee effectiveness is still uneven, as seen from the supporting facilities and infrastructure. employees who are still inadequate. The quality of employees who do not match their qualifications and educational background causes employees to be unable to do their work as expected by the organization

2.2. The influence of organizational culture on employee performance.

According to Kasmir (2022: 189), one of the factors that influences employee performance is organizational culture. According to Kasmir (2022:193), Organizational culture influences performance directly and indirectly. This is supported by Surya's (2018) research entitled *The Influence of Organizational Culture and Work Environment on Employee Performance (Study in the Account Executive Division of PT Agrodana Future)*. The results of the research show that there is a significant positive influence between organizational culture variables and employee performance variables. Amanda et al. (2017) conducted research entitled *The Influence of Organizational Culture on Employee Performance at PDAM Tirta Taman Sar, Madiun City*. The research results show organisational culture's positive and significant influence on employee performance at PDAM Tirta Taman Sari Madiun City. A good organizational culture can create a situation that can encourage employees to improve performance and get maximum results.

Lestari and Muchsinati (2022) conducted research entitled *The Influence of Organizational Culture, Work Environment, Leadership Style, Employee Competence, And Motivation On Employee Performance Through Job Satisfaction In Starbucks And Excelso Employees In Batam City*. The results of the research show that organizational culture has no significant effect on employee performance, the work environment has no significant effect on employee performance, leadership style has a significant effect on employee performance through job satisfaction, competence has a significant effect on employee performance through job satisfaction, and motivation has a significant effect on employee performance. Job satisfaction has a significant positive effect. Professionalism, namely the comfortable and safe culture of civil servants (PNS), results in a lack of employee professionalism in carrying out their duties. Management Distance, namely the existence of management distance where employees find it difficult to develop ideas due to limited space for ideas in expressing opinions and a lack of courage on the part of each individual to develop sustainable innovation, giving rise to a lack of employee effectiveness. Employee regularity is that many employees still leave the office, especially when the management is not there.

2.3. The influence of motivation on employee performance

According to Kasmir (2022: 189), one of the factors that influences employee performance is motivation. According to Jewel and Siegel in Tsauri (2014: 162), motivation refers to the amount of force that produces, directs and maintains effort in certain behaviour. If people work

hard and do their work well, they often have high work motivation. If a person doesn't do well or doesn't seem to be trying hard enough, then the conclusion is the opposite, he has no motivation.

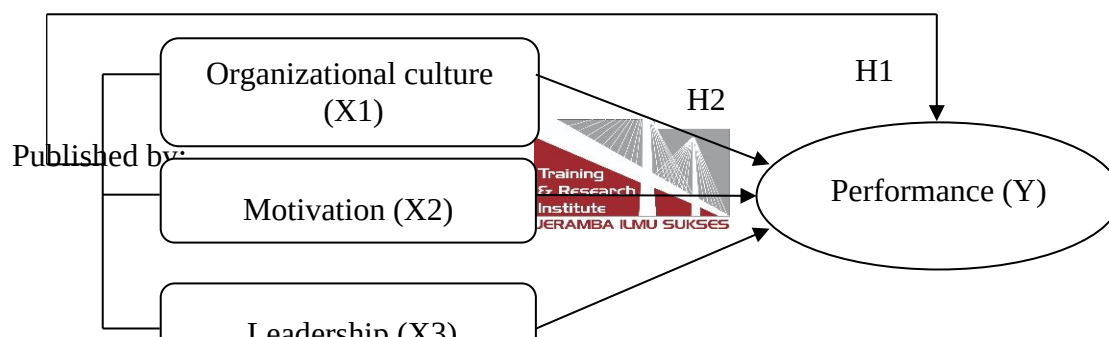
Research by Ma'ruf supports this and Ummul Chair (2020) entitled the influence of work motivation on employee performance at PT. Nirha Jaya Engineering Makassar. The research results show a high relationship between work motivation and employee performance. To test the hypothesis the t-test it shows where the work motivation variable significantly affects employee performance at PT. Nirha Jaya Engineering Makassar.

Meanwhile, in research by Mia Sumiati and RR Niken Purbasari (2019) entitled The Influence of Work Motivation, Job Satisfaction and Work Ability on Employee Performance. The research results show that work motivation does not influence employee performance, but work satisfaction and ability influence employee performance. Responsibility means that there are still employees who are lazy at work, so they relax more than at work. Recognition or Reward means that there is no additional reward other than salary and performance allowances of the same value for each employee—opportunities for Advancement, namely lack of space for promotions and transfers

2.4. The influence of leadership on employee performance

According to Kasmir (2022: 189), one of the factors that influences employee performance is leadership. According to Noor in Adamy (2016: 54) leadership does not only mean leading people, but also leading change, determining direction by developing a vision of the future, then uniting people by communicating this vision and inspiring them to achieve organizational goals. This is supported by Ring Lindayani's (2021) research entitled The Influence of Leadership on the Performance of the Tasikmalaya Regency Agriculture, Food and Fisheries Service employees. Based on the results of his research, data was obtained that the dimensions of leadership (honesty, vision, inspiration and skill) influence the performance of employees at the Tasikmalaya Regency Agriculture, Food and Fisheries Service, both partially and simultaneously. The leadership dimension that has the greatest influence on employee performance is the inspirational dimension, the second largest influence of the leadership dimension on employee performance is the visionary dimension.

Meanwhile, in Rahayu Saputra and Nur Rahmah Andayani's (2018) research entitled The Influence of leadership and work motivation on Employee Performance in the Production Department at PT Cladtek Bi-Metal Manufacturing Batam. The research results show that the leadership variable partially has a negative and insignificant effect on employee performance. The work motivation variable partially has a positive and significant effect on employee performance. Then the leadership variable and work motivation variable simultaneously have a positive effect on employee performance. Communication Skills, namely that there is still often less than smooth communication in the work implementation process which causes miscommunication between leaders and subordinates. Courage is that too often leaders divide tasks unequally. Assertiveness means that there are still employees who have low performance who are left without receiving a reprimand or strict sanctions. The rationale for this research is based on the view that employee performance is a factor that is influenced by organizational culture, motivation and leadership. This can be conceptually illustrated below.



H3

H4

Gambar 1 Kerangka Penelitian

2.5.Hypothesis

The hypothesis in this research can be described as follows:

1. H1: There is an influence of Organizational Culture, Motivation and Leadership on the Performance of Palembang High Court Employees.
2. H2: There is an influence of Organizational Culture on the Performance of Palembang High Court Employees.
3. H3: There is an influence of motivation on the performance of Palembang High Court employees.
4. H4: There is an influence of leadership on the performance of Palembang High Court employees.

3. Research methods

The research method used was associative to determine the influence of Organizational Culture, Motivation, and Leadership on the Performance of Palembang High Court Employees. The population used is 253. The sample to be used in the research is 155. The technique for collecting samples uses *cluster Random Sampling*. Data collection methods are interviews, questionnaires, observation, and documentation. The types of data used in this research are secondary and primary. The analytical method used is multiple linear regression analysis.

Tabel 1. Variable Operationalization

Research Variables	Research Variables Definition of Operational Indicators	Indicators
Performance (Y)	Performance is the result of the work of Palembang High Court employees in terms of quality and quantity within a certain period of time to achieve the expected goals	a. Quantity b. Effectiveness c. Quality
Organizational culture (X1)	Organizational culture at the Palembang High Court is a set of values, commitments and norms that guide the formation of the attitudes and behaviour of its members.	a. Professionalism b. Management distance c. Employee Regularity
Motivation (X2)	Motivation is encouragement from within and outside for every	a. Responsibility b. Recognition or appreciation

	Palembang High Court employee to achieve organizational goals.	c. Opportunities for advancement
Kepemimpinan (X3)	Leadership at the Palembang High Court is related to the leader's efforts to influence the behaviour of his subordinates to achieve the Agency's goals.	a. Communication skills b. Courage c. Firmness

Source: Author's Thoughts (2023)

In this research, the instrument used was a Likert scale. The Likert scale measures the attitudes, opinions and perceptions of a person or group of people about social phenomena. Scoring questionnaire answers are: Strongly agree (5), Agree (4), Neutral (3), Disagree (2), Strongly disagree (1). The analysis model used is multiple linear regression analysis. The multiple linear regression equation model is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \epsilon$$

Information:

Y: Employee Performance

X1: Organizational Culture

X2: Motivation

X3: Leadership

a: Constant Value

b₁, b₂, b₃ : Regression Coefficients

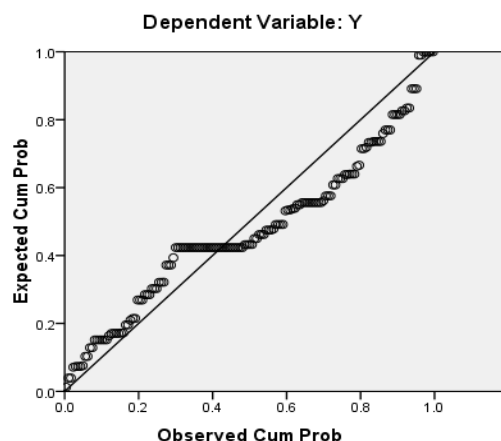
ε: Error Term

4. Results and Discussion

4.1. Research result

The following are data processing results from multiple regression analysis used to test the influence of Organizational Culture, Motivation, and Leadership on the Performance of Palembang High Court Employees.

Normal P-P Plot of Regression Standardized Residual



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Figure 1. Normality Test

Based on the PP Plot image above, it can be seen that the points follow and approach the diagonal line, so it can be concluded that the regression model meets normality standards.

4.2. Data Linearity Test

Table 2. Test the Linearity of Organizational Culture Data to Performance

			Sum of Squares	Df	Mean Square	F	Sig.
Y*X1	Between Groups	(Combined)	116,285	22	5,286	21,850	,000
		Linearity	97,698	1	97,698	403,869	,000
		Deviation from Linearity	18,587	21	,885	3,659	,000
	Within Groups		31,931	132	,242		
	Total		148,217	154			

Source: Data processing results

Based on the data linearity test above, it can be seen that the sig value of organizational culture Linearity (X1) is 0.000, meaning the sig value. < 0.05. So it can be concluded that organizational culture and performance variables have a linear relationship.

4.2 Data Linearity Test

Table 3. Motivation to Performance Data Linearity Test

			Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	(Combined)		96,627	19	5,086	13,308	,000
	Linearity		81,023	1	81,023	212,024	,000
	Deviation from Linearity		15,604	18	,867	2,269	,004
	Within Groups		51,589	135	,382		
Total			148,217	154			

Source: Data processing results

Based on the linearity test of the data above, it can be seen that the sig value of Linearity Motivation (X2) is 0.000, meaning the sig value. < 0.05. So it can be concluded that the motivation and performance variables have a linear relationship.

4.3 Data Linearity Test

Table 4. Test the Linearity of Leadership Data to Performance

			Sum of Squares	Df	Mean Square	F	Sig.
Y*X3	Between Groups	(Combined)	52,578	19	2,767	3,906	,000
		Linearity	41,071	1	41,071	57,975	,000
		Deviation from Linearity	11,507	18	,639	,902	,577
	Within Groups		95,639	135	,708		
Total			148,217	154			

Source: Processed data processing results

Based on the linearity test of the data above, it can be seen that the sig value of Leadership Linearity (X3) is 0.000, meaning the sig. < 0.05 . So it can be concluded that the leadership and performance variables have a linear relationship.

4.4 Data Linearity Test

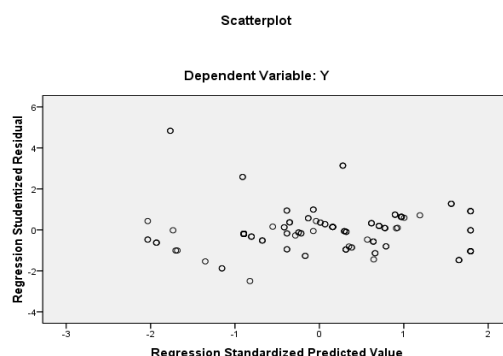
Table 5. Multicollinearity Test Table

Model	Unstandardized Coefficients		Collinearity Statistics	
	B	Std. Error	Tolerance	VIF
1 (Constant)	1,136	,593		
X1	,563	,082	,308	3,242
X2	,265	,075	,377	2,655
X3	,074	,057	,647	1,545

Source: Data processing results

Based on the multicollinearity test above, all the variables used in this research have a VIF value < 10 , and a Tolerance value > 0.1 , so it can be ensured that the model used in this research does not have significant multicollinearity.

4.5. Heteroscedasticity Test



Source: Data processing results

Based on the Scatterplot Image above, it can be seen that the points at *Scatterplots* spread above and below/around the number 0, and the data points do not collect only above or below. The distribution of data points does not form a wavy pattern that widens, then narrows and widens again; in fact, the distribution of data points does not have a pattern. So it can be said that there is no heteroscedasticity in the regression model in this study.

4.7. Multiple Linear Regression Test

Tabel 6. Multiple Linear Regression Test

Model	Unstandardized Coefficients			Sig.
	B	Std. Error	t	
1 (Constant)	1,136	,593	1,917	,057
X1	,563	,082	6,851	,000
X2	,265	,075	3,560	,000
X3	,074	,057	1,299	,196

Source: Data processing results

Based on the table above, the multiple linear regression equation is obtained as follows:

$$Y = 1.136 + 0.563X_1 + 0.265X_2 + 0.074X_3$$

Interpret the multiple linear regression equation regarding the influence of organizational culture, motivation, and leadership on performance. It can be explained as follows:

The constant value is 1.136. This shows that if organizational culture, motivation, and leadership are zero, then performance is 1.136.

The organizational culture regression coefficient is 0.563, a positive sign indicating that organizational culture influences performance. Organizational culture has the most dominant positive influence compared to other variables. The motivation regression coefficient is 0.265, a positive sign indicating that motivation influences performance. The leadership regression coefficient is 0.074, a positive sign indicating that leadership affects performance.

4.6 Model Fit Test

Table 7. Model Fit Test

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	102,029	3	34,010	111,187	,000a
Residual	46,188	151	,306		
Total	148,217	154			

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y

Source: Data processing results

Determining F-table with a confidence level of 95% and an error rate (α) of 5% = 0.05 with degrees of freedom (df) $v_1 = k - 1 = 4 - 1 = 3$, and $v_2 = nk - 1 = 155 - 4 = 151$ (same df as in the Anova Table). So the Ftable value = 2.66

Based on the results of the F-test, it can be seen that the Fcount value is $111.187 > F_{table} 2.66$, with a sig. F level of $0.000 < 0.05$ (significant), then H_0 is rejected, and H_a is accepted, meaning there is a significant influence of organizational culture, motivation, and leadership together on employee performance at the Palembang High Court.

Organizational culture

The t-count value is $6.851 > t_{table} 1.975$, with a sig.t level of $0.000 < 0.05$ (significant). H_0 is rejected, and H_a is accepted, meaning there is a significant influence of organizational culture on the performance of Palembang High Court employees.

Motivation

The t-count value is $3.560 > t_{table} 1.975$, with a sig.t level of $0.000 < 0.05$ (significant). H_0 is rejected, and H_a is accepted, meaning there is a significant influence of motivation on the performance of Palembang High Court employees.

Leadership

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The t-count value is $1.299 < t\text{-table } 1.975$, with a sig.t level of $0.196 > 0.05$ (insignificant). H_0 is accepted, and H_a is rejected, meaning there is no significant influence of leadership on the performance of Palembang High Court employees.

4.9. Coefficient Determinant

Table 8. Determination Coefficient

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.830a	.688	.682	.553062
a. Predictors: (Constant), X3, X2, X1				

Source: Data processing results

Based on the table above, the Adjusted R square value is 0.682 or 68.2%, meaning that there is an influence of organizational culture, motivation, and leadership of 68.2% on employee performance at the Palembang High Court. The remaining 31.8% is influenced by other variables not included in the research, namely competence, compensation, work environment, and job satisfaction.

4.11. Discussion

The Influence of Organizational Culture, Motivation and Leadership on Employee Performance at the Palembang High Court.

The results of the simultaneous analysis show that the confidence level is 95% which proves that the hypothesis is accepted, meaning that organizational culture, motivation, and leadership are interrelated and can jointly influence employee performance at the Palembang High Court. This is also proven by the results of the coefficient of determination which shows the contribution of the variables organizational culture, motivation, and leadership to 0.682 or 68.2%.

According to Kasmir (2022:189-193), performance is influenced by several factors, namely ability and expertise, knowledge, work design, personality, motivation, leadership, and leadership style. organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline.

This is by research that has been done by research by Shati and Dewi (2014) Juanti (2017) and Brury (2016). The research results show that organizational culture, motivation, and leadership have a positive and significant effect on performance.

Based on the distribution of responses it is found that the most frequently occurring problems are as follows:

Regarding the Quantity indicator in the statement, every employee always has a high work ethic in completing their work and work responsibilities, 38 respondents (24.5%) said they agreed, 41 respondents (26.5%) said they were neutral and 76 respondents (49%) said they disagreed. This means that there are employees who have a high work ethic in completing work, but there are still employees who lack a high work ethic, which is usually caused by a lack of motivation and communication between superiors and subordinates. Against effectiveness indicators with statements. Each employee is supported with their computer and printer to support work effectiveness. 33 respondents (21.2%) said they agreed, 60 respondents

(40%) said they were neutral and 60 respondents (38.7%) said they disagreed. This means that there are employees who are supported with their computers and printers for effectiveness, but there are still many who do not receive facilities to support their work effectiveness. Against Quality indicators with statements. Each employee has held a position in the educational study program (for example: Law Study Program, Economics Study Program, State Administration Study Program, Computer Science Study Program, and so on), 42 respondents (27.1%) agreed, 44 respondents (28.4%) said they were neutral and 69 respondents (44.5%) disagreed. This means that there are employees whose positions have the appropriate educational background, but there are still employees whose positions do not match their educational background.

The Influence of Organizational Culture on Employee Performance at the Palembang High Court.

Hypothesis testing with a confidence level of 95% proves that the research results show that there is a significant influence of organizational culture on performance. This proves that organizational culture has an impact on influencing performance.

According to Kasmir (2022:189-193) one of the factors that influences performance is organizational culture. According to Robbins and Judge (2021:355), organizational culture refers to a system of sharing meaning carried out by members that differentiates an organization from others.

This is in line with research according to Amanda et al (2017), namely that there is a significant influence between organizational culture on performance. This is not in line with research according to Juanti (2017), Lestari and Muchsinati (2022), namely that there is no significant influence between organizational culture on performance. Which dissects the research location, year of research, and a number of samples and analytical techniques.

Then what differentiates this research from previous research is that this research was conducted at the Palembang High Court, in 2023, the population was 253 and the sample used was 155 and the sampling technique used was side probability with the cluster random sampling technique and the research results showed that organizational culture had a positive influence and significant. Meanwhile, previous research said that organizational culture has no effect, namely Juanti (2017) used research objects in regional hospitals with 80 samples and purposive sampling, and the research results had a positive and insignificant effect

Based on the distribution of responses in Table IV.11, it is found that the problem that occurs most often is the Professionalism indicator. Every employee does not complain if there is an error at work, 44 respondents (25.8%) said they agreed, 49 respondents (33.5%) said they were neutral and 62 respondents (40.7%) said they disagreed. This means that most employees do not complain if there are mistakes at work, but there are still employees who complain at work. There is a Management Distance indicator. Every employee is free to express their opinion, 53 respondents (34.2%) said they agreed, 36 respondents (23.2%) said they were neutral and 66 respondents (42.6%) said they disagreed. This means that there are still employees who cannot express their opinions regarding work matters. There is a Regularity indicator. Every employee does not abuse their authority for personal gain, 41 respondents (26.4%) agreed, 50 respondents (32.3%) said they were neutral and 64 respondents (41.3%) said they disagreed. This means that there are still employees who use their authority for their interests.

The Influence of Motivation on Employee Performance at the Palembang High Court.

Hypothesis testing with a confidence level of 95% proves that the research results show a significant influence of motivation on performance. So, this proves that motivation has an impact in influencing performance.

According to Kasmir (2022:189-193), one of the factors that influence performance is motivation. According to Wibowo (2022: 322-323), motivation encourages a series of human behavioural processes in achieving goals. Meanwhile, the elements contained in motivation include the elements of generating, directing, maintaining, showing intensity, being continuous, and having a goal.

This is in line with research according to Ma'ruf and Chair (2020), namely that there is a significant influence between motivation and performance. This is not in line with research according to Sumiati and Purbasari (2019), namely that there is no significant influence between motivation and performance. Those who differentiate are Ma'ruf and Chair (2020) who used a sample of 83 and the analysis technique is simple linear regression, while according to Sumiati and Purbasari (2019), the Nonprobability Sampling technique uses the saturated sampling method and the sample is 60.

Then what differentiates this research from previous research is that this research was conducted at the Palembang High Court, in 2023, the population was 253 and the sample used was 155 and the sampling technique used was side probability with the cluster random sampling technique and the research results showed that motivation had a positive influence and significant. Meanwhile, Sumiati and Purbasari (2019) used a non-probability sampling technique with a saturated sampling method and a sample size of 60, and the research results showed that motivation had no significant influence.

Based on the distribution of responses in Table IV.12, it is found that the problem that occurs most often is with the Responsibility Indicator. Every employee feels there is no time to relax at work, 43 respondents (27.8%) agreed, 42 respondents (27.1%) said they were neutral and 70 respondents (45.2%) said they disagreed. This means that there are still a lot of employees who relax at work even though there are not too many employees like that. Regarding Recognition or Award indicators. Every employee receives an award in the form of facilities to work appropriately. 47 respondents (30.3%) said they agreed, 37 respondents (23.9%) said they were neutral and 71 respondents (45.8%) said they disagreed. The fact is that there are still employees who do not receive awards in the form of facilities to work appropriately. On Indicators of Opportunities for Progress. Every employee gets support in doing their work from colleagues and leaders. 43 respondents (27.8%) said they agreed, 43 respondents (27.7%) said they were neutral and 69 respondents (44.5%) said they disagreed. This means that there are still employees who feel a lack of support from colleagues or leadership.

The Influence of Leadership on Employee Performance at the Palembang High Court.

Hypothesis testing with a confidence level of 95% proves that the research results show that there is no significant influence of leadership on performance. So, this proves that leadership has no impact in influencing performance.

According to Kasmir, (2022:189-193) one of the factors that influences performance is leadership. Robbins and Judge (2021:249), define leadership as the ability to influence a group towards achieving a set vision or goal. The source of this influence can be formal, as is the case with managerial rank within the organization.

This is in line with research according to Juanti (2017) and Andayani et al (2018), namely that there is no significant influence of leadership on performance. This is not in line with research according to Lindayani (2021), namely that there is a significant influence between leadership and performance.

Which is surgical. Juanti (2017) used research objects at RSUD with 80 samples and used purposive sampling. Andayani et al. (2018) Data collection using the census. The population is 430 and the sample is 207 whereas Lindayani (2021) Department of Agriculture, Food and Fisheries, Tasikmalaya Regency, sample 72.

Then what differentiates this research from previous research is that this research was conducted at the Palembang High Court, in 2023, the population was 253 and the sample used was 155 and the sampling technique used was side probability with the cluster random sampling technique and the research results showed that leadership has a positive influence and not significant. Lindayani (2021) namely that there is a significant influence between leadership and performance

Based on the distribution of responses in Table IV.13, it is found that the problem that occurs most frequently is with the Communication Skills Indicator. Every employee has smooth communication with the leadership. 46 respondents (29.6%) said they agreed, 48 respondents (31%) said they were neutral and 61 respondents (39.4%) said they disagreed. There are still employees who cannot communicate smoothly with the leadership, on Courage Indicators. Every employee works according to their duties and responsibilities. 37 respondents (23.8%) agreed, 58 respondents (37.4%) said they were neutral and 60 respondents (38.7%) said they disagreed. This means employees still do not carry out their duties and responsibilities appropriately against Firmness Indicators. Employees with low-performance results will receive a direct warning or sanction from the leadership. 48 respondents (31%) said they agreed, 49 respondents (31.6%) said they were neutral, and 58 respondents (37.5%), said they disagreed. This means there is still a lack of warnings from leaders for low employee performance. Leadership does not have a positive and significant effect, meaning it does not have an effect because other variables have a more dominant influence. If there are three leadership problems, they are not the ones that affect performance.

4. Conclusion

Based on the research results and discussion in the previous chapter, the author can conclude this research as follows: (1). There is a positive and significant influence between organizational culture, motivation, and leadership on the performance of Palembang High Court employees. (2). Organizational culture has a positive and significant influence on the performance of Palembang High Court employees. (3). There is a positive and significant influence between motivation and the performance of Palembang High Court employees. (4). There is an insignificant influence between leadership on the performance of Palembang High Court employees.

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The Effect of Placement, Work Environment, and Job Satisfaction on The Performance of District Court Employees in South Sumatera

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Abstract

This study aims to determine whether placement, work environment, and job satisfaction affect the performance of District Court employees in South Sumatra. The type of research is associative-causality quantitative. The sample in this study were civil servants at the Palembang District Court, Pangkalan Balai, Kayuagung, Sekayu, and Baturaja, with a total of 114 people. The study uses primary data and secondary data. The results of simultaneous hypothesis testing show that simultaneous placement, work environment, and job satisfaction significantly influence the performance of South Sumatra District Court employees. The results of testing the hypothesis partially show that placement does not significantly influence the performance of District Courts South Sumatra employees. The results of testing the hypothesis show that the work environment significantly influences the performance of employees of the District Courts in South Sumatra. The results of testing the hypothesis show that job satisfaction significantly influences the performance of employees of the District Courts in South Sumatra.

Keywords: Placement, Work Environment, Job Satisfaction, and Performance

JEL Code: M12, M53, O15.

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1. Introduction

According to Huseno (2016, p. 86), high performance is a step towards achieving the goals of the organization concerned. Therefore, efforts are needed to improve this performance. Wibowo (2022, p. 70) assumes that performance can be seen as a process or result of work. According to Kasmir (2022, p. 182), performance results from work and work behaviour being achieved in completing the tasks and responsibilities given in a specific period. Rivai and Basri (2014, p. 14) said that performance is the overall result of a person during a certain period in carrying out tasks, such as work result standards, targets, goals or criteria determined in advance and agreed upon.

Siahaan and Syaiful Bahri (2019, p. 17) assume that success in labour procurement lies in the accuracy of placing new employees and old employees in new positions. Sastrohadiwiryo (2012, p. 162, as cited in Husin, 2020, p. 135) defines employee placement as the process of assigning tasks and jobs to workers who pass the selection be carried out according to the predetermined scope and can take responsibility for all risks and possibilities that occur for their duties and jobs, authority, and responsibilities.

In carrying out organizational activities, the work environment is also all conditions around the workers that either directly or indirectly can affect them in carrying out their assigned tasks. The work environment is a variety of situations and conditions around the workplace, both concerning physical and non-physical aspects, as well as those related to psychological aspects. According to Nitisemito (2007, as cited in Herlina, 2020, p. 49), the work environment is everything in the environment that can influence itself in carrying out its work. A good and comfortable work environment is needed by employees so that employees will be severe in completing the work given. Wibowo (2022, p. 70) assumes that the work environment or work situation provides comfort to encourage employee performance.

In addition, research has shown that a pleasant work environment is essential for encouraging the most productive levels of employee performance. In everyday interactions between superiors and subordinates, various other assumptions and expectations arise. As superiors and subordinates form their own, often quite different, assumptions and expectations, these differences ultimately affect performance levels.

Every human being must have needs in his life. The desire to fulfil these needs drives humans to carry out various activities. The needs that humans have are very diverse. The satisfaction of one person from one to another will vary. Therefore, satisfaction is individualized. Employees will feel more satisfied if the pay is proportional to the work done. Employee job satisfaction is a phenomenon that needs to be observed by organizational leaders because employee job satisfaction is closely related to employee performance.

According to Hartline dan Ferrel (1996, as cited in Huseno, 2016, p. 68), job satisfaction is pleasant emotions resulting from the assessment of a job due to the achievement or success of a job. According to Davis dan Newstrom (1994, as cited in Huseno (2016, p. 68), job satisfaction define as vital for organizations because one symptom of a less stable organization is low job satisfaction.

The phenomena of problems found by researchers during pre-research in the field that explain employee performance variables. Firstly, the quality of work. Some employees are often wrong in making official letters and employees who are less thorough in following up on reports on the results of regional supervision. Secondly, work quantity. There was a downward trend in

the percentage of performance achievement scores in all courts of first instance (look at Table 1 and Table 2), including the Palembang District Court (3.94%), Pangkalan Balai (1.69%), Kayuagung (7.11%) which followed by a decrease in the category predicate from A (Satisfactory) to BB (Very Good), Sekayu (5.42%), and Baturaja (4.31%). Thirdly, effectiveness. There are limitations in the number of printer machines, the number of photocopiers, limited use of technology and utilization of applications by human resources by their work duties and functions.

