

# The Influence of Organizational Climate on Employee Performance: The Mediating Role of Perceived Work Stress

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## Abstract

This research aims to determine and prove the influence of organizational climate on employee performance. The research was carried out quantitatively, namely using survey methods with specially integrated statistical analysis methods. The questionnaire was a data collection instrument and distributed online via Google Form with a sample size of 211 respondents. The research results obtained are that organizational climate has a significant influence on employee performance. Perceived work stress has a significant influence on employee performance. Organizational climate has a significant influence on perceived work stress and organizational climate has a significant influence on Employee Performance through the mediation of Perceived Work Stress. In an effort to maintain employee performance, we provide space for employees to be able to take certain initiatives in their work as long as their implementation is monitored and in accordance with standard work procedures. Leaders can support and monitor initiatives on a results-oriented basis. support from leaders and policies within the company so that all employees can manage expectations and make these expectations a reality in line with company goals and provide challenging tasks so that employees give their best effort in achieving the assigned tasks.

**Keywords:** *Employee Performance, Organizational Climate, Perceived Work Stress.*



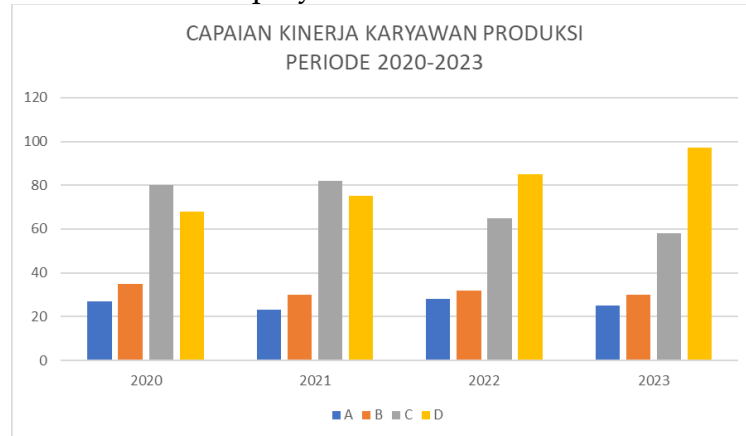
## A. INTRODUCTION

The success of an organization depends on employee performance, regardless of their specific roles. Employee performance reflects their ability to carry out the responsibilities assigned to them. Companies believe that strong employee performance will, in turn, enhance organizational performance. Employee performance in any organization is consistently influenced by various environmental changes, both internal and external. Monitoring employee performance is crucial for every company, as it is a key factor in organizational success and achieving established goals (Gustiana et al., 2022).

Companies continually strive to improve the quality of their employees, helping them become skilled and excellent in their respective fields. This investment is essential, as employees are active assets who drive company growth. To achieve organizational objectives, competent employees are needed to meet production targets. The success of a company is highly supported by quality human resources, whereas failure often stems from low employee performance (Martha & Miawan Putra, 2020).

The performance of one major coal mining contractor, which operates on a large scale, is partially measured by the performance of production employees as the

core business relies on maintaining production targets. Therefore, production performance is carefully managed, as it affects the company's future. However, production employee performance has seen a decline over the 2020–2023 period. The following presentation outlines the performance achievements of production employees from a total of 211 employees.



**Figure 1. Achievements Performance Employee Production Period 2020-2023**

Source: Report Operation Performance

Based on the above analysis of production employee performance, there has been a notable trend in performance shortfalls, resulting in an estimated production loss of 130,045 BCM. When converted to rupiah, this represents a financial loss of approximately 2.08 billion per month. If left unaddressed, this issue could significantly impact the company's sustainability. Beyond financial losses, the company's credibility is also at stake. As a coal production contractor, meeting targets set by the client (the contracting company) is crucial, and failure to do so could hinder future opportunities to secure mining contracts.

Furthermore, interviews with production operators, foremen, and supervisors reveal that employees have struggled with challenges both during and after the pandemic. In 2020, at the onset of the Covid-19 pandemic in Indonesia, movement, interaction, and leave periods for employees were restricted. This, combined with uncertainty in the coal market, led to employee concerns regarding job security and potential layoffs. Post-pandemic, employees faced increased production demands as the market returned to normal, leading to elevated stress levels. Such pressures may have contributed to the observed performance deficits, as studies have shown that stress levels among employees increased significantly during the Covid-19 pandemic.

Perceived work stress refers to an individual's subjective feeling of stress due to certain life circumstances and their ability to manage this stress. Uncontrolled stress levels can negatively impact work performance, motivation, and job satisfaction, ultimately leading to declines in employee performance. However, other studies from the same period suggest that work stress does not affect employee performance.

