

*Research Article*

## Job Satisfaction as a Mediator: How Leadership Style and Work Environment Shape Employee Performance

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### Abstract

This study aims to determine the role of job satisfaction as a mediating variable on the influence of leadership style and work environment on employee performance. The study population comprised employees of TCT Teknik Jakarta at the Jakarta head office. The sampling technique used was saturated sampling. Data were collected by completing a questionnaire. The data analysis method used was Partial Least Squares Structural Equation Modeling, implemented with WarpPLS 7.0. The results of the study indicate that: Leadership Style has a positive effect on Employee Performance, Work Environment has a positive effect on Employee Performance, Job Satisfaction has a positive effect on Employee Performance, Leadership Style has a positive and significant effect on Job Satisfaction, Work Environment has a positive effect on Job Satisfaction, Job Satisfaction mediates the effect of Leadership Style on Employee Performance with positive results, Job Satisfaction does not mediate the effect of Work Environment on Employee Performance with positive but insignificant results. The managerial implications of these findings are that managers need to prioritize creating a supportive work environment and adopt a leadership style that enhances employee job satisfaction.

Keywords: Leadership Style, Work Environment, Job Satisfaction, Employee Performance, PLS

JEL Classification: J24, M12, L2

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### 1. Introduction

In any organization or company, there must be a human resources (HR) department. Although modern economic and technological factors are available, they have no meaning for the company's life without the role of human resources (Devita, 2017). Good, fast human resources are, of course, very much needed by the company, so it needs employees with high work performance (Devita, 2017). With this statement, these human resources must be managed as effectively as possible to become reliable and achieve satisfactory performance. To manage HR effectively, every leader and manager, as well as the HR team, must understand HR management issues.

Organizational productivity is determined by employee performance; therefore, leaders and employees are the determinants of achieving organizational goals (Siagian & Khair, 2018). The better the employees' performance, the easier it is for a company to achieve its goals. According to Setyawan (2018), 7 (seven) factors influence employee performance, namely employee motivation, employee development, work environment, employee reward system, job satisfaction, employee behavior, and leadership style.

Employee performance can decline due to several factors, such as discomfort at work, low wages, lack of supportive skills or expertise and dissatisfaction at work (Prasetiyo, 2019). Therefore, the sense of satisfaction or adequacy among these employees can also affect employee performance.

Employee dissatisfaction can become a problem, leading to conflicts among employees, frequent absences from work, even work strikes and employee turnover. Employee job satisfaction will have a positive impact on the company, including increased loyalty and discipline in their work and higher performance (Nurwijayanti et al., 2019).

The work environment can be a key factor in job satisfaction. According to Hasibuan (2009), in Nurwijayanti et al. (2019) factors that influence job satisfaction include fair and appropriate compensation, appropriate placement according to expertise, the weight of the work, the work atmosphere, equipment that supports the implementation of the work, the attitude of the leader in his leadership, and the nature of the work is monotonous or not. The work environment also directly influences employee performance, as a comfortable environment makes employees more productive.

Not only does the work environment affect employee performance and job satisfaction, but leadership style can as well. An important factor in achieving and improving a person's leadership success in an organization is their leadership style (Nurwijayanti et al., 2019). The leadership style applied can differ for each person; therefore, it can also affect employee job satisfaction and performance.

This study addresses a gap in the literature regarding inconsistent findings on the mediating role of job satisfaction in the relationship between leadership style, work environment and employee performance, particularly in small-to-medium private-sector organizations. Previous studies have predominantly examined these relationships separately or yielded mixed results regarding mediation effects, underscoring the need for more integrated empirical evidence. The novelty of this research lies in simultaneously testing direct and indirect effects using a PLS-SEM approach within the specific context of TCT Teknik Jakarta. This context has not been widely explored. The research focuses on employees as the primary subject, aiming to clarify how leadership style and work environment influence performance through job satisfaction, thereby providing a more comprehensive understanding of these interrelationships.

## **2. Literature Review and Hypothesis**

### **Literature Review**

#### **Employee Performance**

Performance is the result obtained over a period in an organization, whether profit-oriented or non-profit-oriented (Farisi et al., 2020). Faustino Cardaso Gomes (2017), in Wilandari et al. (2021), also added that employee performance is an expression of output, efficiency and effectiveness of an activity, often associated with work productivity. Employee performance, according to Sedarmayanti (2013), is a person's achievement/achievement regarding the tasks assigned to them. Mangkunegara (2017) argues that employee performance is the result achieved by an employee in terms of quality and quantity in carrying out their assigned duties. According to another party, namely Adha et al. (2019), employee performance is a process carried out to assess how advanced the work is towards previously determined goals and objectives, including information such as the efficiency of human resources in producing a product (goods or services) and the effectiveness of actions in achieving its goals. Not only that, but performance measurement can also serve as an

intermediary for organizational control, as this is strengthened by the establishment of reward and punishment systems (Adha et al., 2019).

### **Leadership Style**

The ability of a leader to invite their group to achieve a goal is considered "leadership" (Rofiliana & Rofiuddin, 2021). According to Shintiya and Hamdani (2020), leadership is the act of directing employees to carry out their assigned tasks. Leadership is the process of moving others by leading, guiding, and influencing them to do something (Sutrisno, 2019). This behavior or method is referred to as a leadership style (Nurwijayanti et al., 2019). Leadership style is the behavior and strategy a leader uses to influence the performance of their subordinates, resulting from a combination of philosophy, skills, traits and attitudes (Nurwijayanti et al., 2019). Prasetyo (2018), as quoted by Nurwijayanti et al. (2019), states that leadership style can also be adjusted to the needs, situations and conditions in the company.