Table 1. Overview of Performance Accountability Evaluation Results Report First Instance Court within the Palembang High Court 2020

No.	Work Unit	Value Per Component					(%)	
		Work Planning (30%)	Performance Measurement (25%)	Performance Reporting (15%)	Internal Evaluation (10%)	Performance Achievement (20%)		
1	PN Muaraenim	25,55%	21,28%	12,82%	7,75%	13,33%	80,73	A
2	PN Kayuagung	25,25%	21,17%	13,10%	5,75%	15,00%	80,26	A
3	PN Palembang	26,00%	20,91%	11,73%	5,75%	15,00%	79,39	BB
4	PN Lubuk Linggau	26,49%	21,17%	12,00%	5,50%	13,33%	78,49	BB
5	PN Lahat	25,32%	19,90%	12,27%	5,75%	15,00%	78,23	BB
6	PN Sekayu	23,27%	20,53%	12,27%	5,75%	15,00%	76,82	BB
7	PN Baturaja	25,44%	19,08%	12,00%	5,50%	13,3%	75,36	BB
8	PN Pagar Alam	23,68%	20,1%	11,73%	5,50%	13,33%	74,26	BB
9	PN Prabumulih	24,85%	20,53%	10,63%	5,50%	11,67%	73,19	BB
10	PN Pangkalan Balai	23,55%	18,97%	10,63%	5,75%	13,33%	72,24	BB

Source: Palembang High Court Documents, 2023

Table 2 Overview of Performance Accountability Evaluation Results Report First Instance Court within the Palembang High Court 2021

No.	Work Unit	Value Per Component				(%)	
		Work Planning (30%)	Performance Measurement (30%)	Performance Reporting (15%)	Evaluation of Internal Performance Accountability (10%)		
1	PN Muaraenim	24,00%	24,90%	11,25%	18,25%	78,40	BB
2	PN Kayuagung	21,60%	22,50%	10,80%	18,25%	73,15	BB
3	PN Palembang	23,10%	23,10%	11,25%	18,00%	75,45	BB
4	PN Lubuk Linggau	21,00%	22,50%	10,80%	16,25%	70,55	BB
5	PN Lahat	21,60%	21,60%	11,25%	15,75%	70,20	BB
6	PN Sekayu	21,60%	22,50%	10,80%	16,50%	71,40	BB
7	PN Baturaja	21,00%	21,00%	10,80%	18,25%	71,05	BB
8	PN Pagar Alam	21,60%	22,50%	10,50%	15,75%	70,35	BB
9	PN Prabumulih	22,50%	22,50%	10,35%	18,25%	73,60	BB
10	PN Pangkalan Balai	21,60%	21,90%	10,80%	16,25%	70,55	BB

Source: Palembang High Court Documents, 2023

Published

The phenomena of problems found by researchers during pre-research in the field that explain the placement variable. Firstly, education. Some employees with educational qualifications need to be by the specific position (see Table 3). Secondly, work knowledge. Some still need to meet the work knowledge qualifications required in the current position. Thirdly, work skills. Some still need to gain the qualifications or work skills by the work currently assigned. Several Palembang, Pangkalan Balai, Kayuagung, Sekayu and Baturaja District Courts employees still need to learn to use information technology and applications skillfully.

Table 3 Conditions of Gaps in Employee Educational Qualifications for Positions at the Palembang District Court, Pangkalan Balai, Kayuagung, Sekayu, and Baturaja in 2023

No.	Nama	Pendidikan	Jabatan
1.	Chandra Guftha Oktaviano, ST	S1-Teknik Mesin	Jurusita Palembang District Court
2.	Fitria Nurlita, S.Kom., MM	S1-Teknik Informatika, S2-Manajemen SDM	Jurusita Pengganti Palembang District Court
3.	Marlita Gustina, SE	S1-Ekonomi Manajemen	Jurusita Pengganti Palembang District Court
4.	Triana Dian Nisa, S.Kom.	S1-Teknik Informatika	Jurusita Pengganti Palembang District Court
5.	Agus Purnomo, S.Kom.	S1-Teknik Informatika	Jurusita Pengganti Palembang District Court
6.	M. Budianto, SE	S1-Ekonomi Manajemen	Jurusita Pangkalan Balai District Court
7.	Endang Azhari	SMA Program Ilmu Sosial	Bendahara Pangkalan Balai District Court
8.	Mashuri	SMK Program Studi Mesin Produksi	Jurusita Kayuagung District Court
9.	Miftakhul Jannah, A.Md.Kom.	D-III Teknik Informatika	Pengelola Barang Milik Negara Sekayu District Court
10.	Lolyta Sianturi, A.Md	D-III Teknik Informatika	Bendahara Pengeluaran Sekayu District Court
11.	Suaibatul Islamiyah	SMA	Panitera Pengganti Baturaja District Court
12.	Ismayati, SE	S1-Manajemen	Panitera Pengganti Baturaja District Court
13.	Evi Yulianti, SE	S1-Ekonomi	Panitera Pengganti Baturaja District Court

Source: SIKEP Mahkamah Agung RI, 2023

The phenomena of problems found by researchers during pre-research in the field that explain work environment variable. Firstly, the temperature in the workplace. The server room at the Palembang District Court is integrated with the Planning, Information Technology and Reporting room. The server room at the Kayuagung District Court is integrated with the Planning, Information Technology and Reporting room. Ideally, the server room is separated from the employee's workspace so that the employee can work at a temperature that is not too cold (24-27° Celsius). In fact, the server room temperature is arranged at a temperature of 18°C. Secondly, noise in the workplace. The noises can cause hearing loss. There is an obstacle that

the courtroom is not surrounded by soundproofed when the assembly is holding at Palembang, Pangkalan Balai, Kayuagung, Sekayu, and Baturaja District Courts because the office locations in front of the main road. Thirdly, workplace decoration. Several employee workspaces do not comply with the workplace area rules, which should refer to the standards of the Regulation of the Minister of Public Works and Housing of the Republic of Indonesia Number 22/PRT/M/2018 concerning the Construction of State Buildings (at least 2.2 square meters) so that employees cannot move freely and do not facilitate evacuation during an emergency. The significant obstacle in the Palembang District Court is an old building and it is not compatible to the prototype in the Decree of the Chief Justice of the Republic of Indonesia Number: 137/KMA/SK/X/2012 dated October 24, 2012.

The phenomena of problems found by researchers during pre-research in the field that explain job satisfaction variable. Firstly, operating procedures. The leaders often give excessive workloads to subordinates to certain employees, causing subordinates to feel physical and mental fatigue—secondly, coworkers. The existence of leadership behaviour is unfair in the distribution of work tasks, which often focuses on specific subordinates (especially those who are willing to work while those who are less performing are not empowered). The behaviour of coworkers who tend to give negative comments and views towards employees who perform exceptionally well without their knowledge. Thirdly, communication. There is often a need for more communication in the work implementation process, which causes miscommunication between superiors and subordinates.

Based on the research background, the researcher is interested in conducting research with the title: The Effect of Placement, Work Environment, and Job Satisfaction on Employee Performance the District Court South Sumatera, which in this study was carried out precisely in Palembang, Pangkalan Balai, Kayuagung, Sekayu and Baturaja District Courts.

2. Literature Review

2.1. Employee Performance

Masram and Mu'ah (2017, p. 138) said that performance results from work in terms of quality and quantity achieved by an employee in carrying out his or her functions by the responsibilities given to him or her. According to Campbell (1990, as cited in Armstrong, 2000, p. 3), performance is defined as behaviour and must be distinguished from results because system factors can contaminate them. A work system combines processes, methods and techniques commonly used to complete work. Work systems can be socio-technical, meaning that a work process cannot be seen as two separate things: a technical system and a social system. Both must be seen as one unit. This socio-technical system has various aspects, such as Quality Work Circles, Total Quality Management, Self-Directed Management, Job Enrichment, Job Enlargement, and Job Rotation, which play a role in developing the design and redesign of an organization.

Donnelly, Gibson, dan Ivancevich (1994, as cited in Yusuf, 2021, p. 170) said that performance refers to success in carrying out tasks and the ability to achieve predetermined goals. Performance is declared excellent and successful if the desired goals could be reached well. According to Nurlaila (2010, p. 71, as cited in Yusuf, 2021, p. 170), performance is the result or output of a process. According to Robbins (2016, p. 260, as cited in Bintoro (2017, p. 107), a result achieved by an employee in his work according to specific criteria that apply to a job.

According to Rivai dan Basri (2005, as cited in Masram and Mu'ah, 2017, p. 138), performance is the result or overall level of success of a person during a specific period in carrying out tasks compared to various possibilities, such as standard work results, targets or goals or criteria that had been determined in advance, previously agreed. Judith A. Hale (2004, as cited in Kasmir, 2022, p. 183) said that performance is doing meaningful work in effective and efficient ways. According to Kasmir (2022, p. 182), performance is the result of work and work behaviour achieved in completing the tasks and responsibilities given in a certain period.

According to Armstrong and Baron (1998, p. 16, as cited in Wibowo, 2022, p. 84-85), the factors that influence performance are *Personal Factors, Leadership Factors, Team Factors, System Factors, and Contextual/Situational Factors*. Kasmir (2022, p. 189-193) said that the factors that influence an employee's performance are *ability and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline*.

The performance indicators, according to Robbins (2013, as cited in Bandari, 2016, p. 21) are quality of work, quantity of work, timeliness, effectiveness, and independence.

2.2. Placement

According to Kasmir (2022, p. 124), the placement process is defined as very crucial process in getting the competent employees that the company needs because the proper placement in the proper position can help the company achieve its expected goals. Badriyah (2022, p. 124) said that employee placement procedures are closely related to the systems and processes used. According to Sastrohadiwiryono (2003, p. 138, as cited in Badriyah, 2022, p. 123), employee placement places employees as elements of work implementation in positions based on their abilities, skills and expertise.

According to Gomes (2003, as cited in Parera et al., 2021, p. 354), placement is one of the most essential functions in human resource management. A person is proper or not in a particular position depends on the placement. If the placement function does not work out, it will automatically have fatal consequences for achieving organizational goals. Mathis & Jackson (2006, p. 262, as cited in Badriyah, 2022, p. 123) said that placement is placing a person in the proper job position. How well an employee suits his job will influence the quantity and quality of work. According to Hariandja (2005, p. 156, as cited in Badriyah, 2022, p. 123), placement is assigning or filling positions or reassigning employees to new tasks or positions or different positions.

According to Bernardin dan Russel (1993, as cited in Alhaddad, 2019, p. 20), some criteria must be fulfilled in implementing employee placement, including: (1) Knowledge, which could be classified into knowledge a person can obtain through formal and informal education, reading books, and others. (2) Ability shows a person's ability, ability to carry out the tasks and work assigned to him or her. (3) Attitude is a good and profitable evaluative statement that concerns objects, people or events where attitudes can reflect how someone feels about something (for example, right, wrong, agree, disagree).

The indicators for employee placement according to Suwatno (2003, as cited in Arifudin, 2020, p. 16) are education, work knowledge, work skills, and work experience.

2.3. Work Environment

According to Sedarmayanti (2011, p. 2, as cited in Pusparani, 2021, p. 536), the work environment is the totality of tools and materials encountered, the surrounding environment in which a person works, his work methods, and work arrangements both as individuals and as a group.

According to Sedarmayanti (2007, as cited in Suwondo, 2015, p. 136), work environments are divided into two types, namely physical and non-physical work environments. The physical work environment is classified into two categories, namely the environment that is directly related to and near the employee (chairs, tables and others) and the intermediate environment (temperature, humidity, air circulation, lighting, mechanical vibrations, unpleasant odours, colour and others). The non-physical work environment is all conditions that occur related to work relationships, both relationships with superiors, relationships with co-workers and relationships with subordinates.

According to Sutrisno (2009, p. 118, as cited in Suwondo, 2015, p. 136), the work environment is the entire work facilities and infrastructure around employees who are doing work, which can influence the implementation of work. According to Simanjuntak (2011, p. 48, as cited in Saranani, et al., 2018, p. 22), properly arranging the work environment in the form of a workplace, equipment layout, workspace, light, ventilation or air circulation, work safety and health protection equipment can influence a person in carrying out tasks related to their position.

The indicators of work environment according to Sedarmayanti (2011, p. 28-35) such as light in the workplace, temperature in the workplace, humidity in the workplace, air circulation in the workplace, noise in the workplace, mechanical vibration in the workplace, odors in the workplace, colour management in the workplace, workplace decorations, music at work, and workplace safety.

2.4. Job Satisfaction

According to Robbins and Timothy (2013, p. 79), job satisfaction is a positive feeling about a person's job that results from an evaluation of its characteristics. According to Gibson, Ivancevich, and Donnelly (2000, p. 106, as cited in Wibowo, 2022, p. 415), job satisfaction is workers' attitude about their work. The result is from their perception of work. According to Robert Kreitner and Angelo Kinicki (2001, as cited in Badriyah, 2022, p. 228), job satisfaction is an effective or emotional response to various aspects of work.

According to Yuwono, quoted by Spector (1997, as cited in Badriyah, 2022, p. 241), the indicators of job satisfaction are salary, promotion, supervision, benefits, contingents rewards, operating procedures, coworkers, nature of work, and communication.

2.5. Previous Research

Previous research that has links with this study are the results of research conducted by Suwandi et al. (2021), Sartika et al. (2022), Fitri et al. (2021), Weol (2015), Siahaan et al. (2019), and Hamdiah, et al. (2023) have proven that placement (abilities and skills and knowledge) has a significant effect on performance. The results of research conducted by Suryanto et al. (2022), Rozak et al. (2021), and Rondo et al. (2018) prove that placement has an effect but is not significant on employee performance.

The results of research conducted by Suryanto et al. (2022), Kurniawanto et al. (2022), Weol (2015), Choiriyah et al. (2022), Potu (2013), and Rondo et al. (2018) prove that the work

environment has a significant effect on employee performance. The results of research conducted by Siahaan, et al. (2019) proves that the work environment does not have a significant effect on employee performance.

The results of research conducted by Sartika, et al. (2022), Sukmawati, et al. (2022), Kurniawanto, et al. (2022), and Hamdiah, et al. (2023) proves that job satisfaction has a significant effect on employee performance. The results of research conducted by Suwandi, et al. (2021) and Razak, et al. (2021) proves that job satisfaction has no significant effect on employee performance.

3. Research Method

This type of research is quantitative associative-causality research. Paramita (2021, p. 33) said quantitative associative-causality research because it examines cause-and-effect relationships, where there are independent variables and dependent variables. The research is needed to determine the effect of employee placement variables, work environment variables, and job satisfaction variables on employee performance variables at the Palembang District Court, Pangkalan Balai District Court, Kayuagung District Court, Sekayu District Court, and Baturaja District Court.

The object of this study is Employee Performance (Y) as a dependent variable. In contrast, as an independent variable is Placement, Work Environment, and Job Satisfaction at the District Court South Sumatera. The population in this study was all civil servants from Palembang District Court, Pangkalan Balai District Court, Kayuagung District Court, Sekayu District Court, and Baturaja District Court, with 158 employees. The sample in this study used the Yamane formula with a sampling error of 5% (0.05) from the population who were selected by using the cluster random sampling method.

The data collection techniques consist of questionnaires, interviews and documentation. Questionnaires are those submitted and collected by researchers by the Google Form link. Interviews are direct communication with the District Court South Sumatera employees to obtain information related to the necessary data. Documentation is done by collecting data related to the study under study—the regression linear analysis technique. However, previously, instrument tests and classical assumption tests will be carried out first against the data. The analysis model used is multiple linear regression analysis. The model of multiple linear regression equations is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \varepsilon$$

Explanation:

Y	= Employee Performance
a	= Constanta
X₁	= Placement
X₂	= Work Environment
X₃	= Job Satisfaction
b₁, b₂, b₃	= Regression Coefficient
ε	= Error Term

4. Findings and Discussion

Based on a total research sample of 114 respondents, the author distributed questionnaires by the Google Form link to selected respondents from the District Court South Sumatera with the results of returning 81.4% of the questionnaires, namely 140 respondents answers which were received back. The general description respondents could be seen by the demographics of respondents, which are gender, age, education level, and position.

4.1. Instrument Test

Instrument tests include validity tests and reliability tests. The method, which is used to calculate the validity test is a Bivariate Pearson (Product Moment Person) correlation. It is done by correlating each item's score with the total score. The total score is the sum of all items. Question items that correlate significantly with the total score indicate that these items can support revealing what they want to reveal. The r-table value with a significant rate of 5% is 0.361. If $r\text{-count} \geq 0.361$, it is declared valid (meaning that the instrument or question items are significantly correlated with the total score). Otherwise, if $r\text{-count} < 0.361$, it is declared invalid. Based on the validity test, the overall indicators used in each question item in employee performance, placement, work environment, and job satisfaction are valid because the overall indicators used have a r-count value of $> r\text{-table value (0.361)}$.

Table 4 Validity Test Result

No.	Placement (X ₁)	r-count			Performance (Y)	r-table
		Work Environment (X ₂)	Job Satisfaction (X ₃)			
1.	0,863	0,605	0,442		0,842	0,361 Valid
2.	0,867	0,655	0,595		0,773	0,361 Valid
3.	0,806	0,908	0,903		0,890	0,361 Valid
4.	0,772	0,782	0,899		0,718	0,361 Valid
5.	0,901	0,799	0,902		0,736	0,361 Valid
6.	0,619	0,840	0,778		0,723	0,361 Valid

Source: Data Processing, 2023

Reliability tests are carried out jointly on all question items. If the value of Cronbach Alpha ≥ 0.6 , then it is reliable. If the Cronbach Alpha value < 0.6 , then it is not reliable. Based on reliability tests, the overall value of employee performance, placement, work environment, and job satisfaction used in this study are said to be reliable because overall, it has a value of > 0.6 .

Table 5 Reability Test Result

Variable	Cronbach's Alpha	Alpha Standard	
Performance	0,870	$> 0,600$	Reliable
Placement	0,888	$> 0,600$	Reliable
Work Environment	0,845	$> 0,600$	Reliable
Job Satisfaction	0,859	$> 0,600$	Reliable

Source: Data Processing, 2023

4.2. Test of Classical Assumption

4.2.1. Normality Test

Normality testing in this research uses the Normal Probability Plot Test (Normal P-P Plot). The basis for decision-making for this test is:

The residual value is usually distributed if the points or data are close to or follow the diagonal line.

On the other hand, if the points are spread apart or do not follow a diagonal line, the residual values are not usually distributed.

According to Santoso (2020, p. 395), the normality requirement is that if the residual comes from a normal distribution, the data distribution values will lie around a straight line.

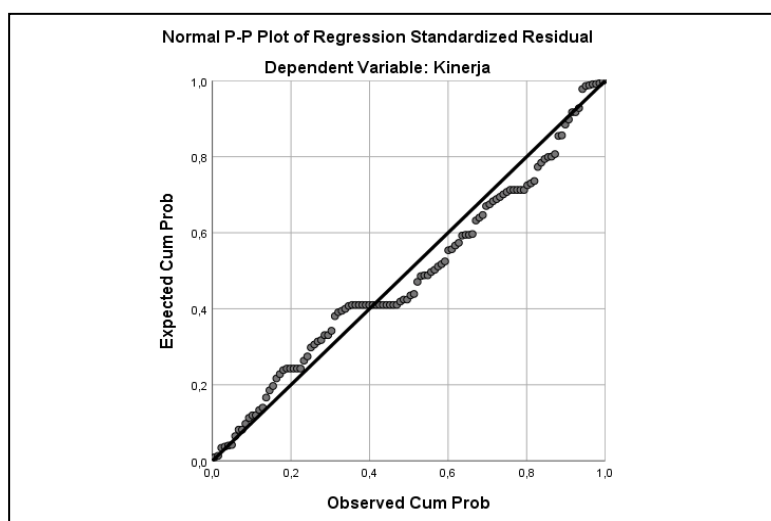


Figure 1 The Result of The Normality Test

Based on Figure 1, it concludes that the items are along the diagonal line, so it can be concluded that the variables are usually distributed.

4.2.2 Linearity Test

The data linearity test determines whether two or three variables have a significant linear or non-linear relationship.

Table 6 Linearity Results Test

			Sig.
Unstandardized residual*	Between Groups	(Combined)	,000
Unstandardized Predicted Value		Linierity	1,000
		Deviation from Linierity	,000

Source: Data Processing, 2023

Based on Table 6, it shows that the probability value (Sig.) of linearity seen from Deviation from Linearity is 0.000, and it is smaller than 0.05. It concludes that the relationship between the placement variable, the work environment variable, and job satisfaction variable with the performance variable is linear.

4.2.3 Heteroscedasticity Test

At the Scatterplot graph shown in the SPSS Vers. 26 program, namely the plot between the predicted value of the related variable, namely ZPRED and the residual SRESID, it can be determined whether there is heteroscedasticity which is to determine whether or not heteroscedasticity are if there is a specific pattern, such as dots that form a regular pattern (wavy, widened then narrowed), then it indicates that heteroscedasticity has occurred, or, if there is no clear pattern, and the dots spread above and below the number 0 on the Y axis, then there is no heteroscedasticity. The result of the Heteroscedasticity test in the following figure:

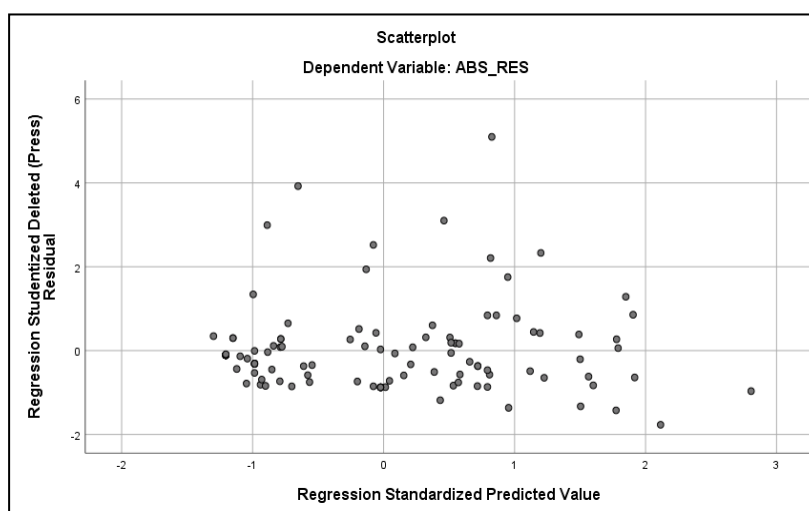


Figure 2 Result of the Heteroscedasticity Test

Based on Figure 2, it concludes that the points spread above and below the zero line (0). It means that the data used does not have heteroscedasticity.

The Spearman's Rho test results can be seen in the following table:

Table 7 Spearman's Rho Result Test

Variable	Sig. (2-tailed)Value	Standard Sig. (2-tailed)	Explanation
Placement	0,898	> α (0,05)	No Heteroscedastici ty
Work	0,554		
Environment			
Job Satisfaction	0,986		

Source: Data Processing, 2023

Based on Table 7, the Sig value. (2-tailed) each independent variable is above 0.05. It means that there is no heteroscedasticity.

4.2.4 Multicollinearity Test

It tests whether the regression model found a correlation between the independent variables and the regression model. To approach the presence or absence of multicollinearity by using a tolerance value > 0.10 or with a Variance Inflation Factor (VIF) value < 10 . The result of the analysis in the following table:

Table 8 Multicollinierity Result Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1 Placement	0,193	5,183
Work Environment	0,210	4,772
Job Satisfaction	0,614	6,108

Source: Data Processing, 2023

Based on Table 8, it shows that placement has a tolerance value of $0.193 > 0.10$, work environment has a tolerance value of $0.210 > 0.10$, and job satisfaction has a tolerance value of $0.614 > 0.10$, so it means that there is No. Correlation between the independent variables. The VIF result on the independent variable placement shows 5.183, the work environment shows 4.772, and job satisfaction shows 6.108, so the VIF value < 10 means that there is No. Multicollinearity between the independent variables.

4.3. Multiple Linear Regression Analysis

Data analysis in this research uses multiple linear regression analysis to determine the correlation between placement (X_1), work environment (X_2), and job satisfaction (X_3). The following are the results of multiple linear regression analysis by using the IBM SPSS version 26.0 application.

Table 9 Multiple Linier Regression Result Test

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	4,984	,928	
1 Placement	,035	,083	,038
Work Environment	,381	,077	,427
Job Satisfaction	,433	,089	,477

Source: Data Processing, 2023

Based on Table 9, the regression analysis model can be modeled as a multiple linear regression equation follows:

$$Y = 4.984 + 0.035X_1 + 0.381X_2 + 0.433X_3$$

Explanation :

Employee Performance = 4.984 + 0.035 Placement + 0.381 Work Environment + 0.433 Job Satisfaction

From the equation, it can be explained, firstly, if the values of X_1 , X_2 , and X_3 equal 0, so Y value equals a value (Constanta) = 4.984. Secondly, if the placement variable is assumed to increase while other factors are considered *ceteris paribus*, the performance of the District Court South Sumatera employees will increase by 0.035. Thirdly, if the work environment variable is assumed to increase while other factors are considered *ceteris paribus*, the performance of the District Court South Sumatera employees will increase by 0.381. Fourthly, if the job satisfaction variable is assumed to increase while other factors are considered *ceteris paribus*, the performance of the District Court South Sumatera employees will increase by 0.433. From the equation above, it concludes that the variables that have most significant influence on performance are job satisfaction, work environment, and placement.

4.4. Hypothesis Test

4.4.1 F-Test

The result of simultaneous F-Test calculations are obtained as follows:

Table 10 Result F-Test

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1966,154	3	655,385	175,657	,000 ^b
	Residual	410,416	110	3,731		
	Total	2376,570	113			

Source : Data Processing, 2023

Table 10 shows that the F-count is 175.657, and a significance level of 5% can search F-table. $F\text{-table} = F(k; n-k) = F(3; 114-3) = F(3; 111)$ so that an F-table of 2.687 is obtained, so it can be seen that $F\text{-count value} > F\text{-table value}$ ($175.657 > 2.687$) with a significance of $0.000 < 0.005$, then H_0 is rejected and H_a is accepted. So it can be concluded that placement, work environment, and job satisfaction significantly influence the performance of the District Court South Sumatera employees.

4.4.2 t-Test

This t-test aims to test independent variables partially against dependent variables, with the following results:

Table 11 Result t-Test

	Model	t	Sig.
1	(Constant)	5,373	,000
	Placement	,423	,673
	Work Environment	4,937	,000
	Job Satisfaction	4,868	,000

Source : Data Processing, 2023

Based on Table 11, where the confidence interval is 5% ($\alpha=0.05$), the variables that significantly explain employee performance are variables with a significance value of less than $\alpha=0.05$. From the table above, it can be explained, firstly, the t-count value of the influence of placement on employee performance is 0.423, and the significance value is 0.673. Meanwhile, the t-table value is 1.981, and the alpha value is 0.05. The t-count value is smaller than the t-table value, and the significance value is greater than the alpha value, concluding that there is an influence but not significant placement on the performance of the District Court South Sumatera employees. Secondly, the t-count value of the influence of the work environment on employee performance is 4.937, and the significance value is 0.000. Meanwhile, the t-table value is 1.981, and the alpha value is 0.05. The t-count value is greater than the t-table value, and the significance value is smaller than the alpha value, so it concludes that the work environment has a positive and significant influence on the performance of the District Court South Sumatera employees. Thirdly, the t-count value of the influence of job satisfaction on employee performance is 4.868, and the significance value is 0.000. Meanwhile, the t-table value is 1.981, and the alpha value is 0.05. The t-count value is greater than the t-table value, and the significance value is smaller than the alpha value, so it concludes that the work environment has a positive and significant influence on the performance of the District Court South Sumatera employees.

4.5. Discussion

4.5.1 The Effect of Placement, Work Environment, and Job Satisfaction on Employees Performance

The research findings show that 28 respondents (24.6%) disagreed with the statement that employees can use the available work equipment optimally, and 9 respondents (7.9%) disagreed with the statement that employees can operate existing applications optimally. The main problem in performance lies in employees who need help to be able to use the available work equipment optimally and employees who can not operate existing applications optimally. The implication of the existing problems if left unchecked, is the poor quality of work of the District Court South Sumatera employees and the lack of success of District Court South Sumatera employees in completing their work and being unable to carry out their positions properly.

The actions or suggestions that can be given to solve these problems are that the District Court South Sumatera should pay more attention to the availability of work equipment so that employees can use it optimally in carrying out their duties and preferably so that employees can operate existing applications optimally so that training is provided or encouragement is given to attend training related to these existing applications. This is supported by the theory of Kasmir (2022, p. 189-193), that the employee work environment needs attention, where the availability of facilities and infrastructure can improve one's work results for the better. Employee abilities also need attention, where when employees have the ability and expertise, employees will be able to complete their work correctly, in accordance with what has been determined which will provide good performance.

4.5.2 The Effect of Placement on Employees' Performance

The research findings show that 31 respondents (27.2%) disagreed and 2 respondents (1.8%) strongly disagreed with the statement that employees gain knowledge before being placed in positions. In comparison, 12 respondents (10.5%) disagreed and 2 respondents (1.8%) strongly

disagreed with the statement that employees are placed according to the education study program. The main problem in placement lies in employees who do not get knowledge before being placed in positions and employees who are not placed according to their education study programs. The implication of the existing problems if allowed to continue is that employees of the District Court South Sumatera will definitely reduce the results or quality of their work which will ultimately affect their performance.

The actions or suggestions that can be given to solve these problems are that the District Court South Sumatera should provide education or training for employees of the District Court South Sumatera before being placed in positions and place employees by paying attention to their suitability for their education study programs in the future. This is supported by the theory of Kasmir (2022, p. 189-193), that someone with good knowledge about work will provide good work results and make it easier for someone to do their job.

4.5.3 The Effect of Work Environment on Employees' Performance

The research findings show that as many as 36 respondents (31.6%) disagreed. As many as 3 respondents (2.6%) strongly disagreed with the statement that the employee workspace has room soundproofing. In comparison, as many as 35 respondents (30.7%) disagreed and as many as 3 respondents (2.6%) strongly disagreed with the statement that the employee workspace is free from noise outside the room. The main problem in the placement lies in the workspace of employees who need room soundproofing and the workspace of employees who are not free from noise outside the room. The implication of the existing problems if left unchecked is that the work atmosphere will be disturbed, ultimately affecting the work of District Court South Sumatera employees.