To address these challenges, the company prioritizes evaluating and analyzing employee performance by fostering a conducive organizational climate. Organizational climate encompasses elements like people, rules, goals, and innovation orientation, which can drive productivity, goal attainment, and employee

performance (Sadullah Hussainy & Al Wahaibi, 2023). A positive organizational climate, perceived as supportive and constructive, can significantly influence employee behavior. Additionally, individual perceptions of the organizational social environment can impact both organizational effectiveness and employee behavior (Nur Haris Ependi & D. Purnomo, 2020). A strong organizational climate is associated with improved employee performance and the achievement of organizational objectives, as employees are more motivated in a supportive work environment (Susilo, 2022). However, other research indicates that organizational climate may not positively affect employee performance (Hariansyah et al., 2023).

Based on these considerations, the researchers are interested in further exploring the influence of organizational climate on employee performance, with perceived work stress as a mediating variable, given the existing research gap. The findings of this study could benefit the company by informing future employee management strategies.

## B. METHOD

This study employs a quantitative approach and is conducted in Berau, East Kalimantan. Data collection is carried out using a survey method. Quantitative data is gathered through surveys distributed online via Google Forms. The survey method is considered appropriate for examining the influence of the independent variable (organizational climate) on the dependent variable (employee performance) and the mediating variable (perceived work stress). The study population focuses on production employees. A probability sampling method is used, applying the Slovin formula (Sahir, 2021) to determine a minimum sample size of 211 respondents.

**Table 1. Operationalization Variables**

| No | Definition Variables                                                                                                                                                                     | Indicator                                                                                                                                                              | Measurement Scale | Source                                                           |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------|
| 1  | Organizational Climate like clarity, standards, responsibility answer individual, flexibility, rewards, recognition, and team commitment influential to with performance work individual | 1. Clarity Climate<br>2. Standard Climate<br>3. Individual Responsibility Climate<br>4. Flexibility Climate<br>5. Reward and Recognition Climate<br>6. Team Commitment | Likert            | Damian Abun, Marlene T. Nicolas, et al., 2023                    |
| 2  | Employee Performance is results work demonstrated by employees through duties and                                                                                                        | 1. Task Performance<br>2. Counter Productive Work Behavior<br>3. Contextual Performance                                                                                | Likert            | Silvia Platania, Martina Morando, Stefania Valeria Gruttadauria, |

| No | Definition Variables                                                                                                                                                                                                                                                                                                                                                                                                                        | Indicator                                                       | Measurement Scale | Source                                                             |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------|--------------------------------------------------------------------|
|    | responsibilities<br>responsibility charged to him                                                                                                                                                                                                                                                                                                                                                                                           |                                                                 |                   | and Linda<br>Koopmans, 2023                                        |
| 3  | <i>Perceived Work Stress</i> is Stress in place work to be done result in somebody become No clear in think and behave as well as difficult take the right decision that results in a decrease performance employee (Laila Fijannatin Naim, Umi Faridab, Adi Santoso, 2019). The stress felt can seen as an outcome variable measure level stress experienced as function purpose of the event stress, process coping, personality factors. | 1. Events Stress<br>2. Process Coping<br>3. Personality Factors | Likert            | Sheldon Cohen,<br>Tom Kamarck<br>and Robin<br>Mermelstein,<br>2012 |

In this research, data analysis is conducted using the Structural Equation Modeling (SEM) method. This method is chosen as it aligns with the research objective of examining the influence of organizational climate on employee performance, with perceived work stress as a mediating variable. The collected data will first undergo testing, where validity and reliability tests are used as the instrument tests. The purpose of these tests is to measure the degree of deviation within the collected data. The reliability test assesses the stability and internal consistency of the instrument. Data analysis is performed using the Smart PLS 3.0 (Partial Least Squares) software.

## C. RESULTS AND DISCUSSION

### 1. Characteristics of Respondent

This study involving 211 employees production. Here is explanation to the respondent profile study that is type gender, age, domicile, length of service and status marriage respondents.

**a. Type Sex**

Type profile sex Respondent shown on table 2 below:

**Table 2 Respondent Gender**

|       |       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------|-----------|---------|---------------|--------------------|
| Valid | Man   | 132       | 95.0    | 95.0          | 95.0               |
|       | Woman | 7         | 5.0     | 5.0           | 100.0              |
|       | Total | 139       | 100.0   | 100.0         |                    |

Based on table type sex Respondent known that type sex man more Lots compared to type sex female. Type sex man as many as 132 people or 95.0% while type sex Woman as many as 7 people or 5.0%.

**b. Age**

Age profile Respondent shown on table 3 below:

**Table 3 Age of Respondents**

|       |               | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------------|-----------|---------|---------------|--------------------|
| Valid | 18 - 25 Years | 19        | 13.7    | 13.7          | 13.7               |
|       | 26 - 33 Years | 49        | 35.3    | 35.3          | 48.9               |
|       | 34 - 40 Years | 47        | 33.8    | 33.8          | 82.7               |
|       | 41-48 Years   | 20        | 14.4    | 14.4          | 97.1               |
|       | 49 - 55 Years | 4         | 2.9     | 2.9           | 100.0              |
|       | Total         | 139       | 100.0   | 100.0         |                    |

Based on table age Respondent known that part big Respondent own age 26-33 years that is as many as 49 people or 35.3% while the rest age 34-40 years as many as 47 people or 33.8%, aged 41-48 years as many as 20 people or 14.4%, aged 18-25 years as many as 19 people or 13.7% and aged 49-55 years as many as 4 people or 2.9%.

