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The Influence of Employee Engagement and Work Environment on Employee Performance at CIMB Niaga Bank in Medan City

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Abstract

This study aims to analyze the influence of employee engagement and the work environment on employee performance at Bank CIMB Niaga, Bukit Barisan branch in Medan City. This research is motivated by fluctuations in employee performance, indicating that work achievements are not yet stable, thus requiring an analysis of the factors influencing them. The two main factors examined are employee engagement and the condition of the work environment. This study uses a quantitative approach with primary data obtained through the distribution of questionnaires to 48 employees selected using a purposive sampling technique. The data were analyzed using validity tests, reliability tests, classical assumption tests, and multiple linear regression analysis with the assistance of SPSS version 24. The results show that employee engagement and the work environment have a positive and significant effect on employee performance, both partially and simultaneously. Partially, employee engagement has a greater influence compared to the work environment. Simultaneously, both variables are able to explain 49.1% of the variation in employee performance, while the remaining percentage is influenced by other factors outside the scope of this study. These findings indicate that higher employee engagement and better work environment conditions lead to improved employee performance. Therefore, companies need to enhance employee engagement and create a comfortable and conducive work environment to support increased productivity.

Keywords: *Employee Engagement 1, Work Environment 2, Employee Performance 3, Banking 4, Organizational Performance 5*

INTRODUCTION

The Indonesian banking industry is experiencing rapid growth in line with technological advancements and the growing public demand for financial services. Competition between banks is intensifying, requiring each bank to improve service quality through enhanced employee performance. Employee performance is a critical factor in determining organizational success, particularly at CIMB Niaga's Bukit Barisan branch in Medan.

One factor influencing employee performance is employee engagement. Employee engagement is the level of emotional attachment and commitment of employees to the organization. Employees with high levels of engagement tend to have better work morale, loyalty, and productivity. According to Gallup (2023), companies with high levels of employee

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engagement have up to 21% higher productivity compared to companies with low levels of engagement. Furthermore, the work environment is also a crucial factor in improving employee performance. The work environment encompasses both physical and non-physical conditions that can affect employee comfort and motivation. According to Sedarmayanti (2017), a good work environment can increase work efficiency and create harmonious working relationships. Based on internal data (2025) obtained from Bank CIMB Niaga Bukit Barisan Medan branch, there were fluctuations in employee performance in the last three months as shown in the following graph.

Table 1. Performance Achievements of CIMB Niaga Bank Employees, Bukit Barisan Branch, Medan

Month	Percentage %
January	78%
February	72%
March	80%

(Source: Processed data, 2026)

The data above indicates that employee performance is unstable. This is thought to be influenced by the level of employee engagement and the work environment. A decline in performance in a given month could be caused by low employee engagement or an unsupportive work environment. Previous research has shown that employee engagement and the work environment significantly influence employee performance (Robbins & Judge, 2017). Therefore, this study aims to analyze the influence of employee engagement and the work environment on employee performance at Bank CIMB Niaga's Bukit Barisan Medan branch. The objectives of this study are:

1. Analyzing the influence of employee engagement on employee performance
2. Analyzing the influence of the work environment on employee performance
3. Analyzing the influence of employee engagement and work environment simultaneously on employee performance.

METHOD

This study uses a quantitative approach that aims to analyze the influence of employee engagement and work environment on employee performance at Bank CIMB Niaga Bukit Barisan branch in Medan. The data used consists of primary data obtained through questionnaires distributed to employees and secondary data sourced from literature books, scientific journals, and internal company data. The population in this study was all bank employees with a sample of 48 respondents selected using a purposive sampling technique. Data collection techniques were carried out through questionnaires with a Likert scale (1–5) and documentation. Furthermore, the data were analyzed using the SPSS application version 24 with validity and reliability testing methods, as well as multiple linear regression analysis to examine the relationship and influence between research variables.

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RESULTS AND DISCUSSION

1. Respondent Characteristics

Of the 48 respondents, employees of Bank CIMB Niaga's Bukit Barisan branch in Medan, 54% were female and 46% were male. The majority of respondents were aged 26–35 (42%), followed by those aged 18–25 (33%), those aged 36–45 (19%), and those over 45 (6%). Based on length of service, 40% of respondents had worked for 1–3 years, 35% for 4–6 years, and 25% for more than 6 years.

2. Validity and Reliability Test

Table 2. Validity Test Results

Variables	Item	r-count	r-table	Information
Employee Engagement (X_1)	(X_1)	0.790	0.284	Valid
	$X_1.2$	0.756	0.284	Valid
	$X_1.3$	0.734	0.284	Valid
	$X_1.4$	0.768	0.284	Valid
Work Environment (X_2)	(X_2)	0.745	0.739	Valid
	$X_2.2$	0.781	0.284	Valid
	$X_2.3$	0.777	0.752	Valid
Employee Performance (Y)	Y.1	0.812	0.284	Valid
	Y.2	0.798	0.284	Valid

(Source: Processed data, 2026)

Based on the results of the validity test on CIMB Niaga Bank employees outside the Bukit Barisan branch in Medan, all statement items in the employee engagement, work environment, and employee performance variables had a calculated r-value greater than the table r-value (0.284). This indicates that all indicators used in the questionnaire were able to accurately measure the research variables, so they can be declared valid and suitable for use in further analysis.