The action or suggestion that can be given to solve these problems is that the District Court South Sumatera should provide soundproofing in each employee workspace so that the employee workspace is free from noise coming from outside the workspace. This is supported by the theory of Kasmir (2022, p. 189-193), that the employee work environment needs attention, where the availability of facilities and infrastructure can improve one's work results for the better.

4.5.4 The Effect of Job Satisfaction on Employees' Performance

The research findings show that 19 respondents (16.7%) disagreed with the statement that employees have a workload by the job description, and 8 respondents (7%) disagreed that employees have had smooth communication in carrying out work with colleagues. The main problem with job satisfaction lies in employees who have a workload that is not under the job description and employees need smooth communication in carrying out work with colleagues (peers).

If left unchecked, the implication of the existing problems is that if someone is not happy or excited and does not like their work, it will affect their work results. The actions or suggestions that can be given to solve these problems are that the District Court South Sumatera should evaluate the workload of each employee to keep it proportional, conduct a comprehensive assessment of work behavior, and provide office communication ethics training and regular coaching for employees of the District Court South Sumatera. This is supported by the theory of Kasmir (2022, p. 189-193), that job satisfaction needs attention, where if someone feels happy or happy or likes to work, the results of his work will be good.

5. Conclusion

Based on the results of research and discussion on the effect of placement, work environment, and job satisfaction on the performance of district court employees South Sumatera, it can be concluded as follows:

1. There is a significant effect of placement, work environment, and job satisfaction on employees performance in the District Court South Sumatera.
2. There is an effect of placement on employees' performance, but not significant in the District Court South Sumatera.
3. There is a significant effect of work environment on employees' performance in the District Court South Sumatera.
4. There is a significant effect of job satisfaction on employee performance in the District Court South Sumatera.

It is recommended that the District Court South Sumatera should have to pay more attention to the availability of work equipment so that the employees can use it optimally in carrying out their duties and the best way to make employees can operate existing applications optimally, they need to be given training or give encouragement to take part in training related to existing applications.

It is recommended that the District Court South Sumatera should pay more attention to the placement of employees in their positions that are by the qualifications based on their educational study program in the future.

It is recommended that the District Court South Sumatera should have to provide soundproofing in each employee's workroom so that the employee's workroom is totally free from the noise outside the workroom.

It is recommended that the District Court South Sumatera should evaluate each employee's workload so that it remains proportional, carry out a comprehensive assessment of work behavior, and provide office communication ethics training and regular coaching for the District Court South Sumatera's employees.

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The Influence of Leadership and Work Environment on Job Satisfaction and Its Impact on Employee Performance

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Abstract:

This study aims to find out and analyze the Influence of Leadership and Work Environment on Job Satisfaction and Its Impact on Employee Performance of PT. Sri Aneka Karyatama Palembang. The object of this study is all employees at PT. Sri Aneka Karyatama Palembang. The research method used in this study is associative by using primary data as the main data and secondary data as supporting data. The population in this study is employees of each division in PT. Sri Aneka Karyatama Palembang has as many as 417 people. The sample obtained through the Slovin formula is 205 employees with sampling techniques using proportionate simple random sampling. The data analysis technique used in this study is path analysis with direct effect and indirect effect testing. The results showed that leadership has a positive and significant effect on job satisfaction, the Work environment has a positive and significant effect on job satisfaction, has a positive and significant effect on employee performance, the work environment has a positive and significant effect on employee performance, leadership job satisfaction has a negative and insignificant effect on employee performance, leadership through job satisfaction has a positive and significant effect on employee performance, work environment through job satisfaction has a negative and insignificant effect on employee performance.

Keywords: Leadership, Work Environment, Job Satisfaction and Employee Performance.

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1. Introduction

Human Resources are a form of capital and play an essential role in the success of a company or agency. Humans are the driving force and determinant of a company's running; the human element's importance in carrying out work needs leadership's attention. A company not only expects employees to be capable and skilled, but most importantly, they are willing to work hard and desire maximum results (Busro, 2020).

Human Resources is a significant factor that cannot be separated from an organization, whether institutional or company. Human Resources are also the key that determines the company's

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development. In essence, Human Resources are people employed in an organization as movers, thinkers and planners to achieve the organization's goals. Human Resources work as drivers of an organization, both institutions and companies and function as assets whose abilities must be trained and developed.

Human resources are important and must be connected to an organization, company, or institution. Apart from that, human resources are also a factor that influences company development (Trihandayani, 2018). So, a company can grow very big if it has a lot of competent human resources in its field; conversely, if the human resources working in a company are not of good quality, then the company's development will also be hampered.

Performance results from work produced by an employee interpreted to achieve the expected goals. Apart from that, performance is the willingness of a person or group to carry out an activity and perfect it under their responsibilities with the results as expected (Busro, 2020).

Performance can also be interpreted as the result of work functions and activities of a person or group in an organization, which are influenced by various factors to achieve organizational goals within a certain period. This understanding will not only emphasize individual performance but also group performance. Many factors influence employee performance, namely internal and external factors, including job satisfaction, work environment and leadership style (Malayu, 2019).

PT. Sri Aneka Karyatama commonly known as PT.SAK is a company that was founded in 1987 and is a subsidiary of PT. Pupuk Sriwidjaja is under the auspices of the Pusri Employee Welfare Foundation (YKKP), which currently provides services in the fields of Construction, Supplier and Cleaning Services. PT. Sri Aneka Karyatama Palembang is located at JL. Mayor Zen Komp. PT. Office. Pusri Palembang 30118. As a company operating in the construction sector, it relies on the level of employee performance in its company. So, the company must be able to optimize the performance of its employees in the hope that its goals will be achieved. However, performance results from work in terms of quality and quantity an employee achieves in carrying out his duties per his responsibilities. Apart from that, performance can also be interpreted as a person's results and efforts achieved through abilities and actions in certain situations.

Judging from the production results achieved at PT. Sri Aneka Karyatama Palembang as from the following table:

Table 1. Percentage of Work Not on Time PT. Sri Aneka Karyatama Palembang 2019 - 2022

Year	Number of Jobs	Work Completed on Time	Work Not Completed on Time	Percentage of Work Not on Time (%)
2019	212	193	19	8.9%
2020	243	210	33	13.5%
2021	298	242	56	18.7%
2022	310	275	62	20%

Source: PT. Sri Aneka Karyatama Palembang , 2023

Performance at PT. Sri Aneka Karyatama (SAK) Palembang is identified as the fact that there are still many employees who are unable to complete work based on the timeliness set by the company, thus affecting the company's performance achievements, which can be seen in Table 1, where there

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are still employees who have not been able to complete it. His work on time. Then, in terms of quality, the performance of PT employees. Sri Aneka Karyatama Palembang can be seen from Table 1 above that there are still many employees whose performance quality has decreased; this is evidenced by the increasing percentage of work not completed on time by employees in the last 4 years. It means that the quality of employee work could be more optimal.

Meanwhile, in terms of quantity, based on the table above, it can be explained that in 2019, the number of jobs reached 212, and the number of jobs completed on time was 193, while jobs that were not completed on time were 19 or 8.9%. For 2020, the number of jobs reached 243, and the number of jobs completed on time was 210, while jobs that were not completed on time were 33 or 13.5%. In 2021, the number of jobs will reach 298 and 242 jobs will be completed on time. Meanwhile, work that needed to be completed on time was 18.7%. Meanwhile, in 2022, the number of jobs will be 310 and 275 jobs will be completed on time, 20.0. This means that in terms of quantity, every year starting from 2019-2022, the number of jobs that are not completed on time is increasing from previous years; this shows that in terms of quantity, the work is completed on time at PT. Sri Aneka Karyatama still needs to be optimal.

Research conducted by Suprpta et al. (2020) shows that the Leadership variable positively influences job satisfaction, so it can be proven that leadership also influences job satisfaction. Apart from that, research conducted by Noufal (2020), shows research results that leadership variables hurt job satisfaction.

Research conducted by Irma et al. (2020) shows that work environment variables positively influence job satisfaction, so it can be proven that the environment also influences job satisfaction. Apart from that, research conducted by Simaremare and Isyandi (2020) (2020), shows research results that work environment variables harm job satisfaction.

2. Literature Review

2.1. *The Influence of Leadership and Work Environment on Job Satisfaction Impact on PT's Performance. Sri Aneka Karyatama Palembang*

According to Muhammad Busro (2020:95), many factors influence employee performance; among others, there are leadership variables, work environment and job satisfaction. The research conducted by Yanti (2020), which was conducted at P T. PERTAMINA (Persero) Refinery Unit III Palembang, resulted in the following conclusions: (1) Leadership has a positive effect on satisfaction (2) The work environment has a positive effect on job satisfaction, (3) Work discipline has a positive influence on job satisfaction (4) Leadership has a positive influence on employee performance (5) The work environment has no positive influence on employee performance. (6) Work discipline has a positive influence on employee performance. (7) Job satisfaction has a positive influence on employee performance (8) Job satisfaction can mediate the influence of leadership on employee performance (9) Job satisfaction can mediate the influence of the work environment on employee performance (10) Job satisfaction can mediate the influence of work discipline on employee performance.

The second research was conducted by Afrizal (2019) at BMT Bina Ihsanul Fikri Yogyakarta. The results of his research suggest that (1) The directive leadership style does not have a significant positive effect on work motivation. (2) The supportive leadership style does not positively influence work motivation. (3) The participative leadership style does not positively influence

work motivation. The achievement orientation leadership style has a positive influence on work motivation.

The third research was conducted by Simaremare and Isyandi (2020). The results of the research prove that (1) the training aspect has a positive and significant influence on job satisfaction, (2) the physical work environment aspect has a positive and significant influence on job satisfaction, (3) the leadership aspect has a positive and significant influence on job satisfaction, (4) The satisfaction aspect has a positive and significant influence on performance.

The fourth research was conducted by Brahmasari and Suprayetno (2019) PT. Pei Hai International Wiratama Indonesia". Based on the results of data analysis, several vital things in this research are as follows: 1) Work motivation has a positive and significant effect on employee job satisfaction. 2) Leadership has a negative and significant effect on employee job satisfaction. 3) Organizational culture positively and significantly affects employee job satisfaction. 4) Work motivation has no significant effect on company performance. 5) Leadership has a positive and significant effect on company performance. 6) Organizational culture has a positive and significant effect on company performance. 7) Employee job satisfaction positively and significantly affects company performance.

The fifth research was conducted by Hatta, Musnadi and Mahdani (2022). The research results show that leadership style, teamwork and compensation influence employee job satisfaction. Then, other results show that leadership style, teamwork and job satisfaction do not affect employee performance, while compensation affects employee performance. Other results show that leadership style, teamwork and compensation do not affect the performance of PT employees.

2.2. The Influence of Job Satisfaction on PT Employee Performance. Sri Aneka Karyatama Palembang

According to Hasibuan, the factors influencing job satisfaction are work relationships, work challenges, and creativity. Apart from these factors, there are also leadership and work environment variables as variables that influence job satisfaction.

Research conducted by Natalia et al. (2021) shows that the variable job satisfaction positively influences performance, so it can be proven that it also influences employee performance. Apart from that, research conducted by Indrawati (2020) shows that the job satisfaction variable harms employee performance.

2.3. The Influence of Leadership on PT Employee Job Satisfaction. Sri Aneka Karyatama Palembang

According to Hasibuan, the factors influencing job satisfaction are work relationships, work challenges, creativity, and work environment. Apart from these factors, there are also leadership variables as variables that influence job satisfaction.

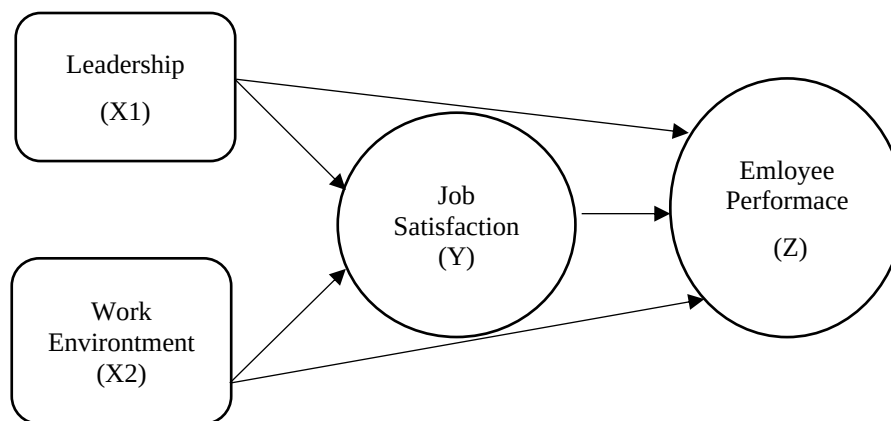
Research conducted by Suprapta et al. (2020) shows that the leadership variable positively influences job satisfaction, so it can be proven that leadership also influences job satisfaction. Apart from that, research conducted by Noufal (2020), shows research results that leadership variables hurt job satisfaction.

2.4. *The Influence of the Work Environment on PT Employee Job Satisfaction. Sri Aneka Karyatama Palembang*

According to Hasibuan, the factors influencing job satisfaction are work relationships, work challenges, creativity, and leadership. Apart from these factors, there are also work environment variables as variables that influence job satisfaction.

Research conducted by Irma et al. (2020) shows that work environment variables positively influence job satisfaction, so it can be proven that the work environment also influences job satisfaction. Apart from that, research conducted by Isyandi (2020) shows that work environment variables hurt job satisfaction.

Furthermore, the relationship between variables in this research can be seen from the picture of the framework as follows:



Source: Researcher, 2023.

Figure 1. Framework of Thought

3. Research methods

This research type is associative because it aims to determine the influence of leadership and work environment on job satisfaction and its impact on employee performance at PT. Sri Aneka Karyatama Palembang. The independent variables are leadership (X1) and work environment (X2), while the intervening variables are job satisfaction (Y), and the dependent variable is employee performance (Z), as in Table 2.

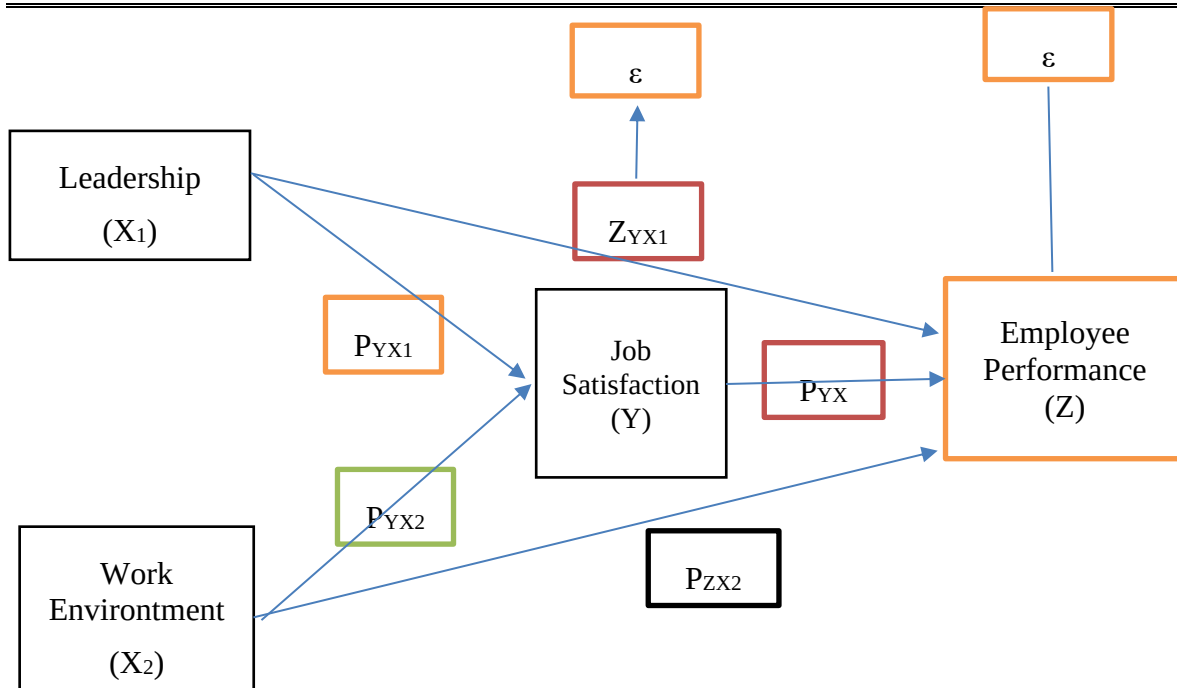
Table 2. Variable Operationalization

Research variable	Variable Definition	Indicator
Employee performance (Z)	Performance is the natural behaviour displayed by every employee of PT. Sri Aneka Karyatama Palembang, as the work achievements he produces are under his role in the company	1. Quality 2. Quantity 3. Punctuality
Satisfaction Work (Y)	A comparison between the results obtained and the results expected by PT employees. Sri Aneka Karyatama Palembang.	1. Harmonious Interaction 2. Challenge Work 3. Leadership
Leadership (X₁)	It is the ability to influence the behaviour of PT employees. Sri Aneka Karyatama Palembang to achieve specific goals in certain situations.	1. Connection Work 2. Task structure 3. Power
Work Environment (X₂)	Everything around the employees of PT. Sri Aneka Karyatama Palembang, which can influence him in carrying out his duties within the company.	1. Work Equipment 2. Lighting 3. Noise

The data collection tool used is a perception scale. So, in this study, hesitant or neutral answer choices were not included as one of the answer choices to avoid passive respondents. On the Likert scale, if the statement is positive, then the score is given for SS (Strongly agree) = 5, S (Agree) = 4, N (neutral) = 3, TS (Disagree) = 2, and STS (Strongly disagree) = 1 Each score obtained is then multiplied by the number of respondents who expressed a confident attitude.

The sampling technique was carried out using the proportionate simple random sampling technique and then, based on 8 divisions at PT. Sri Aneka Karyatama Palembang, consisting of 417 permanent employees, obtained a research sample of 205 people, where the sample size was determined based on the job section. The data analysis technique for measuring the variables in this research uses path analysis with a mediation model or intervening variable.

The presence of an intermediary variable in Path analysis with an intermediary mediation model will change the influence of variable X on variable Z; this influence can increase or decrease. This model is used to calculate direct effects, indirect effects and total effects.



The path diagram above consists of two structural equations, where X_1 and X_2 are exogenous variables while Y and Z are endogenous variables. The following is the structural equation for path analysis based on the explanation above.

$$\text{Equation 1: } Y = P_{yx_1} X_1 + P_{yx_2} X_2 + \varepsilon_1$$

$$\text{Equation 2: } Z = P_{zx_1} X_1 + P_{zx_2} X_2 + P_{zy} Y + \varepsilon_2$$

Information:

Y	= Job Satisfaction
Z	= Employee Performance
P	= Path Coefficient
X_1	= Leadership
X_2	= Work Environment
$\varepsilon_1 ; \varepsilon_2$	= Residual Factor

However, beforehand, the data will be tested first to fulfil the assumptions in carrying out the analysis using path analysis; if it violates the applicable assumptions, then the results can be guaranteed to be misleading and invalid (Sarwono, 2018)

4. Results and Discussion

4.1. Respondent Characteristics

Table 3. Respondent Characteristics

Characteristics	Criteria	Amount	
		Person	Percentage
Gender	Man	152	74.1%
	Woman	53	25.9%
Total		205	100%
Section/Division	Human Resources	21	10.2%
	Production	32	15.6%
	Technical Service	26	12.7%
	Informatics Technic	24	11.7%
	Finance and General	27	13.2%
	Engineering and Development	33	16.1%
	Bill Man and Support	25	12.2%
	Driver	17	8.3%
Total		205	100%

Based on Table 3 above, it can be seen that employees of PT. Sri Aneka Karyatama Palembang is generally male, with a percentage of 74.1%, while the remaining 25.9% are female.

PT employees. Sri Aneka Karyatama Palembang is divided into eight sections/divisions, consisting of a 10% *Human Resources* section, 15.6% *Production* section, 12.7% *Technical Service* section, 11.7% *Technic Informatics* section, 13.2% *Finance and General*, 16.1% *Engineering and Development*, 12.2% *Bill Man and Support*, and 8.3% *Driver*.

4.2. Path Regression Results

Next, a path analysis is carried out. Path analysis in this research was carried out to calculate the direct, indirect, and total effects. This can be seen from the results of the path analysis calculations, as follows:

Table 4. Model I Regression Test Results Direct Effect of X on Y

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.820 ^a	0.673	0.670	0.57678

a. Predictors: (Constant), Work Environment (X2), Leadership (X1)

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	0.217	0.137			1,590	0.113
Leadership (X1)	0.351	0.076	0.331		4,608	0,000
Work environment (X2)	0.556	0.076	0.524		7,291	0,000

a. Dependent Variable: Job Satisfaction (Y)

Source: Data Processing Results.

Based on Table 4 above, the *summary model* shows an R Square value of 0.673 or 67.3%, which shows that the influence of leadership and work environment is 67.3% on job satisfaction. In comparison, the remaining 32.7% is influenced by other variables not examined in this study. Next to find the value ε_1 You can use the formula $\varepsilon_1 = \sqrt{(1-R \text{ square})}$ so that ε_1 the resulting path diagram coefficient for the model I, is $\varepsilon_1 = \sqrt{(1-0.673)} = 0.572$.

Based on the table above, in Table 4, the *coefficient* can be seen that the leadership coefficient value is 0.331, and the work environment coefficient value is 0.524. so the model equation for the model I is:

$$Y = 0.331 X_1 + 0.524 X_2 + 0.572 \varepsilon_1$$

Then, in Table 4 *coefficient*, It can also be seen that the sig value of leadership is 0.000, which means the sig value is <0.05, so it can be concluded that leadership significantly affects job satisfaction. The sig value of the work environment is 0.000, which means the sig value is <0.05, so it can be concluded that the work environment significantly affects job satisfaction.

Table 5. Model II Regression Test Results. Direct Influence of X and Y on Z

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	
1	0.862 ^a	0.744	0.740	0.50734	
a. Predictors: (Constant), Y, X1, X2					
	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
<i>Model</i>	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>
(Constant)	0.211	0.121		1,744	0.083
Leadership (X1)	0.657	0.070	0.626	9,332	0,000
Work Environment (X2)	0.286	0.075	0.272	3,792	0,000
Job Satisfaction (Y)	-0.003	0.062	-0.003	-0.042	0.967
a. Dependent Variable: Employee Performance (Z)					

Source: Data Processing Results.

Based on Table 5 above, the *summary model* shows an R Square value of 0.744 or 74.4%, which shows that the influence of leadership, work environment and job satisfaction is 74.4% on employee performance. In comparison, the raining 25.6% is influenced by he variables not examined in this study. Next, to find the value ε_2 You can use the formula $\varepsilon_2 = \sqrt{(1-R \text{ square})}$ so that ε_2 the resulting path diagram coefficient for a model I is $\varepsilon_2 = \sqrt{(1-0.744)} = 0.506$.

Based on the table above, in Table 5, the *coefficient* can be seen that the leadership coefficient value is 0.626, the work environment coefficient value is 0.272, and the job satisfaction coefficient value is -0.003. So the model equation for model II is:

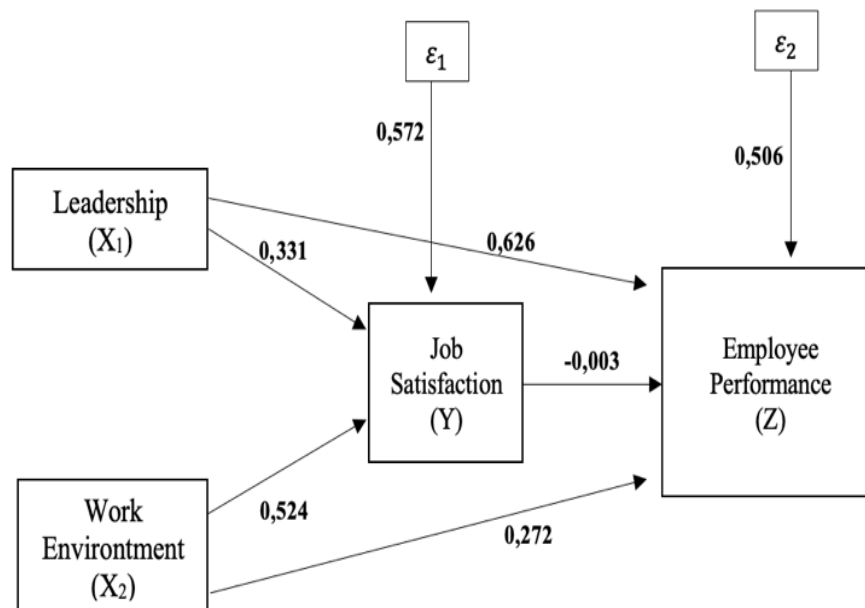
$$Z = 0.626 X_1 + 0.272 X_2 - 0.003 Y + 0.506 \varepsilon_2$$

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Then, in Table 5, the *coefficient* can also be seen that the sig value of leadership is 0.000, which means the sig value is <0.05 , so it can be concluded that leadership significantly affects employee performance. The sig value of the work environment is 0.000, which means the sig value is <0.05 , so it can be concluded that the work environment significantly affects employee performance. Meanwhile, the sig value of job satisfaction is 0.967, which means the sig value is > 0.05 , so it can be concluded that the work environment has no significant effect on employee performance.

Based on the equation of regression model I and regression model II in the path analysis results above, a path diagram can be arranged as follows :

Figure 3. Path Analysis Model



Based on Figure 3 above, the direct influence of the significance value in the table is as follows:

Table 6. Significance Level of Direct Influence between Variables ($\alpha = 5\%$)

Channel	<i>t count</i>	<i>Sig.t</i>	Conclusion
Leadership → Job satisfaction	4,608	0,000	Significant
Work environment → Job satisfaction	7,291	0,000	Significant
Leadership → Employee performance	9,332	0,000	Significant
Work environment → Employee performance	3,792	0,000	Significant
Job satisfaction → Employee performance	-0.042	0.967	Not significant

Source: Data Processing Results

Determine the t_{table} with a confidence level of 95%, an error rate (α) of $5\% = 0.05$, and a degree of freedom (df) = nk . Then: (df) = $0.05 (205-4)$ is $0.05 = 201$. So, the $t_{table \text{ value}} = 1.971$. From Table 6 above, the following test results are obtained:

The influence of leadership on job satisfaction

The calculated t value is $4.608 > t_{table} 1.971$, with a significance level of $0.000 < 0.05$ (significant), then H_{01} is rejected, and H_{a1} is accepted, meaning there is a positive and significant influence of leadership on the job satisfaction of PT employees. Sri Aneka Karyatama Palembang.

The influence of the work environment on job satisfaction

The calculated t value is $7.291 > t_{table} 1.971$, with a significance level of $0.000 < 0.05$ (significant), then H_{02} is rejected, and H_{a2} is accepted, meaning that there is a positive and significant influence of the work environment on job satisfaction of PT employees. Sri Aneka Karyatama Palembang.

The influence of leadership on employee performance

The calculated t value is $9.332 > t_{table} 1.971$, with a significance level of $0.000 < 0.05$ (significant), then H_{03} is rejected, and H_{a3} is accepted, meaning there is a positive and significant influence of leadership on the performance of PT employees. Sri Aneka Karyatama Palembang.

The influence of the work environment on employee performance

The calculated t value is $3.792 > t_{table} 1.971$, with a significance level of $0.000 < 0.05$ (significant), so H_{04} is rejected, and H_{a4} is accepted, meaning that there is a positive and significant influence of the work environment on the performance of PT employees. Sri Aneka Karyatama Palembang.

The influence of job satisfaction on employee performance

Based on the results of the analysis, it is known that the calculated t value is $-0.042 < t_{table} - 1.971$, with a significance level of $0.967 > 0.05$ (not significant), then H_{05} is accepted. H_{a5} is rejected, meaning that there is a negative and insignificant effect of job satisfaction on the performance of PT employees. Sri Aneka Karyatama Palembang.

Table 7. Indirect Influence of X through Y on Z

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1,653	0.080		20,665	0,000
	Leadership (X1) * Job Satisfaction (Y)	0.171	0.026	0.954	6,639	0,000
	Work Environment (X2) * Job Satisfaction (Y)	-0.027	0.026	-0.153	-1,064	0.289
a. Dependent Variable: Employee Performance (Z)						

Source: Data Processing Results.

Determine the t_{table} with a confidence level of 95%, an error rate (α) of $5\% = 0.05$, and a degree of freedom (df) = nk . Then: (df) = $0.05 (205-4)$ is $0.05 = 201$. So, the $t_{table \text{ value}} = 1.971$. From Table IV.18 above, the following test results are obtained:

The influence of leadership through job satisfaction on employee performance

The calculated t value is $6.639 > t_{table} 1.971$, with a significance level of $0.000 < 0.05$ (significant), then H_{06} is rejected, and H_{a6} is accepted, meaning that there is a positive and significant influence of leadership through job satisfaction on the performance of PT employees. Sri Aneka Karyatama Palembang.

The influence of the work environment through job satisfaction on employee performance

Based on the analysis results, it is known that the calculated t value is $-1.064 < t_{table} - 1.971$, with a significance level of $0.289 > 0.05$ (not significant), and H_{07} is rejected. H_{a7} is accepted, meaning there is a negative and insignificant influence on the work environment through satisfaction work on the performance of PT employees. Sri Aneka Karyatama Palembang.