**c. Domicile**

Domicile profile Respondent shown on table 4 below:

**Table 4 Respondent's Domicile**

|       |          | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------|-----------|---------|---------------|--------------------|
| Valid | Mess     | 110       | 79.1    | 79.1          | 79.1               |
|       | Non-Mess | 29        | 20.9    | 20.9          | 100.0              |
|       | Total    | 139       | 100.0   | 100.0         |                    |

Based on table domicile Respondent known that part big Respondent own domicile in Mess namely as many as 110 people or 79.1% while the rest domicile not in the Mess as many as 29 people or 20.9%.

**d. Years of service**

Work period profile Respondent shown on table 5 below:

**Table 5 Respondent's Period of Work**

|                  | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------|-----------|---------|---------------|--------------------|
| Valid > 10 Years | 36        | 25.9    | 25.9          | 25.9               |
| 13 years old     | 62        | 44.6    | 44.6          | 70.5               |
| 4 - 6 Years      | 29        | 20.9    | 20.9          | 91.4               |
| 7 - 10 Years     | 12        | 8.6     | 8.6           | 100.0              |
| Total            | 139       | 100.0   | 100.0         |                    |

Based on work period table Respondent known that part big Respondent have a working period of 1-3 years that is as many as 62 people or 44.6% while remaining work period >10 years as many as 36 people or 25.9%, work period 4-6 years as many as 29 people or 20.9% and a work period of 7-10 years as many as 12 people or 8.6%.

#### e. Marital status

Marital status profile Respondent shown on table 6 below:

**Table 6 Respondent's Marital Status**

|                     | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Valid Widower/Widow | 1         | .7      | .7            | .7                 |
| Marry               | 104       | 74.8    | 74.8          | 75.5               |
| Bachelor            | 34        | 24.5    | 24.5          | 100.0              |
| Total               | 139       | 100.0   | 100.0         |                    |

Based on marital status table Respondent known that part big Respondent have marital status that is marry as many as 104 people or 74.8% while the rest is single status as many as 34 people or 24.5% and widower / widow status as many as 1 person or 0.7%.

## 2. Descriptive Analysis

Description of variables in descriptive statistics used in This research includes minimum, maximum , mean values and standards deviation of research variables. Descriptive statistics describe character the sample that used in this research. Descriptive statistics more in This research is shown in table following:

**Table 7 Statistics Descriptive Organizational Climate (X)**

|     | Mean  | Min | Max | Standard Deviation |
|-----|-------|-----|-----|--------------------|
| X.1 | 3.950 | 1   | 5   | 0.908              |
| X.2 | 4.165 | 1   | 5   | 0.845              |
| X.3 | 3,942 | 1   | 5   | 0.904              |
| X.4 | 3.986 | 1   | 5   | 0.944              |
| X.5 | 4.043 | 1   | 5   | 0.880              |
| X.6 | 4.094 | 1   | 5   | 0.758              |
| X.7 | 3,899 | 1   | 5   | 0.884              |
| X.8 | 3.950 | 1   | 5   | 0.851              |
| X.9 | 3,942 | 1   | 5   | 0.829              |

|      |       |   |   |       |
|------|-------|---|---|-------|
| X.10 | 3.935 | 1 | 5 | 0.899 |
| X.11 | 4.079 | 1 | 5 | 0.857 |
| X.12 | 4.014 | 1 | 5 | 0.796 |
| X.13 | 3,827 | 1 | 5 | 0.897 |
| X.14 | 4.122 | 1 | 5 | 0.826 |
| X.15 | 3,784 | 1 | 5 | 0.943 |
| X.16 | 4.122 | 1 | 5 | 0.782 |
| X.17 | 3.993 | 1 | 5 | 0.827 |
| X.18 | 4.036 | 1 | 5 | 0.799 |
| X.19 | 3.978 | 1 | 5 | 0.901 |
| X.20 | 4.180 | 1 | 5 | 0.867 |
| X.21 | 4.129 | 1 | 5 | 0.821 |
| X.22 | 4.058 | 1 | 5 | 0.950 |
| X.23 | 4.014 | 1 | 5 | 0.913 |
| X.24 | 4,000 | 1 | 5 | 0.873 |
| X.25 | 4,000 | 1 | 5 | 0.945 |

Based on table 1.7 on the Organizational Climate variable (X) known There are 25 indicators question, obtained that the average answer indicator lowest namely in indicator X.15 (employees) given room for take initiative certain in work) namely of 3,784 while the average answer indicator highest namely on the X.20 indicator (I have to work in team) of 4,180.