Table 3. Validity Test Results

Variables	Cronbach's Alpha	Information
Employee Engagement	0.861	Reliable
Work environment	0.873	Reliable
Employee performance	0.889	Reliable

(Source: Processed data, 2026)

The reliability test results showed that all variables had Cronbach's Alpha values above 0.7, namely employee engagement at 0.861, work environment at 0.873, and employee performance at 0.889. This indicates that the research instrument has a good level of consistency, so the data obtained are reliable and stable for use in hypothesis testing.

3. Classical Assumption Test

Table 4. Normality Test

Kolmogorov-Smirnov	Sig.	Information
0.086	0.200	Normal

(Source: Processed data, 2026)

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The normality test results showed a significance value of 0.200, which is greater than 0.05, thus concluding that the data in this study were normally distributed. Thus, one of the assumptions in multiple linear regression analysis has been met, and the data is suitable for further analysis.

Table 5. Multicollinearity Test

Kolmogorov-Smirnov	Tolerance	VIF	Information
Employee Engagement	0.682	1,466	There is no multicollinearity
Work environment	0.682	1,466	There is no multicollinearity

(Source: Processed data, 2026)

Based on the results of the multicollinearity test, a tolerance value of 0.682 and a VIF value of 1.466 were obtained for each independent variable. These values indicate that tolerance > 0.1 and VIF < 10, thus it can be concluded that there is no multicollinearity among the independent variables in this research model.

Table 6. Heteroscedasticity Test

Variables	Sig.	Information
Employee Engagement	0.311	There is no heteroscedasticity
Work environment	0.287	There is no heteroscedasticity

(Source: Processed data, 2026)

The results of the heteroscedasticity test showed that the significance value for all variables was greater than 0.05, namely employee engagement at 0.311 and work environment at 0.287. This indicates that there are no symptoms of heteroscedasticity, so the regression model meets the classical assumptions.

4. Multiple Linear Regression Analysis

Table 7. Regression Results

Model	B	Std. Error	Beta	t	Sig.
Constant	1,102	0.402		2,741	0.009
Employee Engagement	0.436	0.112	0.421	3,893	0,000
Work environment	0.389	0.118	0.365	3,296	0.002

(Source: Processed data, 2026)

The results of the regression analysis indicate that employee engagement and the work environment have a positive influence on employee performance. The regression coefficients of 0.436 and 0.389, respectively, indicate that increases in these two variables will be followed by increases in employee performance. This confirms that internal factors and the work environment play a significant role in increasing employee productivity.

5. Hypothesis Testing

Table 8. t-Test (Partial)

Variables	t-count	t-table	Sig.	Information
Employee Engagement	3,893	2,014	0,000	H_1 accepted
Work environment	3,296	2,014	0.002	H_2 accepted

(Source: Processed data, 2026)

The t-test results show that employee engagement and work environment significantly influence employee performance, with significance values of 0.000 and 0.002, respectively, which are less than 0.05. This means that both variables partially have a significant influence on improving employee performance.

Table 9. F Test (Simultaneous)

F-count	F-table	Sig.	Information
38,521	3.20	0,000	H_3 accepted

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The F-test results showed a significance value of 0.000, which is less than 0.05. Therefore, it can be concluded that employee engagement and the work environment simultaneously have a significant effect on employee performance. This indicates that both variables together can explain changes in employee performance.

Table 10. Coefficient of Determination

R	R Square	Adjusted R Square
0.701	0.491	0.473

(Source: Processed data, 2026)

The coefficient of determination (R^2) of 0.491 indicates that 49.1% of the variation in employee performance can be explained by employee engagement and the work environment. Meanwhile, the remaining 50.9% is influenced by other variables outside this study, such as work motivation, job satisfaction, or leadership.

6. Discussion

The Influence of Employee Engagement on Employee Performance

The results showed that employee engagement had a positive and significant effect on employee performance, with a coefficient value of 0.436 and a t-test of 3.893 ($p < 0.05$). This means that higher employee engagement leads to higher performance. Employees who feel emotionally connected to the company tend to work more optimally, are more loyal, and more productive.

The Influence of the Work Environment on Employee Performance

The work environment has a positive and significant effect on employee performance, with a coefficient of 0.389 and a t-test of 3.296 ($p < 0.05$). This indicates that a comfortable, safe, and conducive work environment can increase employee morale and productivity.

The Influence of Employee Engagement and Work Environment on Employee Performance

Simultaneously, employee engagement and work environment significantly influence employee performance with an F-value of 38.521 ($p < 0.05$). The R^2 value of 0.491 indicates that 49.1% of the variation in employee performance can be explained by these two variables, while the remainder is influenced by other factors.

CONCLUSION

Based on the results of research conducted on employees of CIMB Niaga Bank, Bukit Barisan branch in Medan, it can be concluded that:

1. Employee engagement has a positive and significant impact on employee performance.
2. The work environment has a positive and significant influence on employee performance.
3. Both variables simultaneously have a significant effect on employee performance of 49.1%.

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