Based on the results of path analysis related to direct and indirect influences, to clarify the role of intervening variables, it is necessary to calculate their total influence as follows:

Table 8. Direct, Indirect and Total Effects

Channel	Intervening Variables	Direct Influence	Indirect Influence	Total Influence
Leadership → Employee performance	Job satisfaction	0.626	$0.331 \times -0.003 = -0.00099$	0.625
Work environment → Employee performance	Job satisfaction	0.272	$0.524 \times -0.003 = -0.00157$	0.270

Source: Researcher's Calculations Based on Analysis Results, 2023

Based on the 10 above, it can be seen that the direct influence of leadership on employee performance is 0.626, and the indirect influence through job satisfaction is -0.00099 , so the influence of leadership through job satisfaction on employee performance is 0.625. This means that job satisfaction weakens the influence of leadership on employee performance.

The direct influence of the work environment on employee performance is 0.272, and the indirect influence through job satisfaction is -0.00157 , so the influence of the work environment through job satisfaction on employee performance is 0.270. This means that job satisfaction weakens the influence of the work environment on employee performance.

These results align with previous research conducted by Yanti (2020), with her research proving that there is no significant influence of the work environment through job satisfaction on employee performance. Apart from that, this research is also in line with research conducted by Simaremare

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and Isyandi (2020), proving that there is no significant influence of the work environment through job satisfaction on employee performance.

Based on phenomena regarding the work environment at PT. Sri Aneka Karyatama Palembang, as well as the suitability of the results of this research which proves that the work environment through job satisfaction does not have a significant adverse effect on employee performance, while the job satisfaction intervention itself weakens the influence of the work environment on employee performance because the stronger the influence of the work environment makes employees too satisfied, so being careless and lazy hurts employee performance. It can be explained that the work environment in a company can influence job satisfaction depending on the situation and conditions the employee feels, whether they see it as good or bad for themselves, thus impacting employee performance.

4.3. Discussion

4.3.1. The Influence of Leadership on Job Satisfaction

Based on the analysis results, it is proven that leadership has a positive and significant influence on the job satisfaction of PT employees. Sri Aneka Karyatama Palembang. These results align with the theory put forward by Hasibuan, one of which is leadership. So, the results of this research prove the influence of leadership on employee job satisfaction, theoretically proven.

These results align with previous research conducted by Yanti (2020) and Simaremare and Isyandi (2020), with their research proving that leadership has a significant positive influence on job satisfaction. Meanwhile, Noufal's (2020) research stated contradictory results, proving leadership hurts job satisfaction.

4.3.2. The Influence of the Work Environment on Job Satisfaction

Based on the analysis results, it is proven that there is a positive and significant influence of the work environment on the job satisfaction of PT employees. Sri Aneka Karyatama Palembang. These results align with the theory put forward by Hasibuan, one of which is the work environment. The results of this research, which prove the influence of the work environment on employee job satisfaction, are theoretically proven.

These results align with previous research conducted by Yanti (2020) and Isyandi (2020), with their research proving that the work environment influences job satisfaction significantly. Meanwhile, Isyandi's research (2020) stated contradictory results, proving that the work environment harms job satisfaction. The differences in results in previous research, which show consistent results and, on the other hand, conflicting results, are assumed to occur due to the selection of different research objects, and if viewed from the aspect of job satisfaction, the job satisfaction of each employee is different. Thus, the environment Good work is not necessarily considered good by employees; conversely, a bad work environment is not necessarily bad. This means that differences in job satisfaction can occur due to the individual perceptions of these employees regarding the work environment in which they work.

4.3.3. The Influence of Leadership on Employee Performance

Based on the analysis results, it is proven that leadership has a positive and significant influence on the performance of PT employees. Sri Aneka Karyatama Palembang. These results align with the theory put forward by Busro (2020:95): leadership is one factor that influences employee

performance externally. This research's results prove leadership's influence on employee performance.

These results align with previous research conducted by Yanti (2020) and Simaremare and Isyandi (2020), with their research proving that leadership has a significant positive influence on employee performance. Meanwhile, in Hatta's research, Musnadi and Mahdani (2022) stated contradictory results, proving that negative leadership does not significantly affect employee performance. The differences in results in previous research, which show consistent results and, on the other hand, conflicting results, are assumed to occur due to the selection of different research objects, and if viewed from the aspect of employee performance, each employee has his or her capacity at work, thus providing good leadership. Being good at leading employees will not necessarily produce good performance because if the employee's capacity is inadequate, he will not be able to follow the leadership's directions. This means that performance differences can occur due to these employees' capacity to carry out directions and guidance from the leadership.

4.3.4. The Influence of the Work Environment on Employee Performance

Based on the analysis results, it is proven that there is a positive and significant influence of the work environment on the performance of PT employees. Sri Aneka Karyatama Palembang. These results align with the theory put forward by Busro (2020:95). One factor that influences employee performance externally is the work environment. The results of this research, which prove the influence of the work environment on employee performance, are theoretically proven.

These results align with previous research conducted by Simaremare and Isyandi (2020), with their research proving that leadership has a significant positive influence on employee performance. Meanwhile, research by Yanti (2020) (2020) stated conflicting results, which prove that a negative work environment does not significantly affect employee performance. The differences in results in previous research, which show consistent results and, on the other hand, conflicting results, are assumed to occur due to the selection of different research objects, and if viewed from the aspect of employee performance, each employee has his or her ability to adapt to the work environment in the company. Thus, a conducive work environment is only sometimes suitable for an employee. Conversely, an inadequate work environment will not necessarily disrupt employee performance because even if it is not conducive, their performance will still be maintained well if employees can adapt to their environment. This means that differences in performance can occur as a result of the adaptability of these employees in adapting themselves to various conditions in the company's work environment.

4.3.5. The Effect of Job Satisfaction on Employee Performance

Based on the analysis results, it is proven that there is an insignificant negative effect of job satisfaction on the performance of PT employees. Sri Aneka Karyatama Palembang. These results show a weak negative or unidirectional linear relationship between job satisfaction variables and employee performance, which means that if job satisfaction increases, it will have little impact on reducing employee performance. This influence is negative but insignificant because it can be assumed that job satisfaction is an employee's feelings of happiness or liking towards the company where they work, so direct job satisfaction does not significantly impact employee performance. Because job satisfaction cannot arise without any basis, it needs to be generated through something that employees like in their work so that once job satisfaction is formed, it will positively impact employee performance.

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These results contradict the theory put forward by Busro (2020:95); job satisfaction is one factor that influences employee performance internally. So, the results of this research, which prove that there is no influence of job satisfaction on employee performance, are not proven theoretically.

These results align with previous research conducted by Muhammad Hatta, Said Musnadi and Mahdani (2022), with their research proving that negative job satisfaction does not significantly affect employee performance. Meanwhile, Yanti's (2020) research (2020) stated conflicting results, which prove that there is a significant favourable influence of job satisfaction on employee performance. The differences in results in previous research, which show consistent results and, on the other hand, conflicting results, are assumed to occur due to the selection of different research objects, and if viewed from the aspect of employee performance, each employee can express job satisfaction in various ways, because employees Those who have reasonable job satisfaction may be lulled by what they have achieved and stop developing themselves, on the other hand, employees who are dissatisfied with their current conditions in the company may become motivated to work better in order to achieve more results. This means that performance differences can occur due to the employee's perception of expressing job satisfaction, positively or negatively.

4.3.6. The Influence of Leadership through Job Satisfaction on Employee Performance

Based on the results of the analysis carried out, it is proven that there is a positive and significant influence of leadership through job satisfaction on the performance of PT employees. Sri Aneka Karyatama Palembang. These results show a strong positive linear or unidirectional relationship between leadership variables through job satisfaction and employee performance, which means that if leadership can be improved to create job satisfaction for employees, then this will have a positive impact on increasing employee performance.

Based on the analysis results, it is also known that the intervention of job satisfaction weakens the influence of leadership on employee performance. Therefore, good leadership can improve employee performance, but if leadership is measured by job satisfaction first, employees may be dissatisfied with leadership. This is done because each employee has a satisfaction point of view in assessing leadership, thus influencing their performance.

These results align with the theory put forward by Busro (2020:95); the factors that influence employee performance internally are job satisfaction and external leadership. The results of this research prove the influence of leadership through job satisfaction on employee performance, which is theoretically proven.

These results align with previous research conducted by Yanti (2020), with her research proving that there is a significant positive influence of leadership through job satisfaction on employee performance. Apart from that, this research is also in line with research conducted by Simaremare and Isyandi (2020), which also proves that there is a significant positive influence of leadership through job satisfaction on employee performance.

4.3.7. The Influence of the Work Environment through Job Satisfaction on Employee Performance

Based on the analysis results, it is proven that there is an insignificant negative influence of the work environment through job satisfaction on the performance of PT employees. Sri Aneka Karyatama Palembang. These results show a weak negative or unidirectional linear relationship between work environment variables through job satisfaction on employee performance, which

means that if the work environment can be improved to give rise to job satisfaction for employees, then this will have a negligible impact on reducing employee performance.

Based on the analysis results, it is also known that the intervention of job satisfaction weakens the influence of the work environment on performance. Therefore, a good work environment can improve employee performance. However, the work environment is measured by job satisfaction first. In that case, employees may be dissatisfied with the work environment in the company because each employee has a different suitability for the conditions of the work environment in the company, thus affecting their performance. However, this result contradicts with the results of the direct influence of the work environment on employee performance, which was initially positive but became insignificantly negative when job satisfaction was intervened, which proves that the influence of the work environment became insignificantly negative after the intervention of job satisfaction on employee performance, meaning that on the other hand It can be assumed that a work environment that is too good for employees, thereby causing employee satisfaction, can make employees too comfortable and lazy, which can reduce their performance. However, it is insignificant because it has a small impact on reducing performance.

These results align with the theory put forward by Busro (2020:95). The factors that influence employee performance both internally are job satisfaction and externally is the work environment. The results of this research, which prove the influence of the work environment through job satisfaction on employee performance, are theoretically proven.

These results align with previous research conducted by Yanti (2020), with her research proving that there is no significant influence of the work environment through job satisfaction on employee performance. Apart from that, this research is also in line with research conducted by Simaremare and Isyandi (2020), which also proves that there is no significant influence of the work environment through job satisfaction on employee performance.

Conclusion

Based on the results of research and discussion, it can be concluded as follows:

1. Leadership positively and significantly affects PT employee job satisfaction. Sri Aneka Karyatama Palembang.
2. The work environment has a positive and significant effect on the job satisfaction of PT employees. Sri Aneka Karyatama Palembang.
3. Leadership has a positive and significant effect on the performance of PT employees. Sri Aneka Karyatama Palembang.
4. The work environment has a positive and significant effect on the performance of PT employees. Sri Aneka Karyatama Palembang.
5. Job satisfaction has a negative and insignificant effect on the performance of PT employees. Sri Aneka Karyatama Palembang.
6. Leadership through job satisfaction has a positive and significant effect on the performance of PT employees. Sri Aneka Karyatama Palembang, with job satisfaction interventions that weaken the influence of leadership on employee performance.
7. The work environment through job satisfaction has a negative and insignificant effect on the performance of PT employees. Sri Aneka Karyatama Palembang, with job satisfaction

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interventions that weaken the influence of the work environment on employee performance, even employees who are too satisfied with their work environment can become negligent because they feel too comfortable so that the influence which was initially positive hurts employee performance.

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An Assessment of Capital Structure Influencing on Profitability: A Case of Listed Banks on the Ghana Stock Exchange

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Abstract

This study aimed to examine the impact of capital structure on bank performance using data from nine listed banks on the Ghana Stock Exchange. The study utilised secondary panel data extracted from the published financial statements of these banks. Bank performance was measured using return on assets and return on equity as proxies, while the ratio of total debt to total assets served as the independent variable. Additionally, firms' age, size, and liquidity were control variables. The random effect technique was used for analysis, employing Ordinary Least Squares (OLS) and Autoregressive methods. The results indicated a positive and significant relationship between total debt to total assets, return on assets and equity. Furthermore, firms' age positively and significantly impacted the return on assets and return on equity in both models. Interestingly, the study found a negative effect of firms' liquidity on return on assets in model one, while the size of the firms had no impact on bank performance. Policymakers can encourage financial institutions to provide accessible and affordable lending options to businesses, enabling them to leverage debt effectively. This can be particularly beneficial for small and medium-sized enterprises (SMEs) that often face challenges accessing capital.

Keywords: Ghana Stock Exchange, Bank Performance, Significant, Policymakers

How to Cite:

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1. Introduction

Every company makes a financial decision regarding how to fund its operations, known as the capital structure. Consequently, capital structure refers to using debt and equity to support a company's activities. According to Riahi-belkaoui (1999), capital structure encompasses equities and liabilities and the proportions of debt and equity used. As Baker and Martin (2011) described, capital structure represents the blend of debt and equity a company employs to finance its productive assets, operations, and future expansion. The selection of varying debt-to-equity ratios within a mixed financing framework can significantly impact a company's value and, consequently, the wealth of its shareholders (Baker and Martin, 2011).

Given that capital decisions are among the most critical aspects of corporate finance, they have recently attracted considerable attention from academic scholars and industry professionals. The connection between capital structure, the blend of debt and equity financing, and stock prices presents financial managers with one of the most complex challenges. It is widely recognised that reducing a company's cost of capital can enhance its overall value. Consequently, determining the most favourable capital structure is a primary objective in contemporary strategic management.

Modigliani and Miller (1958, 1963) suggested that capital structure had no bearing on a company's overall performance in the initial stages of its theoretical development. In light of imperfect market conditions and human behaviours, the idea of an ideal capital structure arises by introducing the trade-off theory. This theory considers the impact of corporate taxes, financial distress, and agency issues. Conversely, acknowledging information asymmetry gives rise to both the signalling hypothesis and the pecking order theory, which do not consider the notion of an optimal level of leverage.

2. Literature Review

2.1 Theoretical Review

Modigliani and Miller (1958) introduced the initial proposition in their study. It stands as one of the pioneering efforts to explore the correlation between capital structure and a company's value. Their proposition, known as the MM theorem, was first unveiled in 1958, igniting a compelling debate about the consequences of financing choices on corporate performance. Specifically, they contend that alterations in the existing debt and equity ratios have no bearing on a firm's value. This implies that no superior or inferior capital structure exists, and varying degrees of leverage do not impact firm values (Modigliani and Miller, 1958).

Using tax-deductible expenses incurring interest reduces tax liabilities, enhancing a company's cash inflows (Miller and Modigliani, 1963). These two economists revealed that there is now a positive relationship between firm value and financial leverage, suggesting that companies can enhance their worth by increasing their levels of indebtedness.

Again, following the Trade-off Theory, a company's capital decisions involve a delicate balancing act between the advantages of tax-related debt and the potential costs associated with financial distress (Kraus and Litzenberger, 1973). When applying the trade-off theory, each company establishes its target debt-to-equity ratio and strives to attain the anticipated optimum, which may vary based on the firm's specific characteristics (Myers, 1984).

Jensen and Meckling (1976) and Myers (1977) introduced the Agency Theory, which explores the impact of capital structure through a new perspective of corporate governance. As this theory builds upon prior models, it yields outcomes that align with those of the trade-off theory. In essence, agency issues typically revolve around the interactions among three key parties: managers, shareholders, and creditors.

Shareholder-manager conflicts of interest manifest in various forms. The initial form of conflict emerges when managers possess less than a full 100% ownership stake in the company, leading to reduced incentives for them to prioritise the maximisation of firm value in the shareholders' best interests (Jensen and Meckling, 1976). When a firm maintains a low level of debt, managers enjoy greater discretion in allocating the company's surplus cash flows. This latitude potentially permits them to undertake low-yield ventures and acquire superfluous physical assets, actions that are believed to bolster the company's size and, in turn, their personal reputation. Managers elevate the agency expenses associated with equity for these motives, leading to detrimental effects on the firm's performance. Conversely, when the firm is financed with greater leverage, the obligation to meet interest obligations constrains managers' capacity to disburse cash flows freely. Consequently, they are compelled to enhance their efficiency in selecting investments, which generally improves the firm's performance.

2.2 Empirical Review

Despite the existence of various indicators related to a firm's capital structure, empirical findings challenge the idea that firm performance is a direct reflection of how effectively a company manages its financial assets. In line with this theoretical premise, numerous researchers in corporate finance worldwide have explored the influence of capital structure on the performance of business organisations.

Kimoro et al. (2019) employed a multiple regression approach to assess the relationship between a firm's choice of capital structure and its level of profitability in order to investigate the impact of profitability on capital structure decisions for commercial banks operating in Kenya. According to their study, firm profitability significantly impacted the selection of capital structure, and this relationship exhibited a negative and linear correlation. Furthermore, the study unveiled a noteworthy moderating influence of ownership on capital structure choices.

Uremadu and Onyekachi (2019) studied how capital structure influences corporate performance in Nigeria. They employed multiple regression analysis, focusing on critical metrics like return on assets, the long-term debt-to-asset ratio, and the total debt-to-equity ratio within the consumer goods industrial sector of the economy. The study's findings revealed that capital structure had a negative and statistically insignificant effect on the corporate performance of consumer goods firms in Nigeria. Meanwhile, Aramvalathan et al. (2018) investigated the relationship between capital structure and corporations in India. They utilised the panel data method to gauge the connection between variables like return on equity, firm size, tangibles, and capital structure. Their results indicated that financial leverage significantly and positively impacted the financial performance of firms in India.

Employing the regression method, Aziz and Abbas (2019) assessed the influence of various forms of debt financing on the performance of firms across fourteen economic sectors in Pakistan from 2006 to 2014. According to the outcomes of their study, debt financing had a negative yet noteworthy impact on firm performance in Pakistan. On the other hand, Muigai

and Murithi (2017) applied a feasible generalised least square regression model to examine the moderating effect of firm size on the connection between a firm's capital structure and the financial distress of non-financial firms in Kenya from 2006 to 2015. Their findings unveiled that firm size significantly moderated the relationship between the capital structure of non-financial firms and financial distress.

Mulyana et al. (2018) examined the influence of profitability, liquidity, and leverage on earnings and firm value within the Indonesia stock exchange between 2011 and 2015. Their research employed a causality method to evaluate hypotheses using secondary data from 150 manufacturing organisations sourced from corporate websites and Indonesia's official stock exchange website. The study revealed that profitability, liquidity, and leverage had distinct and combined impacts on a company's earnings.

Meanwhile, Shen (2017) utilised a regression approach to explore the relationship between capital structure and corporate performance in China from 2011 to 2015. This analysis encompassed variables such as return on equity, return on assets, gearing ratio, long-term debt capital ratio, and current debt capital ratio. The study unearthed a weak negative correlation between the liability ratio and the performance of publicly-listed Chinese companies.

Cheema et al. (2017) investigated the association between capital structure and financial performance for both Shariah and non-Shariah companies in Pakistan from 2009 to 2015. The study employed multiple regression methods, with return on assets (ROA) and return on equity (ROE) as the dependent variables. Capital structure was assessed using variables including the long-term debt ratio, short-term debt ratio, sales growth ratio, non-debt tax shield, and inside holding. The results from multiple linear regression and correlation analyses indicated that capital structure impacted non-Shariah companies' performance but not Shariah companies.

In another study, Kirmi (2018) employed descriptive and causal research design techniques to scrutinise the relationship between capital structure and the profitability of listed petroleum and energy firms in Kenya over the period spanning from 2012 to 2016. The study focused on the effects of short-term and long-term debt on return on assets. The study highlighted a robust positive correlation between short-term debt and return on investments, a slight negative relationship between long-term debt and return on assets, and a marginally positive association between total debt and return on assets.

Between 1990 and 2016, Olarewaju (2019) investigated the dynamic relationship between capital structure and manufacturing firms listed in Nigeria. The study employed Pedroni cointegration tests and the Panel Vector Error Correction Method to evaluate the equilibrium between the dependent and independent variables. The findings indicated that, except for the variable itself, none of the shocks in the system significantly accounted for variations in return on assets in both the short and long run.

On the other hand, dang et al. (2019) researched capital structure and its correlation with the financial performance of Food and Beverage firms in Vietnam. They considered return on equity (ROE), return on assets (ROA), and earnings per share (EPS) as explanatory variables representing firm performance. Meanwhile, the explanatory variables were the short-term debt ratio, debt ratio, and long-term debt ratio, which served as indicators of a company's capital structure. Based on unbalanced panel data encompassing 605 observations from 61 listed firms within the industrial sub-sector, their analyses revealed significant findings. It was discovered that financial leverage exerted a substantial influence on firm financial performance, with debt

ratios positively and significantly affecting earnings per share and return on equity while simultaneously hurting return on assets.

In their study, Ganiyu et al. (2019) employed a generalised method of moment technique to assess the correlation between capital structure and firm performance in Nigeria. The variables examined in their research encompassed the total leverage ratio, long-term leverage, short-term leverage, asset tangibility, growth opportunities, risk, ownership, age, size, and return on equity. The study revealed a discernible connection between capital structure and the financial performance of firms.

The empirical findings above have shed light on the ongoing debate in finance literature regarding capital structure and its influence on firm financial performance. However, a definitive consensus on how a firm's capital composition affects its financial performance remains elusive. Nassar (2016), Uremadu and Onyekachi (2019), Aziz and Abbas (2019), and Shen (2017) have identified a negative association between capital structure and firm performance. In contrast, Aramvalathan et al. (2018), Gharaibeh (2015), Ganiyu et al. (2019), and Dada and Abbas (2016) have uncovered a significant positive relationship.

Despite this debate, only a limited number of studies have explored the impact of capital structure in the context of Ghana since the finance literature has engaged in this contentious discussion. Moreover, minimal research has been conducted to assess the influence of capital structure on the performance of listed banks on the Ghana Stock Exchange. Consequently, this study utilises recent data from listed banks on the Ghana Stock Exchange to investigate the relationship between capital structure and firm performance in Ghana.

2.3. Hypothesis Development

The study's conceptual framework led to the formulation the subsequent null hypotheses.

H1. Total debt to total assets positively and significantly affects return on assets.

H2. Total debt to total assets positively and significantly affects return on equity

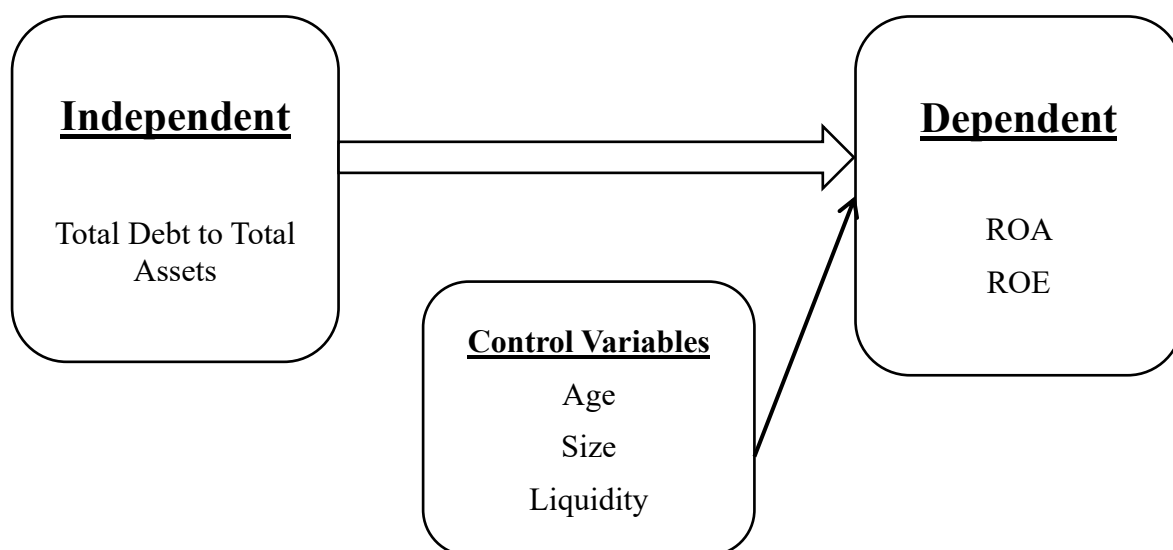


Figure1. Conceptual Framework

3. Methodology

3.1 Research Approach and Research Design

A research design is the "procedure for gathering, analysing, interpreting, and reporting data in research projects" (Creswell & Plano Clark 2007, p.58). It is the general strategy for integrating conceptual research concerns with relevant (and feasible) actual research. The research design outlines the systematic approach to data collection and analysis and the strategy to address the research query at hand, as Grey (2014) emphasised.

Yin (2003) pointed out that the research design allows the researcher to logically link empirical facts to conclusions about the study's original research topic. The framework that directs the use of the approach for data collection and analysis is known as the research design. It serves as the framework for the research methodology. A design is a collection of presumptions, viewpoints, research models, and methods for gathering and analysing data that are all connected (Neuman, 2006). According to Kumudini (2011), the design comprises choosing what to research, how to do the analysis, what data to gather, and how to interpret the findings.

This study employed the quantitative approach. According to Creswell (2003), a quantitative strategy is one in which the researcher predominantly uses post-positivist claims to gain information (i.e., cause-and-effect thinking, reduction to specific variables and hypotheses, questions, use of measurement and observation, and the test of theories). The objective of quantitative analysis is to develop and test conceptual frameworks, theories, and hypotheses that are pertinent to phenomena. The measurement method is essential to quantitative research because it establishes the link between empirical observation and the mathematical representation of quantitative connections.

3.2 Population and Sampling

This study utilised panel data from 2008 to 2020 from a sample of 9 banks listed on the Ghana Stock Exchange. The data was extracted from the annual reports of these nine banks.

3.3 Data Collection

The data for this study was collected from publicly accessible financial statements of the selected companies in the sample. These financial statements are considered a more dependable secondary data source since they adhere to Accounting Standards and undergo external audits for accuracy and reliability.

3.4 Definition of Variables

In this section, the aim was to define the meanings of the variables employed in this study. Table 1 presents an overview of this research's dependent and independent variables. The first column of the table presents the various variables, while the subsequent column provides concise explanations of each variable's definition.

Table 1. Variables, notation, and proxies of the research

Variables	Notation	Definition
Dependent variables (performance)	ROA	Return On Asset
	ROE	Return On Equity
Independent variables (leverage)	TDTA	Total Debt to Total Asset

Control variables	Age	Age is the number of years from the incorporation of the firm
	Size	Size of the firm. Firm's market capitalisation (Market share price*Number of shares) as a percentage of the total market capitalisation of all the companies considered for the study
	Liquidity	Liquidity of the firm in terms of current ratio

3.5 Data Analysis Tools

This study was employed to perform descriptive statistical analysis, correlation analysis, and regression analysis to explore the connection and influence of capital structure on firm performance. Descriptive analysis offered a comprehensive overview and interpretation of the analysed data. In addition, Correlation analysis was carried out to determine the nature and statistical significance of the relationships between each dependent variable, independent variables, and control variables. Regression analysis, on the other hand, involves evaluating the connections between independent and dependent variables. This relationship between two variables can be illustrated through the regression equation. Using a panel regression model, the following regression equations have been formulated to demonstrate the association between capital structure and firm performance. Furthermore, the regression analysis is estimated using the following equation:

$$ROA_{it} = \beta_0 + \beta_1 TDTA + \beta_2 AGE + \beta_3 SIZE + \beta_6 LIQ + \epsilon_{it} \quad (1)$$

$$ROE_{it} = \beta_0 + \beta_1 TDTA + \beta_2 AGE + \beta_3 SIZE + \beta_6 LIQ + \epsilon_{it} \quad (2)$$

Where;

- ROA – Return on Assets
- ROE – Return on Equity
- TDTA – Total Debt to Total Asset
- AGE – Age is the number of years from the incorporation of the firm
- SIZE – Size of the firm. Firm's total assets of all the companies considered for the study
- LIQ – Liquidity of the firm in terms of current ratio

4. Presentation of the Result.

4.1 Descriptive Statistics

Table 2 presents the descriptive statistics for the dependent and independent variables. The return on assets and return on equity were proxies for firms' performance. Total debt to total assets was used as the independent variable. Age, size and liquidity were used as control variables. The descriptive statistics of the data are presented in eight rows containing the mean, standard deviation, minimum, median, maximum, skewness, and kurtosis.

The average rate of return on assets is 4.19%. In contrast, in the same period, return on assets had a maximum rate of 9.24% and a minimum of -4.69%, respectively. The average return on equity was around 20.46%, with a maximum value of 49.98% and a minimum value of -

27.35%. In addition, total debt to total assets was 8.84% on average, with a maximum of 34.44% and a minimum of 0.56%. Again, the firms' average age rate was 58.22%, a maximum of 130%, and a minimum of 14%. Furthermore, the size of the firms was 63.20% on average, with a maximum value of 3.66% and a minimum of 0.18%. Finally, the average value of liquidity was 30.77%, with a maximum of 78.56% and a minimum of 0.18%

Table 2. Descriptive Statistics

	ROA	ROE	TDTA	AGE	SIZE	LQD
Mean	0.041987	0.204673	0.088379	58.22222	0.632034	0.307784
Median	0.043328	0.217206	0.049979	45.00000	0.376972	0.273769
Maximum	0.092417	0.499843	0.344384	130.0000	3.666112	0.785689
Minimum	-0.046949	-0.273512	0.005651	14.00000	0.001875	0.001871
Std. Dev.	0.027064	0.139812	0.087285	36.37665	0.693510	0.203365
Skewness	-0.552039	-0.828353	1.292490	0.836720	1.875674	0.516452
Kurtosis	3.793519	4.478211	3.719963	2.438300	6.800793	2.202557
Observations	117	117	117	117	117	117

4.2 Regression Analysis

The results of the Hausman test indicate that the random effect model is better suited for explaining the relationship between the one and two models, as the null hypothesis is rejected. This suggests that firm variations significantly impact the connections between the variables under consideration.