Whereas table statistics descriptive variable Employee Performance (Y) as following:

**Table 8 Statistics Descriptive Employee Performance (Y)**

|      | Mean  | Min | Max | Standard Deviation |
|------|-------|-----|-----|--------------------|
| Y.1  | 4.101 | 1   | 5   | 0.752              |
| Y.2  | 4.094 | 1   | 5   | 0.776              |
| Y.3  | 4.137 | 1   | 5   | 0.761              |
| Y.4  | 4.187 | 1   | 5   | 0.695              |
| Y.5  | 4.180 | 1   | 5   | 0.722              |
| Y.6  | 4.029 | 1   | 5   | 0.804              |
| Y.7  | 3,842 | 1   | 5   | 0.867              |
| Y.8  | 4.151 | 1   | 5   | 0.758              |
| Y.9  | 4.216 | 1   | 5   | 0.775              |
| Y.10 | 4.022 | 1   | 5   | 0.714              |
| Y.11 | 4.129 | 1   | 5   | 0.776              |
| Y.12 | 4.129 | 1   | 5   | 0.738              |
| Y.13 | 3.978 | 1   | 5   | 0.861              |
| Y.14 | 3.978 | 1   | 5   | 0.844              |

Based on table 1.8 on the *Employee Performance variable* (Y) known There are 14 indicators question, obtained that the average answer indicator lowest namely on indicator Y.7 (I accept) tasks challenge when task the available) namely of 3,842 while

the average answer indicator highest namely on indicator Y.9 (I am trying Keep going update skills Work I (work *skills*) is 4,216.

Furthermore, table statistics descriptive variable *Perceived Work Stress* (Z) as following:

**Table 9 Statistics Descriptive *Perceived Work Stress* (Z)**

|      | Mean  | Min | Max | Standard Deviation |
|------|-------|-----|-----|--------------------|
| Z.1  | 3.777 | 1   | 5   | 0.906              |
| Z.2  | 3,820 | 1   | 5   | 0.867              |
| Z.3  | 3,827 | 1   | 5   | 0.897              |
| Z.4  | 3.964 | 1   | 5   | 0.790              |
| Z.5  | 3.813 | 1   | 5   | 0.861              |
| Z.6  | 3,899 | 1   | 5   | 0.851              |
| Z.7  | 3.633 | 1   | 5   | 0.930              |
| Z.8  | 3,871 | 1   | 5   | 0.872              |
| Z.9  | 3.835 | 1   | 5   | 0.853              |
| Z.10 | 3,799 | 1   | 5   | 0.833              |
| Z.11 | 3.835 | 1   | 5   | 0.862              |
| Z.12 | 3.978 | 1   | 5   | 0.826              |
| Z.13 | 3.705 | 1   | 5   | 0.909              |

Based on table 1.9, the *Perceived Work Stress* (Z) variable is known to be There are 13 indicators question , obtained that the average answer indicator lowest namely in the Z.7 indicator ( In a month Lastly, I often feel all something walk in accordance desire me ?) that is of 3.633 while the average answer indicator highest namely in the Z.12 indicator (In a month Lastly, I often think about things to do I achieved?) of 3,978.

### 3. Validity Test Results

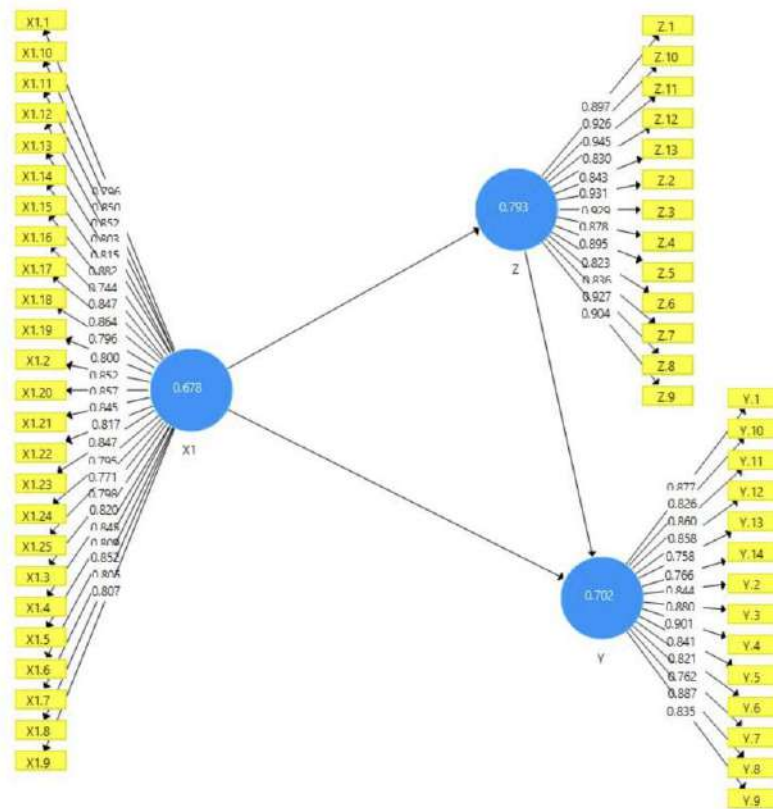
Testing validity or *convergent validity* use mark outer loading. Next is result testing validity to each variable.