Table 3. Results of Regression Analysis ROA

Variable	Coefficient	Std. Error	t-Statistic
TDTA	0.218050	0.087102	2.503390
AGE	0.000247	7.37E-05	3.352725
SIZE	-0.005331	0.006908	-0.771688
LQD	-0.087439	0.026934	-3.246483
C	0.038601	0.009477	4.073305

Effects Specification

	SD.
Cross-section random	0.013819
Idiosyncratic random	0.020706

Weighted Statistics

R-squared	0.159880	Mean dependent var
Adjusted R-squared	0.129876	SD dependent var
SE of regression	0.020772	Sum squared resid
F-statistic	5.328582	Durbin-Watson stat
Prob(F-statistic)	0.000577	

In the first model of our analysis in Table 3, we observed a notable relationship between Total Debt to Total Assets (TDTA) and Return on Assets (ROA). The statistical analysis revealed a significant positive effect, as indicated by the coefficient value 0.218. Significance at the 1% level underscores the robustness of this relationship, indicating a high degree of confidence in the findings.

This result holds intriguing implications for financial decision-making within businesses. A 1-unit increase in the Total Debt to Total Assets ratio is associated with a 21.8% increase in Return on Assets. In practical terms, this suggests that when companies increase their debt proportionately to their total assets, their profitability is substantially improved. Such findings can guide strategic financial planning, indicating that judicious use of debt financing might enhance a company's financial performance. Understanding and leveraging this relationship can be pivotal for businesses aiming to optimise their capital structure and maximise shareholder returns.

In Table 4, the analysis demonstrates intriguing insights into the factors influencing firm return on assets. One of the key findings reveals a positive and significant relationship between a firm's age and its return on assets, with statistical significance at the one per cent level. This implies that as companies mature over time, there is a corresponding increase in their profitability. Even a marginal percentage increase in a firm's age is associated with a rise in the return on assets, indicating the importance of experience and stability in fostering financial success. Contrastingly, the study uncovers a negative and statistically insignificant impact of firm size on return on assets. This suggests that, contrary to common perceptions, the size of a firm does not inherently guarantee higher profitability.

Furthermore, Table 4, sheds light on the relationship between a firm's liquidity and return on assets. The analysis reveals a negative and significant effect, quantified by a coefficient value 0.087. This means that even a slight percentage increase in a company's liquidity leads to a decrease in return on assets by 8.7%. Such findings emphasise the delicate balance firms must maintain between liquidity and profitability. While liquidity is vital for short-term obligations and operational flexibility, an excess of it might adversely impact profitability, indicating the need for strategic liquidity management strategies within businesses.

Table 4. Results of Regression Analysis ROE

Variable	Coefficient	Std. Error	t-Statistic
TDTA	0.527520	0.264750	1.992520
AGE	0.000825	0.000460	1.793225
SIZE	0.001932	0.032685	0.059118
LQD	-0.215998	0.239557	-0.901660
C	0.175306	0.062306	2.813625
Effects Specification			SD.
Cross-section random			0.069035

Idiosyncratic random

0.118039

Weighted Statistics

R-squared	0.035336	Mean dependent var
Adjusted R-squared	0.000883	SD dependent var
SE of regression	0.119435	Sum squared resid
F-statistic	1.025644	Durbin-Watson stat
Prob(F-statistic)	0.397290	

In Table 4. we delve into the intricate dynamics of the relationship between a company's Total Debt to Total Assets (TDTA) ratio and its Return on Equity (ROE). The results presented in the table unveil a compelling finding: TDTA exhibits a positive and statistically significant impact on ROE, with a coefficient value of 0.528 and significance at the 5 per cent level. This discovery carries significant implications for financial strategists and decision-makers within businesses.

A marginal 1% increase in the Total Debt to Total Assets ratio can lead to a substantial 52.8% rise in the Return on Equity. Such a strong positive correlation highlights the potential benefits of leveraging debt strategically. When a company employs debt financing effectively, it can significantly amplify its return on equity, suggesting that judicious use of borrowed capital could be a powerful tool for enhancing shareholder value.

This finding emphasises the importance of balancing financial leverage carefully. While excessive debt can pose risks, an optimal level of debt, as indicated by the positive relationship in the results, can substantially bolster a company's profitability. Financial managers could use these insights to make informed decisions about their capital structure, considering the right balance between debt and equity to maximise shareholder returns.

In summary, the results in Table 4 illuminate a strategic pathway for businesses, emphasising the potential benefits of utilising debt intelligently. This research sheds light on the nuanced interplay between financial leverage and return on equity, offering valuable insights for companies aiming to optimise their capital structure and enhance their financial performance.

In the comprehensive analysis presented in Table 4, several crucial aspects of firm dynamics come to light, providing valuable insights for academics and practitioners. One notable finding is a firm's age's positive and statistically significant effect on its return on assets, evident at a ten per cent significance level. This result implies that as companies mature and gain experience in the market, their profitability is corresponding. Even a minor percentage increase in a company's age appears to trigger a rise in its return on assets, highlighting the importance of longevity and stability in financial success and confirming the experience curve concept. Furthermore, the study reveals intriguing information about the influence of firm size and liquidity on return on equity. Surprisingly, the results indicate that neither the size of the firm nor its liquidity levels have a discernible impact on return on equity. This unexpected finding challenges conventional wisdom, suggesting that in this particular context, size and liquidity

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are not the primary determinants of a firm's profitability. This insight prompts further exploration into the nuanced factors driving a company's financial performance.

5. Discussions

Both Model One and Model Two findings provide compelling evidence regarding the relationship between a firm's Total Debt to Total Assets (TDTA) ratio and its financial performance metrics, namely Return on Assets (ROA) and Return on Equity (ROE). These results hold significant implications for financial decision-making and strategic planning within businesses.

In Model One, the positive and statistically significant effect of TDTA on ROA, at a 1% significance level, demonstrates the critical role of debt management in enhancing a company's profitability. The coefficient value of 0.218 indicates that for every unit increase in the TDTA ratio, there is a corresponding 21.8% increase in ROA. This finding suggests that a strategic expansion in debt, when proportionally aligned with a firm's total assets, can substantially boost its return on investments. This underscores the potential benefits of leveraging debt as a financial instrument, allowing companies to amplify their profitability and generate higher returns for their stakeholders. This aligns with the study by Abor (2005) and Narinder and Mahima (2019) but contradicts the conclusions drawn by Tailab (2014) and Vätavu (2015).

Moving to model two, the results further emphasise the positive impact of TDTA, this time on Return on Equity (ROE). The statistically significant effect at a 5% significance level, with a coefficient value of 0.528, signifies that even a marginal 1% increase in the TDTA ratio can lead to an impressive 52.8% rise in ROE. This finding illuminates the financial leverage's direct correlation with shareholders' equity, highlighting the potential for increased shareholder value through strategic debt utilisation. Moreover, these findings are consistent with those of Azhagaiah and Gavoury (2011) and diverge from the conclusions presented by Ebaid (2009).

Again, when considered together, these findings emphasise the importance of prudent debt management strategies for businesses. While debt comes with risks, the results indicate that a balanced and well-managed debt-to-assets ratio can significantly enhance ROA and ROE. This suggests that companies must carefully assess their capital structures, considering the right mix of debt and equity to optimise their financial performance. Furthermore, these results are valuable for individual companies and provide insights for investors and financial analysts. Understanding the impact of TDTA on financial metrics can guide investment decisions, helping investors assess companies' financial health and potential profitability based on their debt management strategies.

Firstly, the positive and significant relationship between Total Debt to Total Assets (TDTA) and both Return on Assets (ROA) and Return on Equity (ROE) suggests that businesses can strategically utilise debt to enhance their financial performance. Policymakers can encourage financial institutions to provide accessible and affordable lending options to businesses, enabling them to leverage debt effectively. This can be particularly beneficial for small and medium-sized enterprises (SMEs) that often face challenges accessing capital. By fostering an

environment where businesses can obtain necessary funds, policymakers can contribute to increased ROA and ROE, promoting economic growth and stability.

Additionally, businesses can use these findings to inform their financial strategies. Financial managers should carefully evaluate their debt-to-assets ratios, considering the potential for increased profitability. However, companies must exercise caution and maintain a balance, ensuring that they don't overleverage themselves, which could lead to financial instability in the long run. Furthermore, these results highlight the importance of financial literacy among business owners and managers. Understanding the impact of debt on financial metrics like ROA and ROE is essential. Therefore, policymakers can invest in financial education programs for entrepreneurs, equipping them with the knowledge and skills to make informed decisions about their capital structure.

In summary, these findings emphasise the significance of debt management in optimising financial performance. Policymakers can support businesses by facilitating credit access, while companies can use this information to make prudent financial decisions. Moreover, investing in financial education can empower entrepreneurs, ensuring they navigate the complexities of debt effectively, ultimately contributing to overall economic growth and stability.

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The Influence of *Brand Equity*, *Quality*, and *Price* on Consumer Satisfaction of Ades Brand Bottled Drinking Water in The Sekayu City Sub-District Community Musi Banyuasin District

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Abstract

This study aims to determine the effect of Brand Equity, Quality, and Price on Consumer Satisfaction of Ades Brand Bottled Drinking Water in the Community of Kota Sekayu District, Musi Banyuasin Regency. To find out the Effect of Brand Equity on Consumer Satisfaction with Ades Brand Bottled Drinking Water in the Community of Kota Sekayu District, Musi Banyuasin Regency. To find out the Effect of Quality on Consumer Satisfaction of Ades Bottled Drinking Water in the Community of Kota Sekayu District, Musi Banyuasin Regency. To find out the Effect of Price on Consumer Satisfaction of Ades Brand Bottled Drinking Water in the Community of Kota Sekayu District, Musi Banyuasin Regency. The samples used were 97. The sampling technique was by using a simple random sampling technique. This study uses a questionnaire to collect data and is supported by other methods to refine the information obtained. The data used are Primary Data and Secondary Data. The results showed that (1) there was a positive and significant influence between brand equity, quality, and price on consumer satisfaction of packaged drinking water with the Ades brand in the people of Kota Sekayu District, Musi Banyuasin Regency. (2) There is a positive and significant influence between brand equity and Ades brand bottled water consumer satisfaction in the people of Kota Sekayu District, Musi Banyuasin Regency. (3) There is a positive and significant relationship between the quality and consumer satisfaction of Ades bottled water in the Kota Sekayu District, Musi Banyuasin Regency community. (3) There is no significant effect between price and consumer satisfaction in packaged drinking water with the Ades brand in the people of Kota Sekayu District, Musi Banyuasin Regency.

Keywords: Brand Equity, Quality, Price and Consumer Satisfaction

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1. Introduction

The business world is facing a new era, and business competition is now a lot of instant products circulating in the market that offer various advantages and benefits. One product that plays in the market while having a very potential market is mineral water. With the competition between bottled drinking water companies, consumers will be truly selective in purchasing decisions. People tend to be rational and selective in purchasing the goods they want, both the quality of the product and the price. On the other hand, with the growth of new competitors, companies must take steps and implement the right strategy to retain their customers.

The company's main goal is to seek profit and control the market. It is not easy for a company to achieve profits and become a market leader because the company must compete with other companies that take the same market segmentation so that companies with strong competitiveness can survive and dominate the market. Discoveries and important advances are used to produce new and quality products. Discoveries are significant and play a big role.

One of the most important things in marketing studies is customer satisfaction, which, according to Rufliansya and Seno (2020: 93), is a measurement between expectations and the reality that consumers receive or feel. If what is received by consumers matches or exceeds expectations, customers will feel dissatisfied. Customers who are satisfied tend to return to transactions and become more loyal. Meanwhile, according to Sayedi et al. (2023: 85), consumer satisfaction is an individual's perception of the performance of goods or services relative to customer/consumer expectations.

One of the important factors in influencing customer satisfaction, according to Rahayu (2023: 111) is that there are six factors in determining customer satisfaction that must be considered by the company, namely product quality, service or service quality, emotions, price, cost, and *brand equity*.

Brand equity is one of the factors that influence consumer satisfaction. *Brand equity* is a set of brand assets and liabilities associated with a brand, name, or symbol, which can add or reduce the value a product or service provides to the company and customers.

According to Faturochman and Mubarak (2023: 10), quality is one of the keys to winning competition with the market. When the company has been able to provide quality products, it has built one of the foundations for creating customer satisfaction.

According to Safitri et al. (2023: 104), *Price* is a system that will determine the right base price for a product or service and must determine strategies regarding discounts, payment of freight, and various variables concerned.

Research from Sriwahyuni (2018: 57) found that *Brand equity* has a positive but insignificant effect on customer satisfaction, while Noviyanti (2020: 62) states that *Brand equity* has a positive and significant effect on customer satisfaction.

Razak's research (2019: 12) states that product quality significantly affects customer satisfaction, while Mariansyah and Syarif's research (2020: 88) found that product quality does not have a positive and significant effect on customer satisfaction.

Furthermore, regarding the price variable, Mariansyah and Syarif's research (2020: 82) also states that price positively and significantly affects customer satisfaction, while Agung's research (2018: 61) reveals that price does not affect customer satisfaction.

Some consumers still do not know the meaning of Ades mineral water; the quality is the same as other mineral water, resulting in a lack of consumer loyalty to Ades mineral water. Ades mineral water is easy to recognize, but some are still not too familiar with it, which is easy to blend with garbage to reduce waste. The price of Ades Minera water is the same as other mineral water brands; the price offered is according to the quality and benefits.

2. Literature Review

2.1. Consumer Satisfaction

Consumer satisfaction, according to Ruffiansya and Seno (2020: 93) is a measurement between expectations and the reality that consumers receive or feel. If what is received by consumers matches or exceeds expectations, customers will feel dissatisfied. Customers who are satisfied tend to return to transactions and become more loyal. According to Sayedi et al. (2023: 85), consumer satisfaction is an individual's perception of the performance of goods or services relative to customer/consumer expectations.

2.2. Brand Equity

According to Syaidah (2020: 206), *Brand equity* is a set of brand assets and liabilities associated with a brand, name, or symbol, which can add or reduce the value provided by a product or service both to the company and to customers. According to Airlangga (2021: 53), *Brand equity* is a set of associations and behaviors shared by brand customers, distribution channel members, and companies to enable them to gain strength, durability, and clear advantages over competitors. According to Pandiangan et al. (2021: 74), *Brand equity* can be reflected in how consumers think, feel, and act on the brand, price, market share, and profitability provided to the company.

2.3. Product Quality

According to Faturachman and Mubarak (2023: 10), quality is one of the keys to winning the competition with the market. When the company has been able to provide quality products, it has built one of the foundations for creating customer satisfaction. Product quality has a core in fulfilling customer needs and desires that aim to balance customer expectations. According to Bagida et al. (2021: 148), product quality is the ability of an item to provide results or performance that matches and even exceeds what the customer wants.

2.4. Price

Wibowo (2017: 117) states that price is the amount of value that customers exchange for the benefits of owning or using a product whose value is determined by the buyer and seller through bargaining or set by the seller for one price that is the same for all buyers. According to Fandy Tjiptono (2019: 290), price is a direct tool or vehicle for comparing competing products or brands. Grewal and Levy in Tjiptono (2019: 290) state that price is the sacrifice consumers are willing to make to obtain a specific product or service.

2.5. The Effect of Brand Equity on Consumer Satisfaction

One of the important factors in influencing customer satisfaction, according to Rahayu (2023: 111), is that there are six factors in determining customer satisfaction that the company, namely Brand Equity, must consider.

Based on research conducted by Noviyanti (2020), with the research title *The Effect of Halal Label, Brand Equity, and Brand Image on the Decision of Iain Salatiga Students to Buy "Close Up" Toothpaste Through Consumer Satisfaction as an Intervening Variable*. The results revealed that brand equity positively and significantly affected customer satisfaction. At the same time, the effect of *Brand Equity* on purchasing decisions through consumer satisfaction variables also had a positive and significant effect.

Then, I will research Nuryana (2022) entitled *Analysis of the Role of Service Quality and Brand Awareness in Increasing Consumer Satisfaction in the Food & Beverage Retail Industry (Foodpedia Case Study)*.

Then research, Park et al. (2019) titled *Athletes' brand equity, spectator satisfaction, and behavioral intentions*. Revealed that an athlete's brand equity positively and directly affects overall sporting event satisfaction and behavioral intentions, including repurchase intentions and word-of-mouth intentions among event participants, which is a factor-mediated indirectly by satisfaction.

2.6. The Effect of Product Quality on Consumer Satisfaction

One of the important factors in influencing customer satisfaction according to Rahayu (2023: 111) reveals that there are six factors in determining customer satisfaction that the company, namely Quality, must consider.

Based on research conducted by Razak (2019), entitled *The Effect of Product Quality on Customer Satisfaction*. Obtaining research results, namely performance, reliability, suitability, and durability, has a positive and significant effect on customer satisfaction.

Revealed by Aditia et al. (2020) in a study entitled *The Effect of Product Quality on NMAX Motorcycle Consumer Satisfaction at PT Yamaha A. Rivai Palembang*. This states that product quality significantly affects customer satisfaction, especially for customers of the NMAX brand motorcycle.

Diputra and Yasa (2021) entitled *The Influence Of Product Quality, Brand Image, and Brand Trust On Customer Satisfaction And Loyalty*. Based on the analysis in this study, several conclusions were obtained that product quality has a positive and significant effect on brand image, brand trust and customer satisfaction, brand image and brand trust have a positive and significant effect on satisfaction. Satisfaction has a positive and significant effect on customer loyalty. The implications of the results of this study indicate that product quality is a major factor in increasing customer satisfaction, thus creating a sense of customer loyalty. This shows that the better the product quality, the higher the customer loyalty to buy and use Samsung smartphones in Denpasar City.

2.7. The Effect of Price on Consumer Satisfaction

One of the important factors in influencing customer satisfaction, according to Rahayu (2023: 111), reveals that there are six factors in determining customer satisfaction that the company must consider, namely: Price.

Based on research conducted by Syarif and Mariansyah (2020), entitled The Effect of Product Quality, Service Quality, and Price on Consumer Satisfaction of Cafe Kabalu. The results showed that product quality has no positive or significant effect on customer satisfaction, while service quality and price have a positive and significant effect on customer satisfaction.

Mahmud (2021), conducted a study entitled The Effect of Price, Product Quality, and Service Quality on Customer Satisfaction at Transmart Setiabudi Semarang. He states that price positively and significantly affects customer satisfaction.

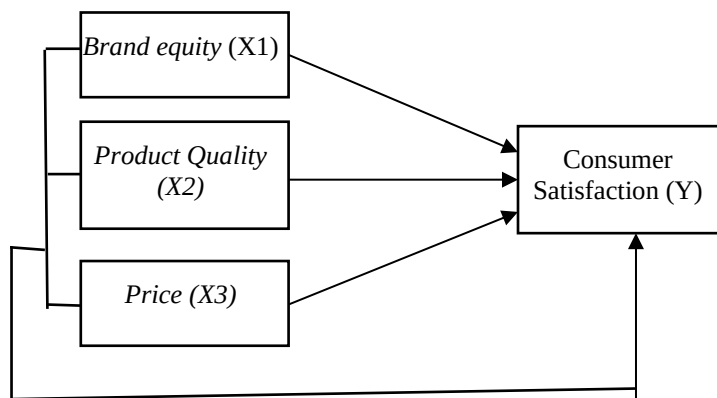


Figure 1 Thinking Framework

2.8. Hypothesis

The hypothesis in this study is as follows:

1. There is an Effect of Brand Equity, Quality, and Price on Consumer Satisfaction with Ades Brand Bottled Drinking Water in the Sekayu City District Community, Musi Banyuasin Regency.
2. There is an Effect of Brand Equity on Consumer Satisfaction with Ades Brand Bottled Drinking Water in the Sekayu City District Community, Musi Banyuasin Regency
3. There is an Effect of Quality on Consumer Satisfaction of Ades Brand Bottled Drinking Water in the Community of Kota Sekayu District, Musi Banyuasin Regency
4. There is an Effect of Price on Consumer Satisfaction of Ades Brand Bottled Drinking Water in the Community of Kota Sekayu District, Musi Banyuasin Regency

3. Research Methods

The object of this research is Ades bottled drinking water by the community in Sekayu, Musi Banyuasin Regency, South Sumatra. The research method is associative to test the alleged relationship (influence) between one variable and another. The variable in question is to determine the effect of *brand equity*, quality, and price on consumer satisfaction with Ades brand bottled drinking water in the Sekayu City sub-district community, Musi Banyuasin

district. The population in this study is *infinite*. The sample was 97 respondents. This study uses a questionnaire to collect data and is supported by other methods to perfect the information obtained. The type of data used in the study is quantitative data. The data sources used in this study are primary data, namely data obtained directly from sources collected and managed by someone directly from the object; secondary data, namely data obtained in finished form or already collected and managed by other parties or companies such as history and profiles. The data testing method is validity and reliability tests. The data tests carried out are the normality test, multicollinearity test, heteroscedasticity test, and the analysis used is multiple linear analysis. Hypothesis testing is done using the F, t-test, and determination coefficient tests.

Table 1. Operational Research Variables

Research Variables	Operational Definition	Indicator
Consumer Satisfaction (Y)	The level of consumer feelings, either happy or sad, arises after consumers compare the quality of the products or services the company provides to consumer expectations.	No complaints or resolve complaints. Customer's overall feeling of satisfaction with the product Conformity to customer expectations/expectations
Brand equity (X) ₁	The strength that a brand has in a product is a differentiator from its competitors so that consumers more widely recognize a brand than other brands.	Brand associations Perceived Quality Brand Loyalty
Product Quality (X) ₂	The quality of the company's efforts to always meet or exceed consumer expectations.	Product characteristics Reliability
Price (X) ₃	The amount of money charged for a product that consumers exchange for the advantages that the product has. Price is the value of an item that is expressed in money	Price comparison Price match with quality Price match with benefits

Source: Author's Thoughts, 2023

Multiple linear regression analysis is used to test the effect of two or more independent variables on the dependent variable, namely whether the independent variable is positively or negatively related, and to predict the value of the dependent variable if the value of the independent variable increases or decreases (Sugiyono 2016: 77). The equation is as follows:

$$Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Description:

Y = Consumer Satisfaction

α = Constant

b_1, b_2, b_3 = Regression Coefficient

X_1 = Brand equity

X_2 = Product Quality

X_3 = Price

e = Error term

4. Results and Discussion

4.1. Research Results

It is a series of tests carried out by researchers on the results of questionnaires and other data collection; the following are the results of the tests carried out:

4.1.1. Normality Test

Normality test, namely data, aims to see or test whether, in the regression model, confounding variables or residual values have normal distribution results.

Normality Test

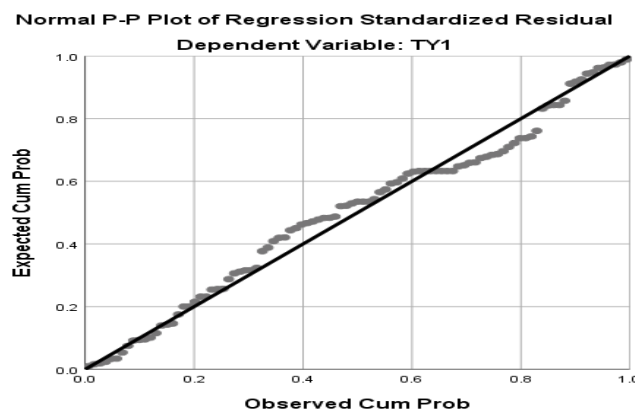


Figure 1 Normality Test

The picture above shows that the data used in this test is normal because the points are close to the diagonal line.

4.1.2. Multicollinearity Test

Table 2. Multicollinearity Test

Model		Unstandardized Coefficients		Collinearity Statistics	
		B	Std. Error	Tolerance	VIF
1	(Constant)	2.535	1.537		
	Brand equity	.466	.102	.437	2.291
	Product Quality	.583	.136	.445	2.248
	Price	.009	.120	.303	3.300

Source: Processed data

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Based on the results above, none of the *tolerance* values are below 0.10, all of them are above 0.10 as well, and the results of the VIF value do not exceed 10, meaning that this research data does not occur multicollinearity.

4.1.3. Heteroscedasticity Test

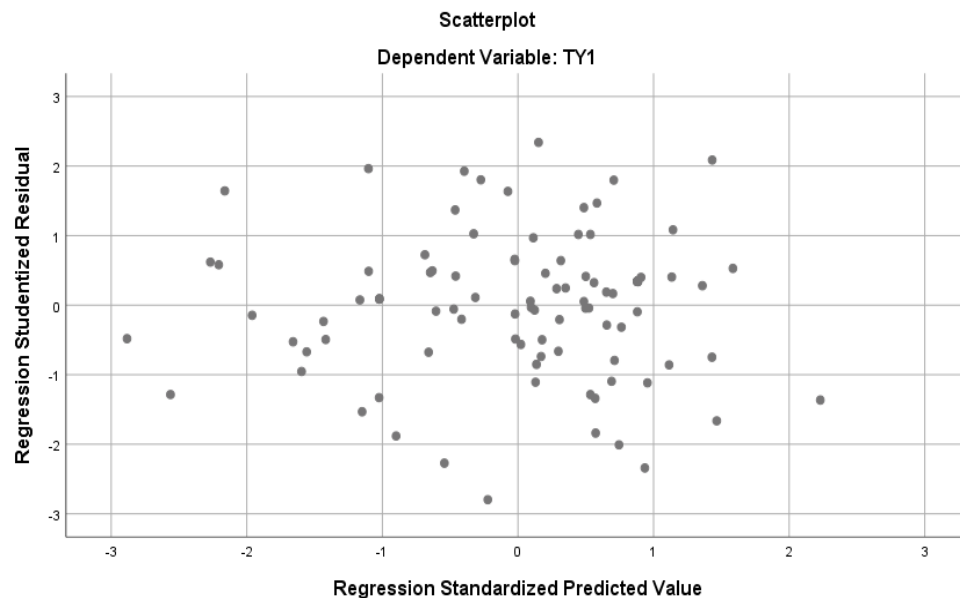


Figure 2. Heteroscedasticity Test

Based on the *Scatterplot* image above, it can be seen that the points on the *Scatterplot* spread above and below/around the number 0, and the data points do not collect only above or below. The distribution of data points does not form a wavy pattern, widening then narrowing and widening again; even the distribution of data points is not patterned. So it can be said that there is no heteroscedasticity in the regression model in the study.

4.1.4. Multiple Linear Regression Test

Table 3 Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	2.535	1.537
	Brand equity (X1)	.466	.102
	Product Quality (X2)	.583	.136
	Price (x3)	.009	.120

Source: Processed data

Based on the table above, the multiple linear regression equation is obtained as follows:

$$Y = 2525 + 0.466X1 + 0.583X2 + 0.009X3$$

Interpret the multiple linear regression equation regarding the effect of *brand equity*, quality, and price on customer satisfaction. This can be explained as follows:

1. The constant value of 2522 This shows that if *Brand Equity*, Quality, and Price are zero then customer satisfaction is 2522.

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2. The *Brand Equity* regression coefficient of 0.466 positive sign indicates a unidirectional change from *Brand Equity* to customer satisfaction, meaning that *Brand Equity* affects customer satisfaction.
3. The quality regression coefficient of 0.583 with a positive sign indicates a unidirectional change from quality to customer satisfaction, meaning that quality affects customer satisfaction.

The price regression coefficient of 0.009 with a negative sign indicates that there is no unidirectional change from price to customer satisfaction, meaning that price does not affect customer satisfaction.

4.1.5. Hypothesis Test

F test or simultaneous test

That is done to see whether all the independent variables significantly affect the dependent variable.

Table 3 F test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	947.239	3	315.746	48.289	.000 ^b
	Residuals	608.097	93	6.539		
	Total	1555.335	96			

a. Dependent Variable: TY1

b. Predictors: (Constant), TX3, TX2, TX1

Source: Processed data

If the calculated F value is greater than the F table or the probability of significance is less than 0.10, then with a calculated F value of 48,289 greater than the F table 2.01 with a significant value of 0.000 supported, together *brand equity*, quality, and price affect consumer satisfaction with bottled drinking water for the Ades brand in the Sekayu City District community, Musi Banyuasin Regency.

T-test or partial test

That is used to see individually or one by one whether the variable has a significant effect or not.

Table 4 T-test

Unstandardized Coefficients					
Model	B	Std. Error	T	Sig.	
1	(Constant)	2.535	1.537	1.649	.103
	TX1	.466	.102	4.570	.000
	TX2	.583	.136	4.286	.000
	TX3	.009	.120	.078	.938

Source: Processed with SPSS Program

Based on the table above, it can be seen that the t value of *Brand Equity* is $4.570 > t_{\text{tabel}} 1.661$ reinforced with a sig value of $0.000 < 0.10$, then *Brand Equity* affects customer satisfaction.

Based on the table above, it can be seen that the t value of quality is $4.286 > t_{\text{tabel}} 1.661$ reinforced with a sig value of $0.000 \leq 0.10$, so quality affects customer satisfaction.

Based on the table above, it can be seen that the calculated t value of the price is $0.078 < t_{\text{tabel}} 1.661$ reinforced with a sig value of $0.938 > 0.10$, so the price has no effect on customer satisfaction.

Determination Coefficient Test

This test is carried out to determine how much influence all the independent variables have and the amount of influence caused by other variables that are not explained.

Table 5 Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.780 ^a	.609	.596	2.55708

a. Predictors: (Constant), TX3, TX2, TX1

Source: Processed data

Based on the table above, the Adjusted R square value is 0.596 or 59.6%, meaning that *brand equity*, quality, and price influence 59.6% on customer satisfaction. The rest is influenced by other variables that are not examined, such as factors that affect customer satisfaction, namely service or service quality, emotions, and costs.

4.2. Discussion

4.2.1. The influence of *brand equity*, quality, and price on consumer satisfaction of bottled drinking water for the Ades brand in the Sekayu City District community, Musi Banyuasin Regency.

The results of the analysis simultaneously show that with a 90% confidence level which proves that the hypothesis is accepted, meaning that there is a significant effect of *brand equity*, quality, and price on consumer satisfaction with Ades brand bottled drinking water in the Sekayu City District community, Musi Banyuasin Regency. This means that there is an influence of *Brand equity*, quality, and price together on customer satisfaction; this can be proven by the results of the coefficient of determination, which shows that *Brand equity*, quality, and price are 0.596 or 59.6%.

This is in line with Rahayu (2023: 111), which reveals six factors in determining customer satisfaction that must be considered by the company, namely product quality, service or service quality, emotions, price, cost, and *brand equity*.

According to Noviyanti (2020: 62), supported by research, *brand equity* has a positive and significant effect on customer satisfaction. According to Razak (2019: 12), product quality significantly affects customer satisfaction. Mariansyah and Syarif (2020: 82) also state that price positively and significantly affects customer satisfaction.

4.2.2. The effect of *brand equity* on consumer satisfaction of bottled drinking water for the Ades brand in the Sekayu City District community, Musi Banyuasin Regency.

The results of the analysis that with a 90% confidence level that the results of the study, there is a significant effect of *Brand equity* on consumer satisfaction with Ades brand bottled drinking water in the Sekayu City District community, Musi Banyuasin Regency. This means that there is an influence of *Brand equity* on customer satisfaction, this can be proven by the results of the t value $\text{calculated } 4.570 > \text{t-table } 1.661$ reinforced with a sig value of $0.000 \leq 0.10$, so *Brand Equity* affects customer satisfaction.

This is in line with Rahayu (2023: 111), which reveals that there are six factors in determining customer satisfaction that must be considered by the company, namely product quality, service or service quality, emotions, price, cost, and *brand equity*.

This is supported by research from Noviyanti (2020), Park et al (2019), and Shahroodi et al (2020) state that *brand equity* has a positive and significant effect on customer satisfaction. However, it is not in line with the research of Sriwahyuni (2018: 57), Febrian and Ahluwalia (2020) found that *Brand equity* has a negative and insignificant effect on customer satisfaction.

Based on the distribution of respondents' answers in Table IV.8, namely, there are still consumers who do not know the meaning of Ades mineral water, the quality is the same as other mineral water, resulting in a lack of consumer loyalty to Ades mineral water.

The thing that the company does to increase customer satisfaction is to re-brand the point to tell consumers that Ades mineral water has a good meaning and has followed government standards and programs so that it is hoped that later it can generate a sense of consumer loyalty to Ades mineral water products.

4.2.3. The effect of quality on consumer satisfaction of bottled drinking water for the Ades brand in the Sekayu City District community, Musi Banyuasin Regency.

The results of the analysis that with a 90% confidence level that the results of the study, there is a significant effect of quality on consumer satisfaction of Ades brand bottled drinking water in the Sekayu City District community, Musi Banyuasin Regency. This means that there is an effect of quality on customer satisfaction, this can be proven by the results of the t-test, namely the value of t $\text{calculated } 4.286 > \text{t-table } 1.661$ reinforced with a sig value of $0.000 \leq 0.10$, so quality affects customer satisfaction.

This is in line with Rahayu (2023: 111), which states that there are six factors in determining customer satisfaction that must be considered by the company, namely product quality, service or service quality, emotions, price, cost, and *brand equity*.

This is in line with research by Razak (2019: 12) Lesmana (2019), Fintahiasari et al (2020), Aditia et al (2020), Wantara and Tambrin (2019), that product quality have a significant positive effect on customer satisfaction. Meanwhile, research by Mariansyah and Syarif (2020: 88) found that product quality has a negative and insignificant effect on customer satisfaction.

Based on the distribution of respondents' answers in Table IV.9, Ades mineral water is easy to recognize but there are still those who are not too familiar with and Ades mineral water is easy to mix with garbage to reduce waste.

Things that must be fixed again by the company to increase the return of consumers in the Sekayu sub-district to consume Ades mineral water, namely by branding again by conducting

a level of promotion by installing banners in grocery stores or large store agents or by promoting through television media etc. by telling all new consumers and reminding consumers who have consumed Ades mineral water that Ades mineral water has good quality and has carried out an environmental care program so that Ades mineral water can reduce pollution to the environment.

4.2.4. The effect of price on consumer satisfaction of bottled drinking water for the Ades brand in the Sekayu City District community, Musi Banyuasin Regency.

The results of the analysis show that with a 90% confidence level, there is no significant effect of price on consumer satisfaction with Ades brand bottled drinking water in the community of Kota Sekayu District, Musi Banyuasin Regency. This means that there is no effect of price on customer satisfaction, this can be proven by the results of the t-test, namely the value of $t_{\text{calculated}} 0.078 < t_{\text{tabel}} 1.661$ reinforced by a sig value of $0.938 > 0.10$, so price does not affect customer satisfaction.

This is in line with Rahayu (2023: 111), which states that there are six factors in determining customer satisfaction that must be considered by the company, namely product quality, service or service quality, emotions, price, cost, and *brand equity*.

This is in line with the research of Mariansyah and Syarif (2020: 82), Mahmud (2021), Wantara and Tambrin (2019), stating that price has a positive and significant effect on customer satisfaction, while the results of Agung's research (2018: 61) reveal that price has a negative and insignificant effect on customer satisfaction.

Based on the distribution of respondents' answers in Table IV.10, namely the price of Ades mineral water is the same as other brands of mineral water, the price offered is according to the quality and benefits.

The thing that the company must improve is to emphasize again to consumers that Ades mineral water is not the same as other mineral water and the price and quality are not the same, by making affirmations through banner promotions and advertisements on television to tell all consumers that Ades mineral water has great benefits and good quality.

4. Conclusion

Based on the results of research and discussion carried out in the previous chapter, the authors can conclude this study as follows: (1) There is a positive and significant influence between *Brand equity*, quality, and price on consumer satisfaction with Ades brand bottled drinking water in the community of Kota Sekayu District, Musi Banyuasin Regency. (2) There is a positive and significant influence between *Brand equity* on consumer satisfaction of Ades brand bottled drinking water in the community of Kota Sekayu District, Musi Banyuasin Regency. (3). There is a positive and significant influence between quality and consumer satisfaction of Ades brand bottled drinking water in the community of Kota Sekayu Subdistrict, Musi Banyuasin Regency. (4) There is an insignificant influence between price and consumer satisfaction of Ades brand bottled drinking water in the community of Kota Sekayu Subdistrict, Musi Banyuasin Regency.

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The Influence of Work Discipline and Organizational Culture on Employee Performance with Work Motivation as an Intervening Variable in the Palembang City Public Works and Spatial Planning (PUPR) Office

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Abstract

This research aims to determine the influence of work discipline and organizational culture on employee performance, with work motivation as an intervening variable in the Public Works and Spatial Planning Department of Palembang City. This type of research is associative. The variables researchers use are work discipline, organizational culture, work motivation, and performance. The sample in this research was 125 Public Works and Spatial Planning Department employees of Palembang City who were selected using cluster sampling. The data used in this research is primary data collected using a questionnaire. The data analysis technique used is the Structural Modeling Equation (SEM). The results of this research show that (1) work discipline has an insignificant effect on employee performance, (2) organizational culture has a positive and significant effect on employee performance, (3) work discipline has a positive and significant effect on employee work motivation, (4) organizational culture positive and significant effect on employee work motivation, (5) work motivation has a positive and significant effect on employee performance in the Palembang City Public Works and Spatial Planning department.

Keywords: Work Discipline, Organizational Culture, Work Motivation, Performance.

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1. Introduction

Human resources are the main asset for government agencies. They are fundamental and act as

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a driving force in government agencies because they are essential in the agency's progress. It requires human resources with a high motivational spirit, work discipline, quality, capacity, and competitiveness to develop or maintain the agency's position in a competitive environment. Quality human resources will be able to manage other resources and carry out services for all work within government agencies.

Success in achieving these goals depends on the reliability and ability of employees to operate the work units in the agency because the agency's goals can only be achieved through the efforts of the actors in each agency. The performance of government agencies is essentially a result of the work requirements that employees must meet. Employees will be willing to work enthusiastically if they feel both physical and non-physical needs are met. This organization is required to produce performance both individually and as a group. To support an employee's performance, employees who are highly motivated, disciplined, and responsible according to the needs of a government agency are needed. Employee placement must also be based on the job description and job specifications that have been determined. (Moeheriono, 2019).

In achieving its goals, an organization will always encounter problems, such as what happened in the Public Works and Spatial Planning (PUPR) Department of Palembang City, where the researcher discovered phenomena that could influence or reduce the company's performance. Before discussing the phenomena, the researcher will briefly explain the Department. Public Works and Spatial Planning of the City of Palembang is an implementing element of government affairs in Public Works and Spatial Planning. The Public Works and Spatial Planning Service (PUPR) is led by a head of department who is subordinate to and responsible to the Mayor through the Regional Secretary who assists the mayor in carrying out affairs in the field of Public Works and Spatial Planning and Assistance tasks.

Employee performance is significant for an agency or government institution to know the abilities, skills, goals, work standards, and time spent by employees working. Thus, employee performance also determines achieving a goal expected by an agency or government institution. The Public Works and Spatial Planning Department also has goals that it wants to achieve, and these goals will be achieved depending on the resources it has; in carrying out the activities of the agency, it appears that the goals have not been achieved at the Palembang City PU PR Service office. The success of a company is said to be good if the company is able to produce optimal or good performance for its employees.

The target set by the Department of Public Works and Spatial Planning (PU PR) of Palembang City has not been achieved the target optimally. It shows that the goal has not been achieved properly as desired by the agency. At the Department of Public Works and Spatial Planning of the City of Palembang, target 1 was with a target of 71.25% and 83.18% realized, meaning it exceeded the target with good category capabilities, on target 2 with a target of 83.50% and 83% realized, meaning it did not reach the target. With good category ability, then target 3 has 2 indicators, with the first indicator target being 76.58% and 81.44% realized, meaning exceeding the target with good category ability. The second indicator with a target of 61.64% and 81.82% realized, meaning exceeding the target with sufficient category ability. Target 4 has 2 indicators with the first indicator target being 14% and 13.94% realized, meaning not achieving the target with poor category ability. The second indicator with a target of 44% and 16 realized, 67%, meaning not achieving the target with poor category abilities, on target 5 with a target of 25% and realization of 22.31%, meaning not achieving the target with poor category abilities, on target 6 with a target of 17.43% and realization of 29, 18%, meaning exceeding the

target with poor ability, then finally target 7 with a target of 80.75% and 80.25% realized, meaning not achieving the target with good category ability.

We can interpret that in terms of employee performance achievements, the Public Works and Public Works Department of Palembang City has 7 targets in 2022, including targets 2, 4, 5, and 7 by not achieving targets in various categories of ability, then targets 1 and 3 by exceeding targets. In the good category of ability, then finally, in target 6 by exceeding the target in the poor category of ability, it can be seen that this condition means that performance achievements are not yet optimal; in this case, it suggests that hard work is needed to achieve performance targets and goals. The agency has determined that.

Work standards at the Palembang City Public Works and Spatial Planning Department are still far from expectations from the clarification of the word excellent; in 2020, they only got work standard results of 90.3, and in 2021, they decreased to 73.6 and in 2022 to 73. Based on The table above, or the assessment standards for Employee Work Targets (SKP), shows that work standards have not been achieved or work achievements in the assessment have not been optimal because the results of the work assessment carried out by employees have not achieved clarification or a very good predicate by achieving the Employee Work Target (SKP) assessment—achievement of 91 and above at the Palembang City Public Works and Public Works Department office. The performance results for the past 3 years show that the Public Works and Spatial Planning Department of Palembang City has not achieved excellent performance, and the average performance of Public Works and Spatial Planning Department employees has achieved sufficient performance. and good, which is far from expectations, namely getting performance with excellent clarification. This shows that work standards have not been achieved for Palembang City Public Works and Spatial Planning Office employees. At the Public Works and Public Works Department of Palembang City.

Furthermore, there are indicators of cooperation because it was also found that there is still a lack of level of cooperation between employees in their work; employees tend to be individualistic in their work, only thinking about their work without paying little attention to their co-workers, for example making reports on the construction of buildings that have not been completed because there are employees who find it difficult to convey things. Communication and lack of mutual trust between employees, with a lack of level of cooperation between employees, will certainly hamper work results and affect performance at the Palembang City Public Works and Public Works Service office. Then there is a phenomenon that occurs from motive indicators, namely a lack of encouragement or motivation from superiors, which is caused by a lack of interaction or communication between employees and superiors; of course, this is a reason for an employee not to do anything more for the agency. Of course, this is a challenge for leaders who must further improve company performance to achieve excellent performance.

One of the variables that influences performance is work motivation. Regarding work motivation, researchers also found another phenomenon in the Public Works and Spatial Planning Department of Palembang City regarding indicators of success; there is a problem where employees still have a low level of desire to excel so that their work will not be optimal, then there are indicators that there are still low opportunities to progress because there are some employees who lack initiative in working. There is still a lack of employee activity to show their best abilities to be promoted. Many employees are still afraid of the risks of work, so there is a lack of innovation or the expression of opinions at work. The next indicator is work

relations; the communication between lines is slow. Some employees do not greet each other with co-workers when they finish morning assembly and group exercise due to personal problems between employees that have not been resolved so that they carry over into work, creating a relationship. There is less harmony between co-workers, and often misunderstandings or miscommunication.

Apart from the performance and work motivation variables that influence it is the work discipline variable where work discipline is a tool used by managers to communicate with employees so that they are willing to change behavior and to increase awareness and the willingness of employees to obey all regulations and social norms that apply in the area—a company. In order to achieve effectiveness and efficiency at work, it is necessary to create binding regulations for employees. The existence of this regulation can encourage the creation of employee work discipline. This work discipline attitude can influence the results of their work to produce maximum results.

Researchers also found a phenomenon in the Palembang City Public Works and Spatial Planning Department that there were indicators of compliance with all regulations; since attendance using Finger Print was enforced, it did not make employees diligent, but on the contrary, the Finger Print system made employees slack off over time, employees came only to do things. Fingerprint then went home. Some employees were late for morning assembly and group exercise, and others were absent.

The level of employees absent without explanation per month is quite high, which means that employees still do not care about the work discipline regulated or determined by the government. In January, the level of State Civil Service employees reached 19 people; 10 people left early, and there were 14 people with permits. In February, 31 people were absent without explanation, 10 left early, and 18 had permission. In March, 25 people were absent without explanation, 16 left early, and 9 had permission. In April, 30 people were absent without explanation, 15 were leaving early, and 10 had permission. In May, 27 people were absent without explanation, 22 left early, and 12 had permission. In June, 23 people were absent without explanation, 10 were leaving early, and 15 had permission. In July, 20 people were absent without explanation, 17 left quickly, and 20 had permission. In August, 28 people were absent without explanation, 13 left quickly, and 17 had permission. In November, 22 people were absent without explanation, 20 left quickly, and 16 had permission.

Furthermore, researchers also discovered a phenomenon that contained indicators of making work reports, where employees still lacked discipline in carrying out tasks given by the agency, so when superiors asked employees about the results of work reports, it turned out that the work reports had not been completed optimally. So the task given is late to completion according to the specified time. Researchers also found other phenomena in the Public Works and Spatial Planning Department; there are indicators that employees are often absent during working hours, such as there are still employees who, after being absent, disappear or go home and come back after the break is over, or there are Also, some employees after break time go home and then return to the office. Some employees return quickly from the office, where employees go home before 16:00 WIB, which the Public Works and Public Works Department of Palembang City has determined. Furthermore, researchers also found that there are indicators of time use. However, it often happens that employees use their time in an ineffective way, where employees are seen slacking off after the break and still busying themselves with their activities, so of course, what is delayed is their work so that employees do not seem disciplined in maximizing

their time effectively. So, this will become a serious phenomenon if it continues because it will hinder the achievement of the agency's goals.

Apart from performance variables, work motivation, and work discipline, the influencing variables are organizational culture and organizational culture. Researchers also found another phenomenon in the office of the Palembang City Public Works and Spatial Planning Service regarding indicators of attention to detail. There are problems where there are still employees who are not detailed. or careful in completing work because there are still errors in completing tasks and inputting data, such as data on residents who have access to safe drinking water and data on certified construction workers; this shows that employees have not been thorough and detailed in completing their work and there are still errors in In inputting data, this error occurs when employees work at will following their mood at work, so it gives the impression that the employee's work attitude is haphazard and does not meet the expectations of the agency. Then there are indicators of orientation towards results, where work only follows personal mood and work does not meet expectations, where employees do not show attitudes and values that are not good, resulting in the work being produced not being optimal, such as construction work including construction, maintenance, demolition, and rebuilding of a building. In an organization, some teams are divided to expedite the tasks given to align with the agency's expectations. In contrast, in the Palembang City Public Works and Spatial Planning Department, there are indicators of team orientation where employees have poor relationships and communication. Colleagues in their team sometimes bring personal problems into work problems, making problematic employees lack a sense of unity within the team.

2. Literature Review

One of the important studies in human resource management is performance. Employee performance is critical because it is a benchmark for the success or failure of an employee's work. According to Afandi (2018), performance is the result of an employee's work process that has met the requirements or work standards set by a government agency. According to Boudreau (Priansa, 2018), performance is how employees carry out their work according to predetermined requirements.

According to Kasmir (2016), factors that influence performance are abilities and skills, knowledge, work plans, personality, motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline, while according to Afandi (2018), states that the factors that influence performance are ability, clarity and acceptance or clarity, level of motivation, competence, work facilities, work culture, leadership, and work discipline.

Among the factors that influence performance is work motivation. According to Busro (2020), work motivation is a drive from within an individual to carry out certain activities to achieve goals. According to Hasibuan (2018), motivation is encouragement from within and outside a person to do something that can be seen from the internal and external dimensions in other words, employee work motivation has two dimensions, namely the internal encouragement dimension and the external encouragement dimension. Motivation is an inner strength that can arouse, direct, and influence a person to have the intensity and persistence of voluntary behavior in carrying out a job.

Work discipline also influences performance. According to Hasibuan (2018), work discipline is a person's awareness and willingness to obey all organizational regulations and applicable social

norms. With high work discipline, it will be able to help improve employee performance (Siagian, 2016). Discipline is a form of obedience or obedience to applicable regulations, both written and unwritten. This obedience manifests in attitudes, behavior, and actions that comply with these regulations. How will an organization run well if the employees or human resources themselves are not disciplined and do not have the awareness and willingness to obey all the regulations of an organization? On the other hand, if the presence of employees increases discipline, starting from a high level of awareness and obeying all organizational regulations, then a working atmosphere that is good or positive will be created, and this will greatly influence the level of employee performance.

Work discipline also influences work motivation. The presence of work discipline will ensure the maintenance of order and encourage work enthusiasm or motivation as well as facilitate the smooth implementation of tasks so that effective work results are obtained, and organizational targets will be achieved; otherwise, if employees do not comply with the rules, regulations or norms. - the norms that apply in the organization will give rise to bad behavior in terms of habitually delaying time at work; this will hinder the implementation of the work process so that the achievement of the work results received is less effective. Employees need to obey the rules and maintain a disciplined work atmosphere to increase work motivation or enthusiasm, thereby facilitating the smooth implementation of tasks and effective work results.

Apart from work motivation and discipline, organizational culture is another factor that influences performance. According to Edison et al. (2016), organizational culture is a shared belief, behavior, assumption, and value pattern. Organizational culture shapes how members behave and interact and influences how they work. In turn, organizational culture is expected to create an environment conducive to improving individual performance. Organizational culture is a system of beliefs and values developed by an organization, guiding the behavior of the organization's members. Members of the organization will act in achieving organizational goals as guided by the organization through instructions for implementing activities in the form of an operational procedure system. Organizational culture shares social knowledge regarding the rules, norms, and values that shape employee attitudes and behavior—in other words, sharing knowledge internalized by organizational leaders with all members of the organization regarding rules, norms, and values so that the final results of the internalization process can shape the attitudes and behavior of organizational members.

According to Nimran in Busro (2020), organizational culture is a system of meaning shared by an organization that differentiates it from others. Organizational culture is a shared perception held by members of an organization as a system of organizational values held by members of the organization, which then influences the way of working and behaving of the organization so that the value system or meaning system can differentiate one organization from another.

Organizational culture also influences motivation; a conducive and comfortable organizational culture can make employees feel comfortable and calm at work, thereby creating a sense of motivation within employees; on the other hand, if the organizational culture conditions are less conducive, it will make employees less comfortable at work so it can be said that employees lack motivation to work because the organizational culture where the employee works is not by the understanding they apply to their life. A good organizational culture can stimulate employee comfort and enthusiasm at work, meaning that employees have a sense of motivation because a conducive organizational culture supports it.

According to Saydam and Kadarisman in Erri & Fajrin (2018), work discipline is one of the

factors influencing work motivation—research study according to Soelistya et al. (2021). The following research results provide evidence that work discipline also has a significant direct effect on work motivation. Similar research was done by Nurdiana (2022). This research shows that work discipline has a positive and significant effect on employee work motivation. The phenomenon in the Public Works and Public Works Department of Palembang City is that there is still a lack of discipline in carrying out the tasks given by the agency, so the work is completed late according to the specified time. Then, the use of time is ineffective, and employees often stall after breaks; employees are often late in completing tasks. Or report. Employees are often absent during working hours at the Palembang City Public Works and Public Works Department office.

According to Saydam and Kadarisman in Erri & Fajrin (2018), organizational culture is one of the factors influencing work motivation—research study according to Hakim (2020). The research results concluded that organizational culture positively and significantly affects employee work motivation. According to Al-Ayyubi (2019). The results of this research state that organizational culture does not have a positive and insignificant effect on employee performance but rather on work motivation. So, work motivation is an intervening variable influenced by organizational culture, according to Lasarudin et al. (2021). The results of this research conclude that organizational culture has a significant effect on work motivation. The phenomenon in the Palembang City Public Works and Public Works Department in organizational culture is that it has not been detailed or thorough in completing work because there are still errors in completing tasks and inputting data, then orientation to the work results expected by the agency has not been achieved, personal problems are brought to work so that it is not there is a sense of team cohesion at work.

According to Kasmir (2016), organizational culture is one factor that influences employee performance—a research study according to Nasir et al. (2021). The research results show that organizational culture does not affect employee performance. According to Fauzi M Nur SP (2022). The research results show that organizational culture negatively and significantly affects employee performance. Meanwhile, according to Al-Ayyubi (2019). The results of this research state that organizational culture has no positive and insignificant effect on employee performance. The phenomenon of organizational culture can be seen in that there are still employees who are not detailed or thorough in completing their work because there are still errors in completing tasks and inputting data. These errors occur when employees work as they please, following their mood at work, so it gives the impression that the work attitude of these employees is careless. Careless and not in line with the agency's expectations. Because working without showing good attitudes and values means the work produced is not optimal. Some employees have poor relationships and communication; there is one colleague in the team, and sometimes personal problems are brought into work problems, making the problematic employee not have a sense of unity within the team.

According to Kasmir (2016), work motivation is one factor that influences employee performance—a research study by Soelistya et al. (2021). The following research results prove that work motivation has a significant direct effect on performance. According to Nurdiana's research (2022), the research results show that work motivation does not significantly influence employee performance; meanwhile, according to research by Langgeng (2021). The research results show that work motivation positively and significantly affects employee performance. The phenomenon of work motivation can be seen as the level of desire to achieve is still low. There are still few opportunities for advancement because some employees lack initiative.

There is still a lack of employee activity to show their best abilities to get promoted, and many are still afraid of risks—work results in a lack of innovation or expressing opinions at work. Communication between lines is slow in working relationships, making co-worker relations less harmonious. There are often misunderstandings or miscommunications between Public Works and Public Works Department employees of Palembang City.

3. Research Method

The research object is at the Palembang City Public Works and Spatial Planning (PUPR) Office. Alamar Jl. Slmaet Riady, Lawang Kidul, Ilir Timur II, Palembang City, South Sumatra 30118, Indonesia. The Palembang City Public Works and Public Works Service Office carries out government affairs in public works, infrastructure development, and housing for the Palembang area, South Sumatra. Performance is a dependent variable; motivation, work disciplines, and organizational culture are independent variables. The total population is 182, and the sample that will be used in the research is 125 employees of the Palembang City Public Works and Spatial Planning (PUPR) Office. The sampling technique above uses a probability sampling technique with a cluster sampling technique using a cluster method (Cluster Random Sampling). Then, based on the randomization of 8 sections in the Palembang City Public Works and Spatial Planning (PUPR) Office consisting of 182 employees, a research sample of 125 people was obtained, where the determination of this sample size was based on considerations. The data collection methods used in this research are interviews and questionnaires, namely answers from respondents to a series of questions relating to the influence of work discipline and organizational culture on employee performance, with work motivation as an intervening variable at the Public Works and Spatial Planning Service (PUPR) Palembang City, according to the indicators the researchers used.

The data analysis technique for measuring the variables in this research uses capital equation structural equation modeling (SEM). SEM modeling is a further development of path analysis; in the SEM method, the quality relationship between exogenous and endogenous variables can be determined more completely (Abdulah, 2015). By using SEM, not only can direct and indirect quality relationships in observed variables or constructs be detected, but also the components that contribute to the formation of those constructs can be determined in terms of magnitude, thereby making the quality relationships between variables or constructs more informative, complete and accurate.

Variables and dimensions

Variable	Variable Definition	Indicator	Statement items
Performance (η_2)	It is the result of work in quality and quantity that follows what has been determined by the Palembang City PU PR service office.	1. Objective 2. Standard Work 3. Cooperation _ 4. Motive	1 – 3 4 – 6 7 – 9 10 - 12
Motivation Work (η_1)	Motivation provides a driving force that creates enthusiasm for employees' work so that they are willing to work together effectively and integrate with all their efforts to achieve satisfaction by the	1. Success 2. Opportunity _ To Move Forward 3. Connection Work	1 – 3 4 – 6 7 – 9

Palembang City Public Works and Public Works office.			
Work Discipline (ξ_1)	Employee awareness and willingness to obey all company regulations and carry out applicable norms or rules regularly, diligently, continuously, and work so that they are willing to change the behavior of the Palembang City Public Works and Public Works Agency Office.	1. Obey Regulation	1 – 3
		2. Make Report	4 – 6
Culture Organization (ξ_2)	The sharing of social knowledge within an organization regarding the rules, norms, and values shapes the attitudes and behavior of Palembang City PU PR employees.	3. Not absent	7 – 9
		4. General Use of Time Effective	10 – 12
		1. Attention To Detail	1 – 3
		2. Results Orientation	4 – 6
		3. Team Orientation	7 – 9

4. Findings and Discussions

Confirmatory Factor Analysis (CFA). This analysis was carried out on all constructs separately to test the measurement model by evaluating construct validity and construct reliability. Discipline is disiplin, Performance is Kinerja, Motivation is Motivasi, and Organizational Culture is Budaya.

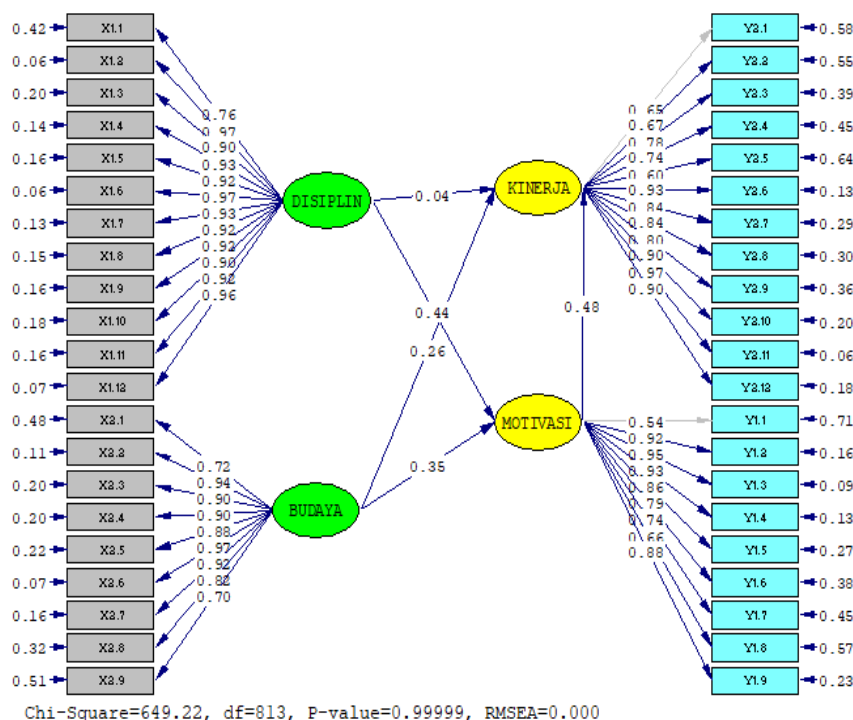


Figure 1. Confirmatory Factor Analysis (CFA)

Based on the Goodness of Fit. A summary of the results of the model suitability test can be made as follows:

Table 1. Goodness Of Fit Index

Goodness Of Fit Index	Cut Of Value	Hasil Analisis	Evaluasi Model
P-Value	$\geq 0,05$	0,99	Good Fit
RMSEA	$\leq 0,1$	0,00	Good Fit
GFI	$\geq 0,90$	0,80	Fit
NNFI	$\geq 0,90$	0,99	Good Fit
SRMR	$\leq 0,1$	0,05	Good Fit
IFI	$\geq 0,90$	0,99	Good Fit
CFI	$\geq 0,90$	0,99	Good Fit
RFI	$\geq 0,90$	0,87	Fit
NFI	$\geq 0,90$	0,88	Fit

Based on Table 1, it can be concluded that the model is good because the overall goodness of fit index criteria is included in the good fit category, especially the P-value value, which is greater than 0.05, and the RMSEA value, which is less than 0.05 so no need to modify the model.