**Table 10 Testing Validity**

| Variables                         | Indicator | Outer Loading | Information |
|-----------------------------------|-----------|---------------|-------------|
| <i>Organizational Climate</i> (X) | X.1       | 0.796         | Valid       |
|                                   | X.2       | 0.852         | Valid       |
|                                   | X.3       | 0.798         | Valid       |
|                                   | X.4       | 0.820         | Valid       |
|                                   | X.5       | 0.845         | Valid       |
|                                   | X.6       | 0.809         | Valid       |
|                                   | X.7       | 0.852         | Valid       |
|                                   | X.8       | 0.805         | Valid       |
|                                   | X.9       | 0.807         | Valid       |
|                                   | X.10      | 0.850         | Valid       |
|                                   | X.11      | 0.852         | Valid       |
|                                   | X.12      | 0.803         | Valid       |
|                                   | X.13      | 0.816         | Valid       |

|                                  |      |       |       |
|----------------------------------|------|-------|-------|
|                                  | X.14 | 0.882 | Valid |
|                                  | X.15 | 0.744 | Valid |
|                                  | X.16 | 0.847 | Valid |
|                                  | X.17 | 0.864 | Valid |
|                                  | X.18 | 0.796 | Valid |
|                                  | X.19 | 0.800 | Valid |
|                                  | X.20 | 0.857 | Valid |
|                                  | X.21 | 0.845 | Valid |
|                                  | X.22 | 0.817 | Valid |
|                                  | X.23 | 0.847 | Valid |
|                                  | X.24 | 0.795 | Valid |
|                                  | X.25 | 0.771 | Valid |
| <i>Employee Performance (Y)</i>  | Y.1  | 0.877 | Valid |
|                                  | Y.2  | 0.844 | Valid |
|                                  | Y.3  | 0.881 | Valid |
|                                  | Y.4  | 0.902 | Valid |
|                                  | Y.5  | 0.842 | Valid |
|                                  | Y.6  | 0.822 | Valid |
|                                  | Y.7  | 0.763 | Valid |
|                                  | Y.8  | 0.886 | Valid |
|                                  | Y.9  | 0.833 | Valid |
|                                  | Y.10 | 0.824 | Valid |
|                                  | Y.11 | 0.862 | Valid |
|                                  | Y.12 | 0.859 | Valid |
|                                  | Y.13 | 0.755 | Valid |
|                                  | Y.14 | 0.765 | Valid |
| <i>Perceived Work Stress (Z)</i> | Z.1  | 0.897 | Valid |
|                                  | Z.2  | 0.931 | Valid |
|                                  | Z.3  | 0.929 | Valid |
|                                  | Z.4  | 0.877 | Valid |
|                                  | Z.5  | 0.895 | Valid |
|                                  | Z.6  | 0.824 | Valid |
|                                  | Z.7  | 0.836 | Valid |
|                                  | Z.8  | 0.926 | Valid |
|                                  | Z.9  | 0.903 | Valid |
|                                  | Z.10 | 0.926 | Valid |
|                                  | Z.11 | 0.945 | Valid |
|                                  | Z.12 | 0.829 | Valid |
|                                  | Z.13 | 0.842 | Valid |

Processing results with use SmartPLS can seen in table above the outer model value or correlation between construct with variable show that in a way overall mark *loading factor* more-big from 0.7, so that construct for all variable already valid from the model. Here is structural model results *outer model*.



**Figure 2 Outer Model Structural Model**

After done testing validity use mark outer loading, then do it next testing validity discriminant use mark *average variance extracted* (AVE). following is results test discriminant.

**Table 11 Testing Validity Discriminant**

| Variables                  | Average Variance Extracted (AVE) |
|----------------------------|----------------------------------|
| Organizational Climate (X) | 0.678                            |
| Employee Performance (Y)   | 0.702                            |
| Perceived Work Stress (Z)  | 0.793                            |

This test was conducted For see how much big differences between variables. The values seen in this test is mark *average variance extracted* (AVE) on in a way overall all variables are obtained as results estimate Where the value is > 0.50 so that can declared valid. Results measurements from *Fornell- Larcker Criteria* and *Cross loading* can served on table below this.

**Table 12 Fornell- Larcker Criteria between Variables**

|                            | X            | Y            | Z            |
|----------------------------|--------------|--------------|--------------|
| Organizational Climate (X) | <b>0.823</b> |              |              |
| Employee Performance (Y)   | 0.767        | <b>0.838</b> |              |
| Perceived Work Stress (Z)  | 0.683        | 0.729        | <b>0.890</b> |

**Table 13 Cross Loading between Latent Variables with Indicator**

|     | X            | Y     | Z     |
|-----|--------------|-------|-------|
| X.1 | <b>0.796</b> | 0.622 | 0.541 |
| X.2 | <b>0.852</b> | 0.650 | 0.526 |
| X.3 | <b>0.798</b> | 0.584 | 0.479 |

|      |              |              |              |
|------|--------------|--------------|--------------|
| X.4  | <b>0.820</b> | 0.650        | 0.613        |
| X.5  | <b>0.845</b> | 0.588        | 0.552        |
| X.6  | <b>0.809</b> | 0.748        | 0.654        |
| X.7  | <b>0.852</b> | 0.658        | 0.611        |
| X.8  | <b>0.805</b> | 0.619        | 0.587        |
| X.9  | <b>0.807</b> | 0.615        | 0.548        |
| X.10 | <b>0.850</b> | 0.604        | 0.600        |
| X.11 | <b>0.852</b> | 0.602        | 0.524        |
| X.12 | <b>0.803</b> | 0.629        | 0.616        |
| X.13 | <b>0.816</b> | 0.599        | 0.604        |
| X.14 | <b>0.882</b> | 0.640        | 0.530        |
| X.15 | <b>0.744</b> | 0.508        | 0.491        |
| X.16 | <b>0.847</b> | 0.678        | 0.588        |
| X.17 | <b>0.864</b> | 0.642        | 0.562        |
| X.18 | <b>0.796</b> | 0.711        | 0.575        |
| X.19 | <b>0.800</b> | 0.590        | 0.513        |
| X.20 | <b>0.857</b> | 0.703        | 0.608        |
| X.21 | <b>0.845</b> | 0.689        | 0.598        |
| X.22 | <b>0.817</b> | 0.579        | 0.479        |
| X.23 | <b>0.847</b> | 0.593        | 0.494        |
| X.24 | <b>0.795</b> | 0.642        | 0.638        |
| X.25 | <b>0.771</b> | 0.551        | 0.434        |
| Y.1  | 0.694        | <b>0.877</b> | 0.596        |
| Y.2  | 0.716        | <b>0.844</b> | 0.648        |
| Y.3  | 0.676        | <b>0.881</b> | 0.661        |
| Y.4  | 0.702        | <b>0.902</b> | 0.647        |
| Y.5  | 0.601        | <b>0.842</b> | 0.608        |
| Y.6  | 0.652        | <b>0.822</b> | 0.613        |
| Y.7  | 0.547        | <b>0.763</b> | 0.547        |
| Y.8  | 0.690        | <b>0.886</b> | 0.662        |
| Y.9  | 0.629        | <b>0.833</b> | 0.637        |
| Y.10 | 0.666        | <b>0.824</b> | 0.625        |
| Y.11 | 0.711        | <b>0.862</b> | 0.601        |
| Y.12 | 0.645        | <b>0.859</b> | 0.626        |
| Y.13 | 0.522        | <b>0.755</b> | 0.544        |
| Y.14 | 0.485        | <b>0.765</b> | 0.506        |
| Z.1  | 0.646        | 0.626        | <b>0.897</b> |
| Z.2  | 0.628        | 0.657        | <b>0.931</b> |
| Z.3  | 0.612        | 0.655        | <b>0.929</b> |
| Z.4  | 0.647        | 0.666        | <b>0.877</b> |
| Z.5  | 0.591        | 0.608        | <b>0.895</b> |
| Z.6  | 0.575        | 0.693        | <b>0.824</b> |
| Z.7  | 0.557        | 0.647        | <b>0.836</b> |

|      |       |       |              |
|------|-------|-------|--------------|
| Z.8  | 0.617 | 0.672 | <b>0.926</b> |
| Z.9  | 0.616 | 0.651 | <b>0.903</b> |
| Z.10 | 0.645 | 0.654 | <b>0.926</b> |
| Z.11 | 0.640 | 0.661 | <b>0.945</b> |
| Z.12 | 0.600 | 0.633 | <b>0.829</b> |
| Z.13 | 0.520 | 0.602 | <b>0.842</b> |

Results from *Fornell- Larcker Criteria* and cross loading between all latent variables with the indicator variables that have been shown on Table on that the value of an indicator is greater big in calculate the variables from other constructs. Based on results said , can stated that every the indicator that used has own *discriminant validity* the good one For form their respective variables.