Structural Model. Next, structural model testing will be carried out, namely testing the significance of the influence. The image below is the result of the structural equation.

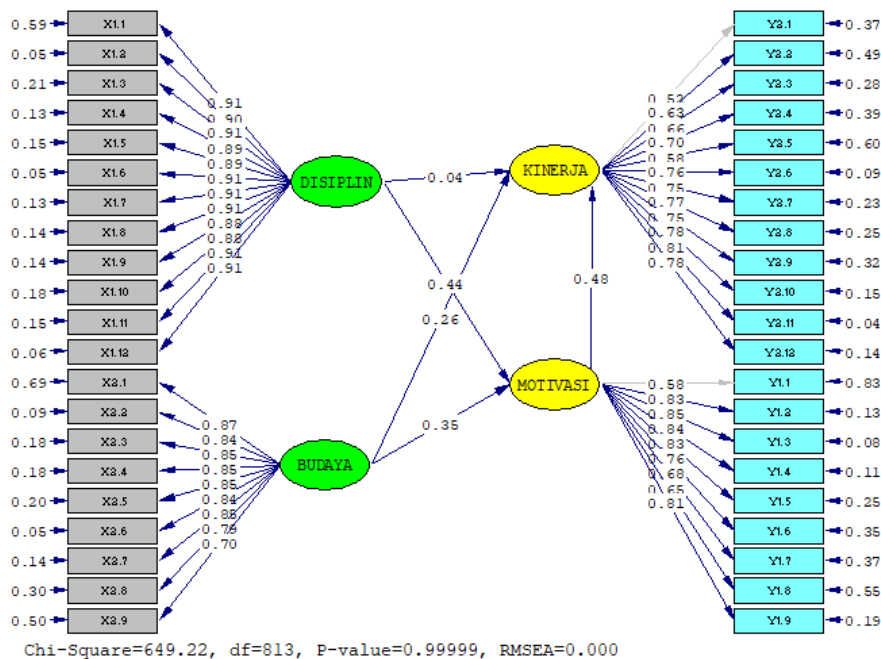


Figure 2. Path Analysis

$$\text{Motivation} = 0.04 * \text{discipline} + (0,26) * \text{organizational culture}$$

$$\text{Performance} = 0,48 * \text{motivation} + 0,44 * \text{discipline} + (0.35) * \text{organizational culture}$$

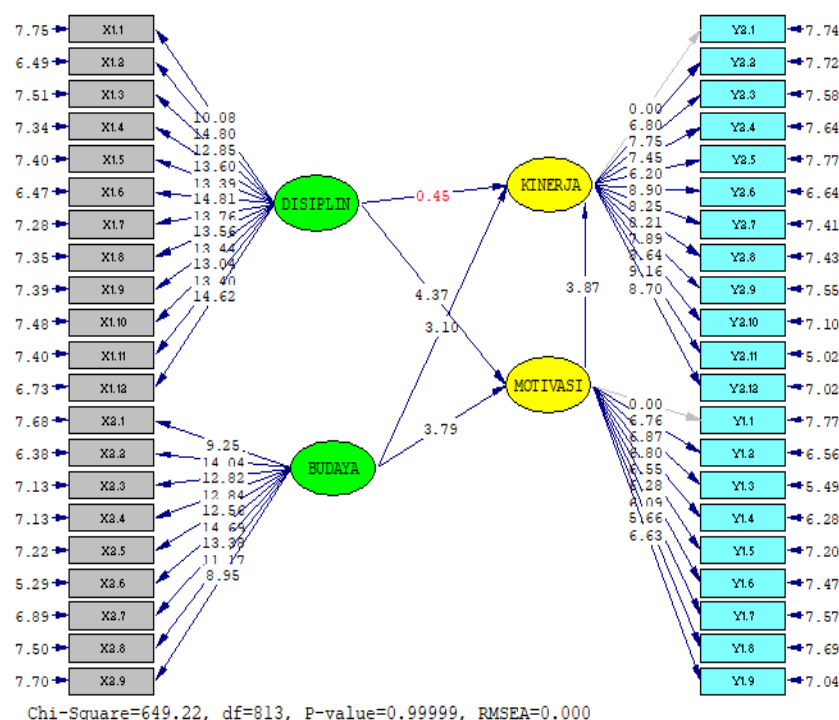


Figure 3. Path Coefficient and T-Values

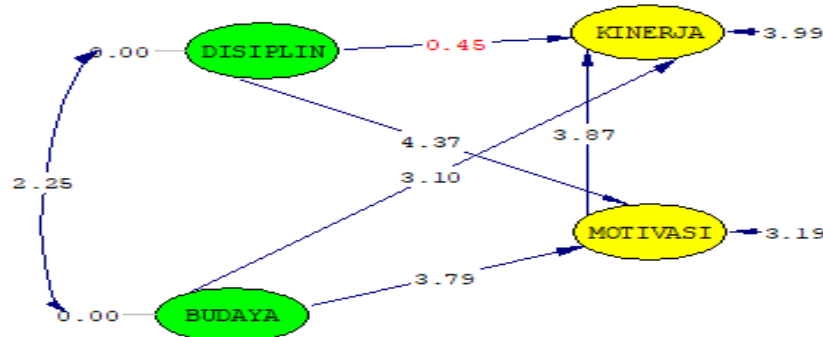


Figure 4. Structural model X and t Values

Table 2. Hypothesis testing

No	Variables	T-Values	Cr Rate	
1.	Discipline – Performance	0,45	< 1,96	Not significant
2.	Organizational – Performance	3,10	> 1,96	Significant
3.	Discipline – Motivation	4,37	> 1,96	Significant
4.	Organizational – Motivation	3,79	> 1,96	Significant
5.	Motivation – Performance	3,87	> 1,96	Significant

Based on Figures 3 and 4 above, the research hypothesis test is then carried out as follows:

a) The Effect of Work Discipline on Performance

Ho1: Work Discipline does not influence Employee Performance at the Public Works and Public Works Department of Palembang City.

Ha1: There is an influence of Work Discipline on Employee Performance at the Public Works and Public Works Department of Palembang City. Based on Figure 2 and Table 2, it can be seen that the T-Values calculation results are $0.45 < 1.96$, so Ho is accepted. With an error rate of 5%, it can be concluded that work discipline has no significant effect on performance.

b) The Influence of Organizational Culture on Performance

Ho2: There is no influence of Organizational Culture on Employee Performance at the Public Works and Public Works Department of Palembang City.

Ha2: Organizational culture influences employee performance at the Palembang City Public Works and Public Works Department. Based on Figures 2 and Table 3, it can be seen that the calculation results for the T-Values value are $3.10 > 1.96$, so Ho is rejected. This means that with an error rate of 5%, it can be concluded that organizational culture significantly affects performance.

c) The Influence of Work Discipline on Work Motivation

Ho3: Work Discipline does not influence Employee Work Motivation at the Public Works and Public Works Department of Palembang City.

Ha3: Work Discipline influences Employee Work Motivation at the Public Works and Public Works Department of Palembang City. Based on Figure 2 and Table 2, it can be seen that the calculation results for the t-value value are $4.37 > 1.96$, so Ho is rejected. This means that with an error rate of 5%, it can be concluded that work discipline positively and significantly affects work motivation.

d) The Influence of Organizational Culture on Work Motivation

Ho4: Organizational culture does not influence employee work motivation at the Palembang City Public Works and Public Works Department.

Ha4: Organizational culture influences employee work motivation at the Palembang City Public Works and Public Works Department. Based on Figure 2 and Table 2, it can be seen that the calculation results for the t-value value are $3.79 > 1.96$, so Ho is rejected. This means that with an error rate of 5%, it can be concluded that organizational culture positively and significantly affects work motivation.

e) The Effect of Work Motivation on Performance

Ho5: Work motivation does not influence employee performance at the Palembang City Public Works and Public Works Department.

Ha5: Work motivation influences employee performance at the Palembang City Public Works and Public Works Department. Based on Figure 2 and Table 2, it can be seen that the T-Values calculation results are $3.87 > 1.96$, so Ho is rejected. This means that with an error rate of 5%, it can be concluded that work motivation positively and significantly affects performance.

Then, there is direct influence, indirect influence, and total influence. The results of direct influence, indirect influence, and total influence can be seen in table 3 below:

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Table 3. Direct and Indirect Effects

No	Path	Intervening Variable	Direct	Indirect	Total Effect
1.	Discipline - Motivation	-	0,44	-	0,44
2.	Organizational Culture - Motivation	-	0,35	-	0,35
3.	Discipline - Performance	-	0,04	-	0,04
4.	Organizational Culture - Performance	-	0,26	-	0,26
5.	Motivation - Performance	-	0,48	-	0,48
6.	Discipline – Motivation - Performance	Motivation	0,44	0,21	0,65
7.	Organizational Culture – Motivation - Performance	Motivation	0,35	0,16	0,51

Indirect influence of discipline – work motivation – performance = $0.44 \times 0.48 = 0.21$

Indirect influence of culture – work motivation – performance = $0.35 \times 0.48 = 0.16$

Total influence of discipline – work motivation – performance = $0.44 + 0.21 = 0.65$

Total environmental influence – work motivation – performance = $0.35 + 0.16 = 0.51$

Based on Table 3 above, you can see the direct influence, indirect influence, and total influence, which are described as follows: a) The direct influence of the work discipline variable on work motivation, based on the table above, shows that it is 0.44, meaning that if employee discipline increases, work motivation will increase or vice versa. Based on the test results, the influence of work discipline on work motivation is proven to be significant. b) The direct influence of organizational culture variables on work motivation, based on the table above, is 0.35, meaning that if employees complete their work optimally, work motivation will increase or vice versa. Based on the test results, the influence of organizational culture on work motivation is proven to be significant. c) The direct influence of the work discipline variable on performance, based on the table above, is 0.04, meaning that if employee discipline increases, work discipline will increase or vice versa. Based on the test results, the effect of work discipline on performance was proven insignificant. d) The direct influence of organizational culture variables on performance, based on the table above, is 0.26, meaning that if the sense of team cohesion among employees increases, performance will increase or vice versa. Based on the test results, the influence of organizational culture on performance is proven to be significant. e) The direct effect of work motivation variables on performance, based on the table above, shows 0.48, meaning that if employees take more initiative in their work, performance will improve or vice versa. Based on the test results, the influence of work motivation on performance is proven to be significant. f) The direct effect of work discipline on performance is 0.44, while the indirect effect of the work discipline variable on performance with work motivation as an intervening variable is 0.21. This means that work motivation strengthens the influence of work discipline on performance. g) The direct influence of organizational culture on performance is 0.35, while

the indirect influence of organizational culture variables on performance with work motivation as an intervening variable is 0.16. This means that work motivation strengthens the influence of organizational culture on performance.

The influence of work discipline on the work motivation of Palembang City Public Works and Public Works Department employees. Based on the test results, discipline has a positive and significant effect on the work motivation of Palembang City Public Works and Spatial Planning (PU PR) employees. The test results showed t-values of $4.37 > 1.96$, so it can be concluded that work discipline positively and significantly affects work motivation. The results of this research are under the theory according to Saydam and Kadarisman in Erri & Fajrin (2018), who say that work discipline is one of the factors influencing work motivation. This research is in line with research conducted by Soelistya et al. (2021). Istiqomah (2019) states that work discipline positively and significantly affects employee work motivation. However, this research does not align with Jumadil (2023), who states that work discipline has a positive but insignificant effect on work motivation. This research is different from Jumadil's (2023) research because it is based on several aspects; namely, the sample used in Jumadil's (2023) research was 101 samples. In contrast, in this research, there were 125 samples. The sampling technique for Jumadil's research (2023) used the census or saturated sampling method, while in this study, the cluster sampling technique (sample area) was used. It can be seen from the distribution of answers among respondents that the problem is as follows: a) There are still some employees who have not fully complied with all existing regulations in the agency. b) There are still employees working on reports that are not on time. c) There is still a lack of awareness among individual employees not to leave the workplace without asking permission from the leadership. Researchers suggest that to increase employees' sense of discipline; leaders must pay more attention to employees who leave the workplace or are absent without orders and permission from the leadership. They are not disciplined in carrying out their duties properly, and many employees still do not comply with existing regulations, so it is recommended to provide supervision. Be more intensive by giving direct warnings and hand touches from superiors to employees who still frequently do things like that, as well as giving appropriate sanctions to employees who are deemed to need sanctions. So that it affects employees not to do it again, it is hoped that it will increase employee motivation.

The Influence of Organizational Culture on Work Motivation of Palembang City Public Works and Public Works Department employees. Based on the test results, organizational culture has a positive and significant effect on the work motivation of employees of the Public Works and Spatial Planning (PU PR) Department of Palembang City. The test results showed T-Values of $3.79 > 1.96$, so it can be concluded that organizational culture positively and significantly affects work motivation. According to Saydam and Kadarisman in Erri and Fajrin (2018), external factors originating from outside employees, namely organizational culture, can also influence motivation. This research aligns with those conducted by Usman Hakim (2020), who found a positive and significant influence between organizational culture and work motivation. However, this research does not align with research conducted by Alfred Lasarudin (2021), who states that organizational culture has a positive but insignificant effect on work motivation. This research is different from Lasarudin's (2021) research because it is based on several aspects, namely, the number of respondents in Lasarudin's (2021) research was much smaller, namely 35 respondents. In contrast, in this study, there were 125 respondents. Lasarudin (2021) took samples using nonprobability or saturated sampling, while the research used cluster sampling (sample area). Lasarudin's (2021) data analysis method uses a data analysis method, namely

multiple linear regression, while the research uses Structural Equation Modeling (SEM). It shows that organizational culture influences work motivation. It can be seen from the distribution of answers among respondents that the problem is as follows: a) There are still some employees who are not detailed and thorough in their work. b) Some still have not completed their work optimally at work. c) There are still some employees who bring personal problems to work. Researchers suggest that to improve the culture in the organization; leaders must pay more attention to employees making mistakes in inputting data and then pay more attention to employees who have not completed their tasks optimally to avoid bringing personal problems to work; leaders must provide direction or retraining so that minimize errors in data input and complete tasks optimally, then the leadership provides mediation, warnings, and even sanctions if necessary to employees who still have personal problems at work so that problems are quickly resolved so that later it is hoped that the culture in the organization can run well and under what is intended and desired by organizations and employees to increase motivation for employees in the future.

The Influence of Work Discipline on the Performance of Palembang City Public Works and Public Works Department employees. Based on the test results, work discipline does not significantly affect the performance of Palembang City Public Works and Spatial Planning (PU PR) employees. Test results showed t-values of $0.45 < 1.96$. So it can be concluded that work discipline does not significantly affect performance. The results of this research are per the theory that, according to Kasmir (2016), work discipline influences employee performance. This research is not in line with research conducted by Aprilianti (2022), which states that work discipline has a positive and significant influence on employee performance. This research differs from Aprilianti's (2022) research because it is based on several aspects, namely, the data testing method in Aprilianti's research. (2022). The sampling method used by Aprilianti (2022) is a saturated sampling technique, whereas, in this study, the Cluster Sampling technique (sample area) was used. The data analysis method Aprilianti (2022) uses multiple linear regression analysis, while this research uses Structural Equation Modeling (SEM). The reasons the work discipline variable does not affect performance are: first, elements in the indicators other than those asked by the researcher may affect performance, meaning that in this case, the researcher conducting the research only took three indicators that were close to the goal in asking questions to respondents. After all, according to researchers, these indicators are the ones that best represent or correspond to the phenomena and facts when making observations. However, the results obtained by researchers from questionnaires that have been distributed and processed state that the work discipline variable does not affect performance, so indicators of work discipline that are not included in this research may have a significant positive influence on the work discipline variable on performance. It can be seen in the distribution of answers to respondents regarding the problem as follows: a. There are still some employees who do not fully comply with all existing regulations in the agency. b. Some employees are still not disciplined in carrying out the tasks given. c. There is still a lack of awareness among individual employees not to leave the workplace without asking permission from the leadership. Researchers suggest that to increase employees' sense of discipline, and leaders must pay more attention to employees who leave the workplace or are absent without orders and permission from the leadership. They are not disciplined in carrying out their duties properly, and many employees still do not comply with existing regulations, so it is recommended to provide supervision. be more intensive by giving warnings and direct touch from superiors to employees who still frequently do things like that, providing appropriate sanctions to employees who are

deemed to need sanctions. So that it affects employees not to do it again, so it is hoped that employee performance will improve.

The Influence of Organizational Culture on the Performance of Palembang City Public Works and Public Works Department Employees. Based on the test results, organizational culture has a positive and significant effect on the performance of Palembang City Public Works and Spatial Planning (PU PR) employees. Test results show t-values of $3.10 > 1.96$, so it can be concluded that organizational culture significantly affects performance. The results of this research are based on the theory that, according to Kasmir (2016), organizational culture influences employee performance. This research is in line with research conducted by Fauzi (2022), which states that organizational culture has a positive and significant effect on performance. However, this research does not align with Nasir (2021), which states that organizational culture has a positive but insignificant effect on performance. The reason this research is not in line with Nasir's (2021) research is because of several aspects, namely, the analytical method used by Nasir's (2021) research is multiple linear regression analysis, while this research uses the Structural Equation Modeling (SEM) method. The number of samples used by researcher Nasir (2021) was 20; in this study, there were 125 samples. The sampling technique used by researcher Nasir (2021) is saturated, while this research uses a cluster sampling technique. It shows that organizational culture influences performance. It can be seen in the distribution of answers to respondents regarding the problem as follows: a. There are still errors in data input. b. There are still employees who complete work that is not optimal. c. There are still employees who bring personal problems to work. Researchers suggest that to improve the culture in the organization, leaders must pay more attention to employees making mistakes in inputting data, then pay more attention to employees who have not completed their tasks optimally and not bring up personal problems while working; leaders must provide direction or retraining so that minimize errors in data input and complete tasks optimally, then the leadership provides mediation, warnings, and even sanctions if necessary to employees who still have personal problems at work so that problems are quickly resolved so that later it is hoped that the culture in the organization can run well and per what is intended and desired by the organization and employees so that it can improve the performance of employees in the future.

The Influence of Work Motivation on the Performance of Palembang City Public Works and Public Works Department Employees. Based on the test results, work motivation significantly affects the performance of Palembang City Public Works and Spatial Planning (PU PR) employees. The test results in t-values of $3.87 > 1.96$, so it can be concluded that work motivation affects performance. The results of this research are based on the theory according to Kasmir (2016), who states that work motivation influences employee performance. This research aligns with Langgeng et al. (2021), who state that work motivation positively and significantly affects performance. However, this research is not in line with research conducted by Nurdiana (2022), which states that work motivation has a positive but insignificant effect on performance. This research differs from Nurdiana's (2022) research because the number of samples used by Nurdiana's (2022) researchers is much smaller, at 57, while this research has 125. It can be seen in the distribution of answers to respondents regarding the problem as follows: a. Lack of employees to demonstrate their desire to succeed. b. Lack of employees to take the initiative in carrying out work. c. Employees still do not greet each other when they finish morning assembly. Researchers suggest that the leaders of the Palembang City Public Works and Spatial Planning Department should always provide work motivation and enthusiasm to employees so that they can show their desire to succeed then leaders should

provide direction regarding increasing the sense of caring among employees so that they can take more initiative in carrying out their work, and the latter has been increased more intensively to carry out supervision of employees who still carry out inappropriate actions towards fellow employees during morning roll call. So leaders need to increase the sense of harmonization so that it is hoped that work motivation can run well and follow what the organization and employees want so that it can improve performance for employees in the future.

The Influence of Work Discipline on the Performance of Palembang City Public Works and Public Works Department Employees with Work Motivation as an Intervening Variable. Based on the test results, the direct effect of work discipline on performance is 0.44, while the indirect effect of work discipline on performance with work motivation as an intervening variable is 0.65. This means that work motivation strengthens the influence of work discipline on performance. In this case, the work discipline variable must be supported by the intervening variable, work motivation. Supporting work motivation strengthens the influence of work discipline on performance. This statement is based on the results of distributing questionnaires and responses to existing statement items showing that work discipline influences performance through the intervening variable of work motivation, with the results of the questionnaire statement from the Work Motivation variable being dominated by respondents' answers disagreeing and strongly disagreeing, even neutral, quite high. However, out of 125 respondents, some respondents agreed and strongly agreed.

The influence of organizational culture on the performance of Palembang City Public Works and Public Works Department employees with work motivation as an intervening variable. Based on the test results, the direct influence of organizational culture on performance is 0.35, while the indirect influence of organizational culture on performance with work motivation as an intervening variable is 0.51. This means that work motivation strengthens the influence of organizational culture on performance. In this case, the intervening variable, work motivation must support the organizational culture variable. Supporting work motivation strengthens the influence of organizational culture on performance. This statement is based on the results of distributing questionnaires and responses to existing statement items showing that organizational culture influences performance through the intervening variable of work motivation with the results of the questionnaire statement from the Work Motivation Variable dominated by respondents' answers of disagreeing and strongly disagreeing, even neutral, quite high. However, out of 125 respondents, some respondents agreed and strongly agreed.

5. Conclusion

Based on the discussion discussed in the previous chapter, the following author can conclude from the research results, namely as follows: 1. Work discipline has a positive and significant influence on the work motivation of Palembang City Public Works and Spatial Planning Department employees. 2. There is no positive and significant influence of work discipline on the performance of Palembang City Public Works and Spatial Planning Department employees. 3. organizational culture significantly influences employees' work motivation of the Public Works and Spatial Planning Department of Palembang City. 4. Organizational culture significantly influences the performance of Palembang City Public Works and Spatial Planning Department employees. 5. Work motivation significantly influences the performance of Palembang City Public Works and Spatial Planning Department employees. 6. Work motivation strengthens the influence of work discipline on performance, and work motivation strengthens the influence of organizational culture on the performance of Palembang City Public Works and

Spatial Planning Department employees.

To improve work discipline and motivation, leaders must provide more intensive supervision by giving direct warnings from superiors to employees and provide appropriate sanctions to employees who are deemed to need to be given sanctions so that the effect is that employees do not repeat it, so they can It is hoped that this will increase employee motivation. To improve work discipline regarding performance, leaders can hold special training internally for employees in making work reports more effectively and efficiently the aim is to make it easier for employees to make work reports so that errors are minimized, and work report results are more optimal. To improve organizational culture towards motivation, leaders must provide more intensive supervision of employees who do not yet have a sense of team cohesion at work, so the culture to build a sense of cohesion is further improved in order to be able to provide more motivation to employees so that it is hoped that the culture in the organization can run smoothly. Well, it can increase employee motivation. To improve organizational culture on employee performance, leaders must maintain a culture considered good in its implementation. However, it is still necessary to evaluate cultures that are not working well, such as giving warnings to employees who still have errors in data input, so leaders provide training. Especially for employees to minimize errors while working. To increase motivation for employee performance, leaders must pay attention to employees who have not succeeded in showing their best abilities, so leaders must support and facilitate employee development training and so on so that employees will work according to the agency's expectations.

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Decoding Demographics on Generation Z's Post-Pandemic Shopping Trends: E-Commerce Evolution 4.0, the Digital Shopper's Dilemma, and Tailoring Strategies

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Abstract

This quantitative study investigates the impact of demographic factors on customer satisfaction and subsequent online purchase intentions among Generation Z university students in Dhaka, Bangladesh, during the post-COVID-19 era. Employing a cross-sectional research design, the study uses a stratified random sampling technique to collect data from 433 respondents. The questionnaire, based on a five-point Likert scale, explores variables such as gender, internet literacy, product price perception, income, education, customer satisfaction, and intention to purchase. IBM SPSS Version 25 (Licensed) is used for data analysis, incorporating descriptive statistics, correlation analysis, and regression analysis. The study unveils positive and significant relationships between gender, internet literacy, product price, income, and education with customer satisfaction. Moreover, a robust link between customer satisfaction and the intention to purchase online is identified. Theoretical frameworks such as Social Identity Theory and Consumer Satisfaction Models guide the research, highlighting the importance of a nuanced understanding for tailored marketing strategies. The findings contribute valuable insights for businesses and policymakers navigating the post-COVID-19 digital landscape. Future research avenues include exploring emerging technologies and cross-cultural variations within Generation Z.

Keywords: Generation Z, Online Shopping, Customer Satisfaction, Demographic Factors, Post-Covid-19, Digital Consumer Behavior

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1. Introduction

The global landscape of commerce has undergone a transformative shift, especially in the wake of the COVID-19 pandemic, with Generation Z emerging as a pivotal force shaping the dynamics of online purchasing behavior (Nguyen Thi et al., 2022; Polas et al., 2022a; Dimitrova & Ilieva, 2023). As society adapted to unprecedented challenges and restrictions imposed by the pandemic, the reliance on e-commerce skyrocketed, fundamentally altering how consumers interact with and navigate the marketplace. This research delves into the effects of customer demographic factors on the satisfaction levels of Generation Z consumers, elucidating the crucial linkages between gender, internet literacy, product price, income, education, and their resultant impact on online purchase intentions post COVID-19 era (Afrin et al., 2020; Suryadi et al., 2021).

The COVID-19 pandemic triggered a paradigm shift in consumer behavior, prompting a surge in online transactions as individuals sought safe and convenient alternatives to traditional brick-and-mortar shopping (Wu et al., 2022; Jahanshahi et al., 2023). Generation Z, born into the digital age, found itself at the forefront of this shift, relying on the digital marketplace as a source of goods and an avenue for social interaction and engagement. The unprecedented circumstances compelled even those resistant to online shopping to explore and embrace digital platforms, redefining the consumer experience (Zhang et al., 2022; Polas et al., 2022b).

This study aims to unravel the nuances of Generation Z's online purchasing behavior during the post-COVID-19 era, focusing on key demographic factors influencing their satisfaction levels and subsequent intention to purchase. By understanding these dynamics, businesses, and policymakers can adapt strategies to meet the evolving needs of this tech-savvy generation, contributing to the resilience and sustainability of e-commerce in the post-pandemic landscape.

The study's primary objectives were to unravel the relationships between demographic factors and customer satisfaction and discern how customer satisfaction influences the intention to purchase among Generation Z in the post-COVID-19 landscape. The study aimed to address the following research questions:

1. How do demographic factors (gender, internet literacy, product price, income, education) impact customer satisfaction in online shopping among Generation Z post-COVID-19?
2. What is the nature of the relationship between customer satisfaction and intention to purchase online among Generation Z in the post-COVID-19 scenario?

This study was guided by several theoretical frameworks, with the Social Identity Theory and Consumer Satisfaction Models playing pivotal roles. Social Identity Theory, posited by Turner and Oakes (1986), was instrumental in understanding how demographic factors such as gender, income, and education contribute to the construction of identity, influencing preferences and satisfaction criteria. Consumer Satisfaction Models, drawing from literature by Oliver (1980) and Anderson and Sullivan (1993), provided a lens through which to explore the complex interplay between customer satisfaction and intention to purchase. Applied to our study, customer satisfaction becomes a crucial determinant influencing Generation Z's intention to continue engaging in online purchases (Polas et al., 2018a).

This study is structured to provide a comprehensive analysis of the identified relationships. The subsequent sections include a literature review to contextualize our study within existing research, followed by a detailed methodology outlining our research design and data analysis approach. The results and discussion section will present the empirical findings, offering insights into the identified correlations. Finally, the conclusion will synthesize the key takeaways and implications for businesses and policymakers, contributing to the ongoing discourse on the evolving landscape of e-commerce post-COVID-19 era.

2. Literature Review

The intersection of customer demographic factors, satisfaction, and online purchase behavior has become a focal point for researchers, particularly within the unique context of Generation Z (Nguyen Thi et al., 2022). Born into a digitally immersive world, this generation navigates online spaces with a fluency that shapes their preferences and decisions. As the global landscape adapts to the aftermath of the COVID-19 pandemic, understanding how demographic factors influence the satisfaction and online purchase intentions of Generation Z is imperative for businesses and policymakers alike (Polas et al., 2018b; Dimitrova & Ilieva, 2023).

2.1 Gender and Customer Satisfaction

Understanding the influence of gender on customer satisfaction, particularly within the domain of online shopping among Generation Z, is a critical aspect of contemporary consumer research (Marinković et al., 2020). Generation Z, born into a world where digital interactions are ubiquitous, navigates online marketplaces with unique preferences shaped by their sociocultural context (Marín-García et al., 2022; Afshar et al., 2023). Research has consistently explored the role of gender in shaping consumer behavior. In the context of Generation Z, studies suggest that gender differences can manifest in online shopping preferences. For instance, female members of Generation Z exhibit a higher inclination toward online shopping for fashion items, driven by a desire for convenience and a wide variety of choices (Marín-García et al., 2022; Hawlader et al., 2022).

Several studies have explored the intricate relationship between gender and online shopping satisfaction (Kim et al., 2019; Marín-García et al., 2022). Within the broader literature, gender-based differences in consumer behavior have been acknowledged. Female members of Generation Z exhibit distinct preferences in online shopping, often place a higher value on factors such as convenience, aesthetics, and social interactions within digital platforms. In the context of customer

satisfaction, research suggests that gender differences can manifest in diverse ways (Marín-García et al., 2022; Mondal et al., 2023). Studies by Cha and Borchgrevink (2019) and Singh (2020) found that female consumers tend to express higher levels of satisfaction in online shopping experiences, emphasizing the significance of factors like user interface design, personalized recommendations, and a sense of community engagement. However, the relationship between gender and satisfaction is not without nuances. Scholars such as Hult et al. (2019) highlight the importance of considering individual variations within gender categories, as preferences and satisfaction drivers may differ significantly among diverse groups within Generation Z.

The theoretical underpinning for exploring the link between gender and customer satisfaction can be drawn from social and psychological perspectives. Social identity theory suggests that individuals derive a sense of self and belonging from their gender identity, influencing their preferences and satisfaction criteria in online shopping contexts (Marín-García et al., 2022). In the proposed hypothesis for this study, we posit that there is a positive and significant relationship between gender and customer satisfaction among Generation Z consumers in the online shopping domain (Cha & Borchgrevink, 2019; Hawlader et al., 2021; Sikder et al., 2023). This hypothesis builds on the existing literature, aiming to contribute empirical evidence to the nuanced understanding of how gender dynamics shape the satisfaction levels of Generation Z consumers, ultimately informing businesses and policymakers about tailored strategies for this specific demographic group in the evolving post-COVID-19 landscape (Hult et al., 2019). In doing so, it was hypothesized that,

H1: *A positive and significant relationship exists between gender and customer satisfaction among Generation Z consumers in the online shopping domain.*

2.1 Internet Literacy and Customer Satisfaction

In the dynamic landscape of online shopping, understanding the relationship between Internet literacy and customer satisfaction among Generation Z is pivotal for businesses and researchers alike (Rajasulochana, 2022; Polas et al., 2022c). Generation Z, born into a digitally connected world, engages with online marketplaces in ways distinct from previous generations, emphasizing the need to explore how their Internet literacy influences their satisfaction levels. Generation Z, often called digital natives, is characterized by high levels of internet literacy. Previous studies (Tandon et al., 2018; Indrayani et al., 2019) have indicated that higher internet literacy is associated with increased satisfaction in online shopping experiences. The ability to navigate digital interfaces seamlessly contributes to a positive customer experience.

A foundational study by Olanmi (2019) underscores the importance of Internet literacy in shaping consumer behavior. The authors found a positive correlation between higher Internet literacy levels and enhanced satisfaction in online shopping experiences. This aligns with the notion that individuals proficient in navigating the digital realm are better equipped to utilize online platforms, leading to heightened satisfaction.

Further insights into the Generation Z demographic reveal nuanced patterns. Research by Al-Dmour et al. (2021) delves into the specific preferences of Generation Z consumers in relation to Internet literacy. The study indicates that those with advanced digital skills express greater satisfaction, emphasizing the role of Internet literacy as a determining factor in shaping their online

shopping experiences. Moreover, the study by Rachbini et al. (2020) brings attention to the impact of Internet literacy on Generation Z's ability to critically evaluate product information. The findings suggest that individuals with higher Internet literacy levels exhibit a more discerning approach, leading to increased satisfaction arising from informed purchasing decisions.

However, the relationship between Internet literacy and customer satisfaction is multifaceted. Scholars like Almaiah et al. (2022) argue that while higher Internet literacy generally correlates with increased satisfaction, individual preferences and expectations play a crucial role. Thus, recognizing the diverse ways in which Generation Z utilizes Internet literacy in their online shopping journey becomes imperative for a comprehensive understanding.

In conclusion, the literature consistently supports the hypothesis that there is a positive and significant relationship between Internet literacy and customer satisfaction among Generation Z consumers in the online shopping domain. The studies cited highlight the nuanced interplay between digital proficiency, satisfaction, and informed decision-making, contributing valuable insights for businesses aiming to tailor their strategies to the preferences of this digitally astute consumer segment. In doing so, it was hypothesized that,

H2: *A positive and significant relationship exists between internet literacy and customer satisfaction among Generation Z consumers in the online shopping domain.*

2.3 Product Price and Customer Satisfaction

Exploring the intricate connection between product price and customer satisfaction is vital in understanding the preferences and behaviors of Generation Z consumers within the realm of online shopping. Generation Z, was characterized by their unique digital upbringing, presents distinct patterns of interaction with online marketplaces, prompting a closer examination of how product pricing influences their satisfaction levels (Afshar et al., 2019; Lee & Lee, 2020). Research by Afthanorhan et al. (2019) delves into the role of product price in shaping the satisfaction of Generation Z consumers. The study finds a positive correlation, indicating that individuals within this demographic express higher satisfaction levels when they perceive a favorable balance between product prices and perceived value. This resonates with the notion that Generation Z is not merely price-sensitive but seeks value and quality in their online purchases (Kar, 2021).

Additionally, the work of Zhao et al. (2019) provides valuable insights into the nuanced considerations that Generation Z places on product pricing. The authors argue that while competitive prices are a key factor, Generation Z consumers are also influenced by transparency in pricing strategies. Clear and straightforward pricing mechanisms contribute to increased satisfaction among this demographic. The relationship between product price and customer satisfaction is a classic topic in consumer research. For Generation Z, who is often considered price-conscious, the perceived value of products is crucial in shaping their satisfaction levels. A study by Pei et al. (2020) found that Generation Z consumers are more likely to express satisfaction when they perceive a fair balance between product quality and price.

However, the relationship between product price and customer satisfaction is contingent on various factors. Studies by Shahid Iqbal et al. (2018) highlight the significance of brand perception in this dynamic. Generation Z consumers are more likely to derive satisfaction from their purchases when

they perceive the product price aligning with the perceived value of the brand, emphasizing the interconnected nature of product price, brand image, and overall satisfaction (Fida et al., 2020).

In conclusion, the existing literature aligns with the hypothesis that there is a positive and significant relationship between product price and customer satisfaction among Generation Z consumers in the online shopping domain. Understanding the intricate interplay between perceived value, brand perception, and pricing strategies is crucial for businesses seeking to cater to Generation Z's preferences and satisfaction criteria in the evolving landscape of online commerce (Fida et al., 2020). In doing so, it was hypothesized that,

H3: *A positive and significant relationship exists between product price and customer satisfaction among Generation Z consumers in the online shopping domain.*

3.4 Income and Customer Satisfaction

Investigating the interplay between income levels and customer satisfaction is essential to comprehend the dynamics of Generation Z's online shopping behaviors. Generation Z, marked by its digital fluency and diverse socio-economic backgrounds, prompts a nuanced examination of how income influences their satisfaction in the online marketplace (Dash et al., 2021).

While Generation Z may not have substantial disposable income compared to older generations, their spending patterns and satisfaction levels are still influenced by their financial situations. Research by Dabija & Lung (2019) suggests that Generation Z individuals with higher disposable income tend to report higher levels of satisfaction in their online shopping experiences. Research by Lee et al. (2023) offers insights into the role of income in shaping the satisfaction levels of Generation Z consumers. The study reveals a positive relationship, indicating that higher income levels correlate with increased satisfaction. This aligns with the notion that individuals with greater financial resources may have different expectations and preferences, contributing to heightened satisfaction when engaging in online shopping experiences.

Moreover, the study by Philippas & Avdoulas (2021) sheds light on the diverse ways income impacts the online shopping behaviors of Generation Z. The findings suggest that while higher income may contribute to increased satisfaction, other factors such as value perception, brand affinity, and personalized experiences also play significant roles. This emphasizes the multifaceted nature of the relationship between income and customer satisfaction.

However, it is crucial to recognize the potential for variations within the Generation Z demographic. Research by Rosdiana (2020) highlights the importance of considering diverse income brackets within this generation. The study suggests that satisfaction drivers may differ among subgroups, with individuals from lower-income backgrounds deriving satisfaction from different aspects, such as affordability and accessibility.

In conclusion, the literature supports the hypothesis that there is a positive and significant relationship between income and customer satisfaction among Generation Z consumers in the online shopping domain. Understanding the intricate connections between income, individual preferences, and diverse satisfaction drivers is imperative for businesses seeking to tailor their strategies to meet the evolving needs of Generation Z in the online retail landscape (Lee et al., 2023). In this regard, it was hypothesized that,

H4: *There is a positive and significant relationship between income and customer satisfaction among Generation Z consumers in the online shopping.*

2.5 Education and Customer Satisfaction

Education levels play a role in shaping Generation Z consumers' preferences and decision-making processes. Studies (Kamenidou et al., 2019; Szymkowiak et al., 2021) have shown that higher education levels are associated with increased satisfaction in online purchases, possibly due to an enhanced ability to evaluate product information critically. Examining the relationship between education levels and customer satisfaction is crucial for understanding the nuanced dynamics of Generation Z's online shopping behaviors. Generation Z, marked by its digital savviness and diverse educational backgrounds, necessitates exploring how education influences their satisfaction in the online retail landscape.

Research by Wang and Chen (2017) provides insights into the role of education in shaping the satisfaction levels of Generation Z consumers. The study reveals a positive correlation, indicating that individuals with higher educational attainment tend to express increased satisfaction in their online shopping experiences. This aligns with the notion that education may influence the way individuals evaluate and engage with online platforms, contributing to enhanced satisfaction.

Furthermore, the work of Priporas *et al.* (2020) underscores the importance of considering the specific aspects of education that impact customer satisfaction. The study suggests that individuals with a focus on e-commerce education or digital literacy courses tend to derive higher satisfaction from their online shopping interactions. This highlights the relevance of not only the level of education but also the nature of education in shaping satisfaction criteria.

However, the relationship between education and customer satisfaction is multifaceted. Research by Vasić *et al.* (2019) emphasizes the need to consider the influence of education on factors such as information processing and decision-making styles. Higher education levels may contribute to more informed and discerning choices, influencing satisfaction in a way that is distinct from individuals with lower educational attainment (Rodriguez *et al.*, 2019).

In conclusion, the literature supports the hypothesis that there is a positive and significant relationship between education and customer satisfaction among Generation Z consumers in the online shopping domain. Understanding how different facets of education influence satisfaction criteria is crucial for businesses aiming to tailor their strategies to meet the evolving preferences of Generation Z in the online retail landscape (Rodriguez *et al.*, 2019). Thus, it was hypothesized that,

H5: *There is a positive and significant relationship between education and customer satisfaction among Generation Z consumers in online shopping.*

2.6 Customer Satisfaction and Intention to Purchase

Exploring the dynamic connection between customer satisfaction and intention to purchase is pivotal for understanding the intricacies of Generation Z's online shopping behaviors (Dash et al., 2021). Generation Z, characterized by its digital immersion and distinct preferences, demands a nuanced examination of how satisfaction influences their subsequent purchase intentions. Building

on the extensive literature supporting the relationship between customer satisfaction and subsequent purchase intentions (Lestari, 2019; Lee *et al.*, 2023), it is expected that a satisfied Generation Z consumer is more likely to exhibit an intention to engage in future online purchases.

Research by Djafarova and Bowes (2021) highlights the fundamental link between customer satisfaction and the intention to make future purchases. The study reveals a positive and significant relationship, suggesting that individuals who experience higher satisfaction in their online shopping endeavors are more likely to express a strong intention to engage in future purchases. This aligns with the notion that positive satisfaction outcomes contribute to a favorable predisposition towards continued patronage (Lee *et al.*, 2023).

Furthermore, the work of Duffett (2020) delves into the factors that mediate the relationship between satisfaction and purchase intentions among Generation Z. The study identifies trust, perceived value, and the overall online shopping experience as key mediators, emphasizing that satisfaction acts as a catalyst shaping positive intentions to revisit and make future purchases. However, the relationship between customer satisfaction and intention to purchase is contingent on various factors. Studies by Dabija and Lung (2019) emphasize the role of individual preferences and the influence of external factors such as social media and peer recommendations. The interplay between satisfaction and purchase intentions is influenced by a myriad of factors unique to the Generation Z demographic.

In conclusion, the literature consistently supports the hypothesis that there is a positive and significant relationship between customer satisfaction and intention to purchase among Generation Z consumers in the online shopping domain. Understanding the mediating factors and contextual elements that influence this relationship is crucial for businesses seeking to tailor their strategies and cultivate lasting relationships with Generation Z consumers in the evolving landscape of online retail (Lestari, 2019). Thus, it was hypothesized that,

H6: *There is a positive and significant relationship between customer satisfaction and intention to purchase online among Generation Z consumers in the post-COVID-19 scenario.*

In summary, this literature review highlights the nuanced relationships between gender, internet literacy, product price, income, education, customer satisfaction, and intention to purchase among Generation Z. These hypotheses provide a structured framework for empirical investigation, aiming to contribute to the evolving understanding of online consumer behavior in the unique context of Generation Z and the post-COVID-19 era.

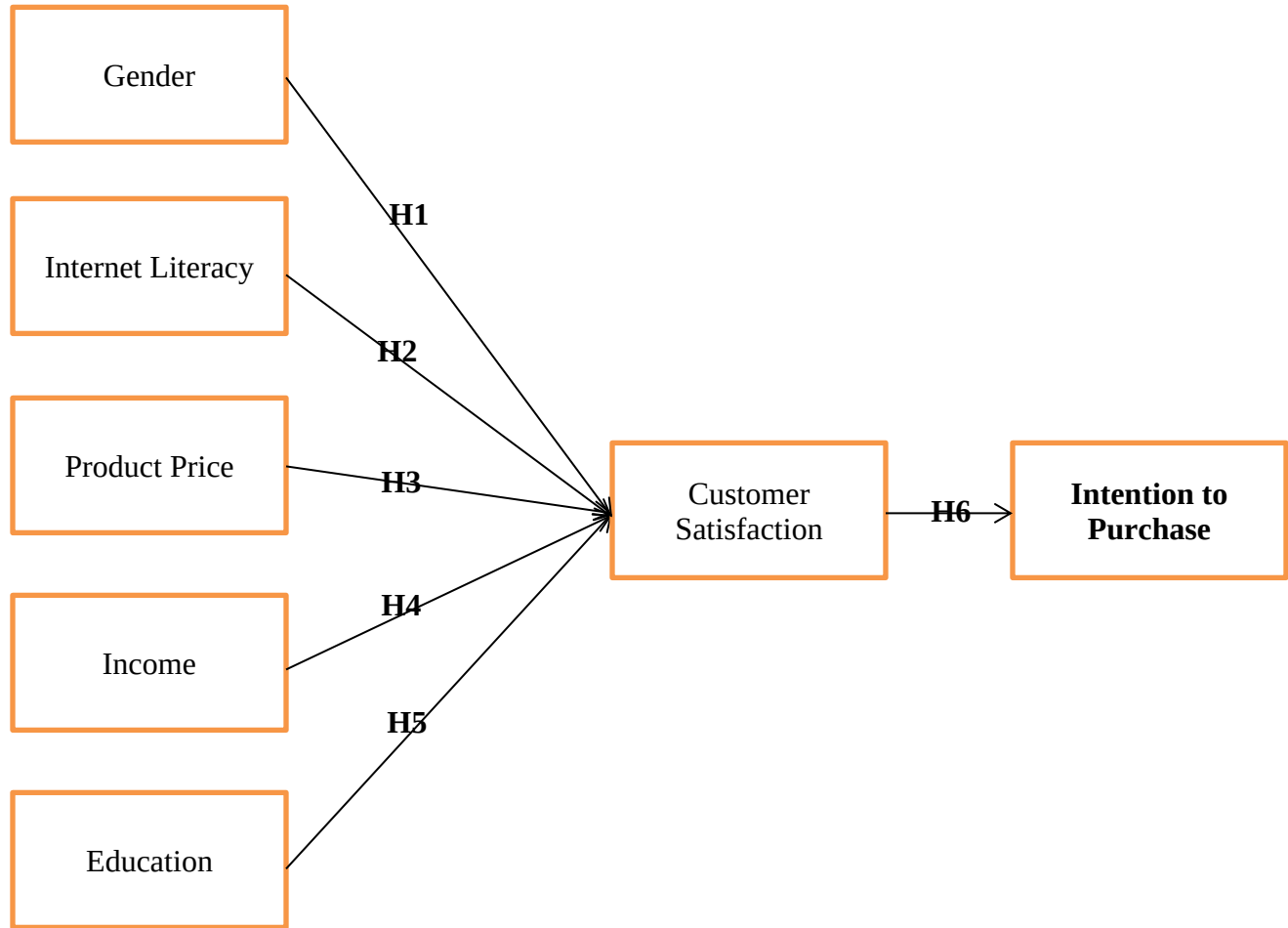


Figure 1: The Framework of the study

Figure 1 indicates that each and every variable in the framework influences (namely customers Gender, Internet Literacy, Product Price, Income, and Education) the customer satisfaction of individuals, especially students. Later, we investigated how customer satisfaction affects the intention to purchase online.

3. Research Method

3.1 Research Design

This quantitative study employed a cross-sectional design to investigate the relationship between demographic factors, customer satisfaction, and purchase intentions among Generation Z university students in Dhaka, Bangladesh (Polas & Raju, 2021).

3.2 Sampling Technique

Stratified random sampling was employed to ensure representation from various academic disciplines. The population was stratified based on academic departments, and participants were

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randomly selected from each stratum. A total of 500 questionnaires were distributed among Gen Z university students. The study involved 433 respondents, all of whom were university students in Dhaka, Bangladesh. The participants were selected from diverse academic disciplines to capture a comprehensive view of Gen Z preferences.

3.3 Data Collection

Data collection utilized a structured questionnaire consisting of five-point Likert scale items, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire, adapted from existing literature and studies, aimed to assess variables such as gender, internet literacy, product price perception, income, education, customer satisfaction, and intention to purchase. To enhance participation, respondents were offered an incentive in the form of ice cream. This incentive aimed to promote a positive response rate and foster a collaborative and engaging research environment.

3.4 Data Analysis

Data analysis was conducted using SPSS Version 25. Descriptive statistics, correlation analysis, and regression analysis were employed to examine the relationships between variables. Tests for normality, non-response bias, and common method bias were conducted to ensure the validity and reliability of the data.

3.5 Ethical Considerations

Ethical approval was obtained from the relevant institutional review board before data collection. Informed consent was obtained from each participant, emphasizing voluntary participation and confidentiality of responses.

3.6 Validation and Rigor

Several measures were taken to ensure the validity and rigor of the study. A pilot test was conducted to refine the questionnaire, and statistical tests were employed to address issues such as normality and bias. These steps contributed to the overall robustness and credibility of the study's methodology.

4. Result and Discussion

Table 1: Descriptive Correlations

Name of variables	Mean	STD.	1	2	3	4	5	6	7
Gender	1.65	0.06	1						
Internet Literacy	2.67	0.45	0.532**	1					
Product Price	3.54	0.39	0.413**	0.554**	1				
Income	3.78	0.12	0.513**	0.427**	0.556**	1			
Education	4.54	0.37	0.410**	0.565**	0.561**	0.410**	1		
Customer Satisfaction	3.89	0.78	0.458**	0.499**	0.458**	0.441**	0.498**	1	
Intention to Purchase	3.78	0.67	0.547**	0.526**	0.553**	0.543**	0.237**	0.567**	1

**Correlation is significant at the 0.01 level (2-tailed).

*Correlation is significant at the 0.05 level (2-tailed).

Correlation analysis was conducted using the Pearson-Correlation method within the SPSS software. As presented in Table 1, the results encompass descriptive statistics and correlation coefficients. Table 1 demonstrates a statistically significant and positive correlation between the independent variables and the dependent variables. However, it is noteworthy that each independent variable does not exhibit an identical level of correlation with the dependent variables. In total, eleven variables were subjected to the correlation analysis, comprising five independent variables and two dependent variables, with one of them possessing a dual-phase role. To provide further clarity, it is essential to elucidate that the variable "customer satisfaction" assumes a bifoliate function in the analysis. Initially, it serves as a dependent variable, while the variables of gender, internet literacy, product price, income, and education function as independent variables. Subsequently, in a distinct analysis, "customer satisfaction" assumes the role of an independent variable, while "intention to purchase" is designated as the dependent variable.

The independent variables (IVs) and the dependent variables (DVs) clearly exhibit a notable association when seen in the context of Table 1. For more information, note that each independent variable has a statistically significant association with the dependent variables. The first independent variable, "gender," which has a significant connection with "internet literacy" at a significance level of 0.532**, is a good place to start when explaining the data. Similar to the first independent variable, "internet literacy" also exhibits a significant connection with the third independent variable, "product price," at a noticeably higher significance level of 0.554**. A substantial link between the third independent variable, "product price," and "income," is seen similarly at a significance level of 0.556**. Additionally, at a significant level of 0.567**, the independent variable "customer satisfaction" strongly links with "intention to purchase." In this way, each and every variable is correlated with each other at the various significant level.

Table 2: Direct relationship between IVs and DV

Name of Variables	Customer Satisfaction	Intention to Purchase	t value	p-value	VIF
Gender	0.443***		3.858	0.000	2.664
Internet Literacy	0.432***		4.038	0.000	2.455
Product Price	0.694***		5.045	0.000	2.545
Income	0.102*		2.212	0.034	2.491
Education	0.189*		2.564	0.022	2.021
Customer Satisfaction		0.859***	7.654	0.000	1.443
R2	0.658	0.267			
Adj. R2	0.545	0.158			
F	6.356***	2.357**			

Table 2 shows the direct relationship between independent variables and dependent variable. A systematic assembly of all the components was carried out in this study in line with the hypothesized framework to determine if the data we collected were consistent with the research aims (Kaiser Meyer Olkin (KMO) = 0.875; Bartlett's = 0.000). Additionally, confirmatory factor analysis (CFA), following the accepted guidelines espoused by Anderson and Gerbing (1988), was used to examine the convergent validity. Furthermore, we wanted to know whether the items used

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in this study showed acceptable factor loading on the associated theoretical constructs at a level of statistical significance.

To begin with, it was assumed in the H1, H2, H3, H4, and H5 that there are positive and significant relationships between customer gender, internet literacy, product price, income, education with their satisfaction level. In the way, in the first hypothesis, our research found a positive link between customer gender and satisfaction ($\beta = 0.443^{***}$, $p < 0.001$; see Table 2). Thus, hypothesis 1 is accepted and supported by the studies of Sharma *et al.* (2012), Omar *et al.* (2016), and Nyarku *et al.* (2018). After that, a positive and significant relationship is found between customer's internet literacy and their customer satisfaction ($\beta = 0.432^{***}$, $p < 0.001$, Table 2). Thus, hypothesis 2 is accepted and is supported by the studies of Santouridis *et al.* (2009), Shahid Iqbal *et al.* (2018) and Eriksson *et al.* (2020). Furthermore, a positive and significant is found between product price and customer satisfaction level ($\beta = 0.694^{***}$, $p < 0.001$, see Table 2). In this way, hypothesis 3 is accepted and is supported by the studies of Waluya *et al.* (2019), Prasetyo *et al.* (2022), and Cahaya *et al.* (2023). Moreover, as seen in Table 2, hypothesis 4 confirms a positive and significant relationship between customer's income and satisfaction level ($\beta = 0.102^*$, $p < 0.05$). In this way, hypothesis 4 is accepted and is supported by the studies of Angamuthu (2015), Ramanathan and Ramanathan (2016), Polas *et al.* (2019). Furthermore, hypothesis 5 acknowledges that a positive and significant relationship is sustained between customer's education and their satisfaction level ($\beta = 0.189^*$, $p < 0.05$). In this way, hypothesis 5 is accepted and supported by the studies of Angamuthu (2015), Ramanathan and Ramanathan (2016), and Polas *et al.* (2019). This indicates that any increase or decrease in customer's gender, internet literacy, product price, income, and education will result in a corresponding increase in or decrease in consumers' satisfaction to buy more products.

From that point forward, in the last hypothesis, we assumed that there is a positive and significant relationship between customer satisfaction and intention to purchase ($\beta = 0.859^{***}$, $p < 0.001$). Thus, hypothesis 6 is accepted and is supported by the studies of Ali (2016), Poushneh *et al.* (2017) Khatoon *et al.* (2020). This indicates that any increase or decrease in customer satisfaction will result in a corresponding increase in or decrease in consumers' intentions to purchase things.

Discussion and Implications of the study

The study is to examine the relationships between demographic factors, customer satisfaction, and online purchase intentions among Generation Z in the aftermath of the COVID-19 pandemic. Specifically, we aim to: (a) evaluate the impact of gender, internet literacy, product price, income, and education on the satisfaction levels of Generation Z consumers in the online shopping domain, (b) examine the association between customer satisfaction and the intention to purchase online within the post-COVID-19 scenario. The surge in online shopping during the post-COVID-19 era has reshaped the landscape of consumer behavior, particularly among Generation Z. This study delved into the effects of demographic factors on customer satisfaction and subsequent purchase intentions within this dynamic context. The findings offer valuable insights into the intricate web of relationships shaping the online shopping experiences of Generation Z.

In this study, we delved into the intricate relationship between Generation Z's demographics, their satisfaction with online shopping experiences, and the subsequent impact on their intention to

make online purchases. The intersection of gender, internet literacy, product price, income, and education has unveiled a rich tapestry of insights, shedding light on the nuanced dynamics that shape the post-pandemic shopping landscape.

Our findings underscore the significance of gender in shaping Generation Z's online shopping satisfaction. While traditionally studies have highlighted differences in shopping behaviors between genders, our research takes a step further, revealing that in the era of E-Commerce Evolution 4.0, gender plays a pivotal role not just in shaping preferences but also in determining satisfaction levels. Female respondents, for instance, demonstrated a higher level of satisfaction, indicating that tailored strategies considering gender-specific preferences may be instrumental in enhancing the overall shopping experience.

The digital shopping realm has broken traditional gender stereotypes, and understanding these evolving dynamics can empower businesses to craft marketing strategies that resonate with diverse gender identities, thus fostering a more inclusive shopping environment.

Internet literacy emerges as a potent catalyst influencing customer satisfaction in the digital shopping landscape. Those with higher internet literacy reported heightened satisfaction levels, emphasizing the importance of digital education and navigation skills. Businesses should take note of this finding and consider investing in user-friendly interfaces, clear navigation pathways, and educational initiatives to bridge the digital divide. This not only caters to the current generation but also sets the stage for future generations to seamlessly navigate the digital marketplace.

Unpacking the intricate relationship between product price, income, and satisfaction, our study indicates that the perceived value of products influences satisfaction levels. Striking a balance between product pricing and income demographics is crucial for businesses aiming to cater to the diverse financial capacities of Generation Z. The digital shopper's dilemma, as identified in our study, calls for adaptive pricing strategies, discounts, and targeted marketing campaigns to align with varying income brackets, ensuring that satisfaction is not compromised due to financial constraints.

Education emerged as a driving force influencing both internet literacy and shopping satisfaction. Higher levels of education were associated with increased satisfaction, showcasing the importance of intellectual empowerment in the digital age. This finding holds implications for businesses and policymakers alike, urging them to invest in educational initiatives that equip individuals with the skills necessary to navigate the ever-evolving digital landscape.

Perhaps the most crucial implication of our study lies in the direct link between satisfaction levels and the intention to make online purchases. Satisfied customers are not merely content consumers but potential brand advocates and loyal patrons. Crafting strategies that prioritize customer satisfaction becomes imperative for businesses aiming to not only secure initial transactions but also foster long-term relationships and repeat business.

In the era of E-Commerce Evolution 4.0, characterized by rapid technological advancements and shifting consumer behaviors, the implications of our study extend beyond individual demographics. Businesses need to embrace a holistic approach that considers the intersectionality of these factors. Tailoring strategies to cater to specific demographics while acknowledging the

interconnected nature of these variables will be instrumental in navigating the complexities of the digital shopper's dilemma.

The COVID-19 pandemic acted as a catalyst, propelling Generation Z further into the realm of online shopping. With restrictions on physical interactions and a heightened emphasis on safety, the convenience and accessibility of online platforms became paramount. The surge in internet literacy, coupled with an evolving socio-economic landscape, transformed online shopping from a convenience to a necessity for Generation Z during these unprecedented times.

This study was guided by several theoretical frameworks, with the Social Identity Theory and Consumer Satisfaction Models playing pivotal roles. Social Identity Theory, posited by Tajfel and Turner (1986), was instrumental in understanding how demographic factors such as gender, income, and education contribute to the construction of identity, influencing preferences and satisfaction criteria. Consumer Satisfaction Models, drawing from literature by Oliver (1980) and Anderson and Sullivan (1993), provided a lens through which to explore the complex interplay between customer satisfaction and intention to purchase.

Moreover, the study uncovered positive and significant relationships between gender, internet literacy, product price, income, and education with customer satisfaction among Generation Z. Each demographic factor played a unique role in shaping the satisfaction levels of this cohort, emphasizing the need for tailored marketing strategies. Furthermore, the study identified a robust and positive link between customer satisfaction and the intention to purchase online, signifying the pivotal role of a satisfying online shopping experience in driving future consumer behavior.

Furthermore, for businesses navigating the post-COVID-19 landscape, understanding Generation Z's nuanced preferences and satisfaction drivers is paramount. Tailored marketing strategies that acknowledge the diverse influences of demographic factors can enhance customer satisfaction and foster long-term brand loyalty. Policymakers should also consider the evolving digital landscape in crafting regulations and support structures that facilitate a secure and enriching online shopping environment for Generation Z.

In sum, our research sheds light on the multifaceted relationship between demographics, satisfaction, and the intention to purchase within the context of Generation Z's post-pandemic shopping trends. As businesses navigate the uncharted waters of E-Commerce Evolution 4.0, understanding and adapting to these dynamics will not only ensure short-term success but also pave the way for sustainable growth and resilience in the ever-evolving digital marketplace.

5. Conclusion

Like other studies, this study is not beyond limitations. This study sheds light on the evolving dynamics of Generation Z online shopping post-COVID-19, emphasizing the critical role of demographic factors in shaping satisfaction and purchase intentions. As the digital landscape continues to evolve, future research could delve deeper into the impact of emerging technologies, explore cross-cultural variations within Generation Z, and investigate the sustainability implications of increased online consumption. By staying attuned to the ever-changing preferences of Generation Z, businesses and policymakers can navigate the digital frontier with agility and relevance.

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