#### 4. Reliability Testing

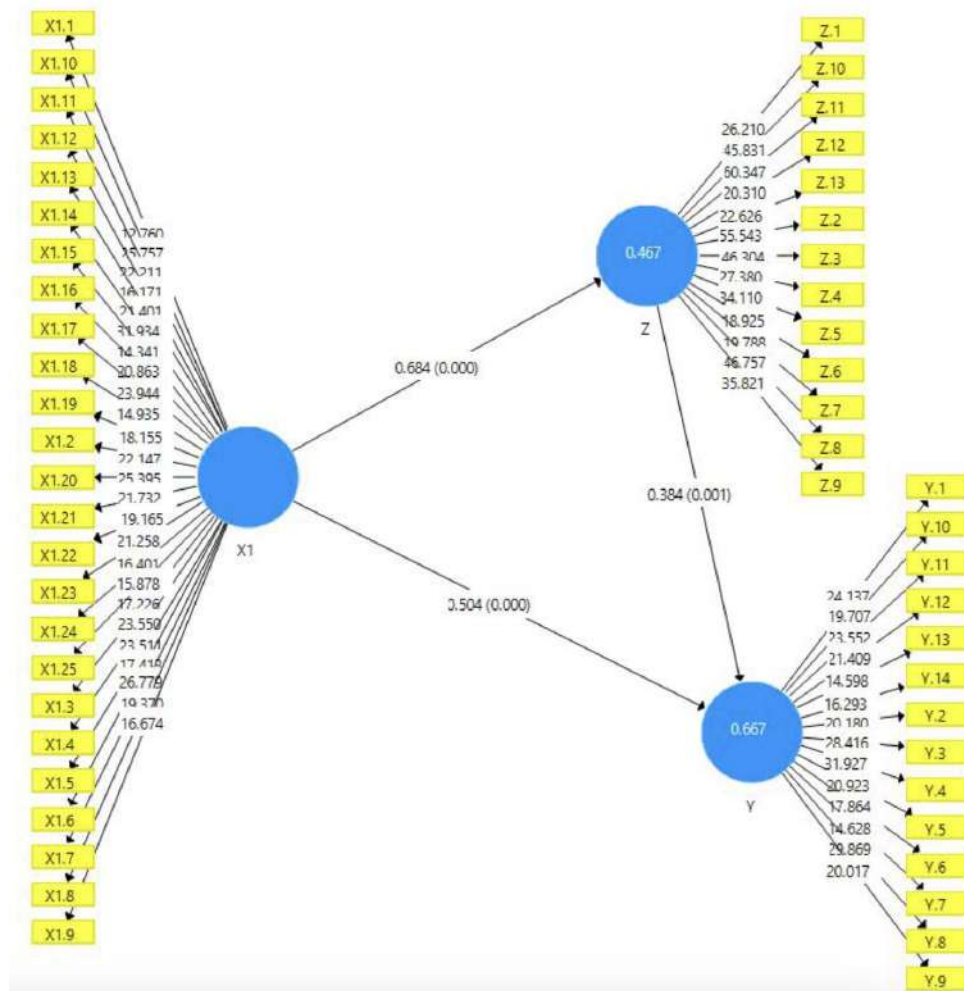
Testing reliability done For know what variables are used in This research is reliable or not. Testing reliability use mark *Cronbach's Alpha* and *composite reliability*. Here is results testing reliability.

**Table 14 Testing reliability**

| Variables                         | Cronbach's Alpha | Composite Reliability | Rule of Thumb | Model Evaluation |
|-----------------------------------|------------------|-----------------------|---------------|------------------|
| <i>Organizational Climate</i> (X) | 0.980            | 0.981                 | >0.70         | Reliable         |
| <i>Employee Performance</i> (Y)   | 0.967            | 0.971                 |               | Reliable         |
| <i>Perceived Work Stress</i> (Z)  | 0.978            | 0.980                 |               | Reliable         |

Based on table on can concluded that construct for Management variables all variables are met reliable criteria. This is shown with mark *Cronbach's Alpha* and *composite reliability* obtained from the results estimate SmartPLS. The resulting values is > 0.70 as recommended criteria.

Testing *inner model* or structural model is done For see connection between construct, value significance and *R-square* from the model research. The structural model was evaluated. with use *R-square* For construct dependent t-test and significance of the structural path parameter coefficients.



**Figure 3 Inner Model Structural Model**

In evaluate model with PLS started with see *R-square* and *Q Square* For each latent variable dependent. Table 15 is results estimate *R-square* and *Q Square* with use SmartPLS.

**Table 15 R Square and Q Square Values**

| Variables                        | R Square | Q Square |
|----------------------------------|----------|----------|
| <i>Perceived Work Stress (Z)</i> | 0.538    | 0.418    |
| <i>Employee Performance (Y)</i>  | 0.700    | 0.479    |

On in principle This study uses 2 variables that are influenced by other variables. The results of the R Square value can be explained as following:

- R Square value of variable *Perceived Work Stress (Z)*, namely 0.538 or 53.8% means variable *Organizational Climate (X)* in general substantial can explain variable *Perceived Work Stress (Z)* with level 53.8% (moderate) while the rest influenced by other factors that are not entered into the variable this study.
- R Square value of variable *Employee Performance (Y)*, namely 0.700 or 70.0% means variable *Organizational Climate (X)*, and *Perceived Work Stress (Z)*. substantial can explain variable *Employee Performance (Y)* with level of 70.0%

(substantial) while the rest influenced by other factors that are not entered into the variable this study.

Then Q Square value for variable *Perceived Work Stress* (Z), namely of 0.418 and *Employee Performance* (Y), namely of 0.479 so that can concluded that Q Square value more big from 0 to show that the model has *predictive relevance*.

**Table 16 Multicollinearity Values**

|   | X | Y     | Z     |
|---|---|-------|-------|
| X |   | 2,449 | 2,093 |
| Y |   |       |       |
| Z |   | 2.163 |       |

Multicollinearity is stages for test to what extent a variable can explained by variables other in analysis, its purpose for ensure No there is bias in the results analysis with see mark *Variance Inflation Factor* (VIF) of every connection between latent variables with mark approach or more-small from 3. Based on table on known that all variable own mark *Variance Inflation Factor* (VIF) is more-small of 3 meanings fulfil assumption multicollinearity.

**Table 17 Goodness of Fit**

|      | <i>Saturated Model</i> | <i>Estimated Model</i> |
|------|------------------------|------------------------|
| SRMR | 0.059                  | 0.059                  |
| NFI  | 0.611                  | 0.611                  |

In table 17 it is obtained that SRMR value on *Goodness of Fit* own limitation mark which is  $< 0.10$  with value 0.059 which means in accordance with rules and don'ts there is compatibility issues research, and research models can stated okay. Then for NFI to have limitation value 0.611 with mark between 0 and 1 which means model study perfect Because approach value 1, so can it is said that model This research is good.

In addition to that, this research will also be conducted analysis kindness model use effect size (F- square). As for interpretation on this test has influence big if F-square value  $> 0.35$ , moderate influence if F- square  $> 0.15$  and moderate influence if F-square  $> 0.15$  small if F- square  $> 0.02$ .

**Table 18 F Square**

|   | Y     | Z    |
|---|-------|------|
| X | 0.182 | 0.17 |
| Y |       |      |
| Z | 0.126 |      |

On table 18 is obtained F Square value that can be explained as following:

- Connection between variable Organizational Climate (X) towards Employee Performance (Y) and Perceived Work Stress (Z) with mark f square  $> 0.15$  means there is connection with influence moderate effect size.
- Connection between variable Perceived Work Stress (Z) towards Employee Performance (Y) with mark f square  $> 0.02$  means there is connection with influence small effect size.

## 5. Hypothesis Testing

Significance parameters that estimated give very useful information useful about connection between the research variables. The basis used in test hypothesis is the value contained in the path *coefficient output*.

**Table 19 Analysis Direct Influence**

|        | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ( O/STDEV ) | P Values |
|--------|---------------------|-----------------|----------------------------|--------------------------|----------|
| X -> Y | 0.366               | 0.360           | 0.127                      | 2,889                    | 0.002    |
| Z -> Y | 0.285               | 0.291           | 0.120                      | 2,369                    | 0.009    |
| X -> Z | 0.406               | 0.395           | 0.149                      | 2,731                    | 0.003    |

Based on testing hypothesis influence direct on can explained as following:

- Testing Hypothesis 1 (*Organizational Climate* has an effect significant on *Employee Performance*) Test results 1 relationship variable *Organizational Climate* towards variable *Employee Performance* shows mark estimate of 0.366 (positive). Then p-value of  $0.002 < 0.05$  and t- statistic value of  $2.889 > t\text{-table (1.97)}$  so that can concluded that *Organizational Climate* has an influence significant to *Employee Performance*.
- Testing Hypothesis 2 (*Perceived Work Stress* has an effect significant on *Employee Performance*) Test results connection variable *Perceived Work Stress* towards to *Employee Performance* shows mark estimate of 0.285 (positive). Then p-value of  $0.009 < 0.05$  and t- statistic value of  $2.369 > t\text{-table (1.97)}$  so that can concluded that *Perceived Work Stress* has an effect significant to *Employee Performance*.
- Testing Hypothesis 3 (*Organizational Climate* has an effect significant on *Perceived Work Stress*) Test results connection variable *Organizational Climate* towards to *Perceived Work Stress* shows mark estimate of 0.406 (positive). Then p-value of  $0.003 < \text{significance (0.05)}$  and t- statistic value of  $2.731 > t\text{-table (1.97)}$  so that can concluded that *Organizational Climate* has an influence significant to *Perceived Work Stress*.

**Table 20 Analysis Indirect Influence**

|             | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ( O/STDEV ) | P Values |
|-------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| X -> Z -> Y | 0.116               | 0.115           | 0.067                      | 2,727                    | 0.042    |

Testing hypothesis (*Organizational Climate* has an effect significant towards *Employee Performance* through mediation *Perceived Work Stress*). Test results connection variable *Organizational Climate* towards variable *Employee Performance* through mediation *Perceived Work Stress* show mark estimate of 0.116 (positive). Then p-value of  $0.042 < 0.05$  and t- statistic value of  $2.727 > t\text{-table (1.97)}$  so that can concluded that *Organizational Climate* has an influence significant to *Employee Performance* through mediation *Perceived Work Stress*.

## D. CONCLUSION

Based on results research obtained so can concluded that organizational climate has significant influence to employee performance. Perceived work stress has significant influence to employee performance. Organizational climate has significant influence to perceived work stress and organizational climate have an effect significant towards Employee Performance through mediation Perceived Work Stress. As for those who have mark lowest from organizational climate is employee given room for take initiative certain in work, next mark lowest from employee performance is I accept tasks challenge when task the available, and value lowest from perceived work stress is in a month Lastly, I often feel all something walk in accordance desire I. It means employee need given room for take initiative in his job so that feel work done challenge employees to can give business the best in increase appropriate performance with objective organization.

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