### **Work environment**

A good work environment is characterized by all employees being able to carry out activities safely, healthily, comfortably, and optimally (Siagian & Khair, 2018). The work environment directly affects employees, and when it improves, employee performance increases; when it is inadequate, performance decreases (Nabawi, 2019). There are many definitions of the work environment; one is that, as Sihaloho and Siregar (2019) state, it encompasses everything around employees, both physical and non-physical, that can affect them and their work. According to Heizer and Render (2019), the work environment is a physical environment that can affect employee performance, safety, and quality of work life.

### **Job Satisfaction**

Job satisfaction is a person's feeling or emotional response to work situations and conditions (Siagian & Khair, 2018). Job satisfaction is a person's general attitude towards their work, including interactions with coworkers and superiors, following organizational rules and policies, meeting performance standards, working in often less than ideal conditions, and other similar factors (Nabawi, 2019). Job satisfaction is an employee's (positive) attitude towards their work, arising from an assessment of the work situation (Wardani, 2017). Usually, satisfied employees prefer their work situation, and vice versa (Hamali, 2019). Everyone has a different level of satisfaction; the greater the alignment between the assessment of suitability and the individual's desires, the higher the satisfaction. With that, satisfaction is a person's evaluation of a happy or unhappy attitude, and of being satisfied or dissatisfied at work.

### **Hypothesis**

#### **Leadership Style on Employee Performance**

Leadership style is very important in shaping new characters in a company. This leadership style is used to regulate, supervise, understand subordinates' conditions, and then decide on further actions. Because of this, if a leader wants to determine which leadership style he will use when leading a company, he should conduct research first to avoid making a mistake. Based on the research by Setiawan and Pratama (2019), leadership style has a positive and significant influence on employee performance. The results of other research conducted by Usbal et al. (2022) stated that leadership style has a positive and significant effect on employee performance. Based on the theory and supported by previous research, the following hypothesis can be formulated.

**H1: Leadership style has a positive and significant effect on employee performance.**

#### **Work Environment on Employee Performance**

One factor that makes operations in a company effective and productive is the work environment. The work environment, in terms of physical and psychological factors such as a clean, comfortable place and togetherness with other employees, makes work activities run smoothly and finish on time. Good working conditions will make employees enthusiastic about working, less likely to get sick, and easier to concentrate, so employee performance will increase over time. According to Sari's (2022) research, the work environment has a positive, significant effect on employee performance. Other research by Nurwijayanti et al. (2019) found a positive, significant relationship

between the work environment and employee performance. Based on the theory and supported by previous research, the following hypothesis can be formulated.

**H2: The work environment has a positive and significant effect on employee performance.**

#### **Job Satisfaction and Employee Performance**

Job satisfaction depends on whether the employee's needs are met; the more fulfilled the employee is, the more likely their performance can be improved, and vice versa (Telaumbanua & Silaban, 2022). According to Harahap and Tirtayasa (2020), job satisfaction affects employee performance through various variables, including the work environment, social influence, incentives, leadership, and other factors that can enhance performance. Research by Telaumbanua and Silaban (2022) shows a positive, significant relationship between job satisfaction and employee performance. Other research by Tanjung et al. (2020) also found that job satisfaction has a positive, significant effect on employee performance. Based on the theory and supported by previous studies, the following hypothesis can be formulated.

**H3: Job satisfaction has a positive and significant effect on employee performance.**

#### **Leadership Style on Job Satisfaction**

To achieve company goals, leaders should treat their employees democratically and humanely. Each employee has different behavior. Based on research conducted by Usbal et al. (2022), which states that leadership style has a positive and significant effect on job satisfaction and is in line with research conducted by Mukmin (2021), where the results are the same, namely that leadership style has a positive and significant effect on job satisfaction, the following hypothesis can be formulated.

**H4: Leadership style has a positive and significant effect on job satisfaction.**

#### **Work Environment and Job Satisfaction**

A comfortable, safe work environment can facilitate the implementation of various work activities, thereby maintaining the balance of the company's facilities (Astuti & Iverizkinawati, 2018). Research conducted by Astuti and Iverizkinawati (2018) stated that the work environment has a positive and significant effect on job satisfaction. Moreover, supported by other research conducted by Wuwungan et al. (2017), which states that the work environment has a positive and significant effect on satisfaction, the following hypothesis can be formulated.

**H5: The work environment has a positive and significant effect on job satisfaction.**

#### **Job Satisfaction Mediates Leadership Style on Employee Performance**

Basically, leadership style is the way a leader manages their subordinates. An employee will feel satisfied if they work in good conditions according to expectations. Arda (2017) explains factors that can influence job satisfaction, including leadership attitude. A study by Usbal et al. (2022) found that leadership style has a positive, significant effect on employee performance through job satisfaction as an intervening variable. Another study conducted by Nurwijayanti et al. (2019) also stated that leadership style has a positive and significant effect on employee performance through satisfaction. Thus, when leadership style is well applied, it affects employee performance through job satisfaction. Based on the theory and supported by previous studies, the following hypothesis can be formulated.

**H6: Leadership style has a positive and significant effect on employee performance through job satisfaction as a mediating variable.**

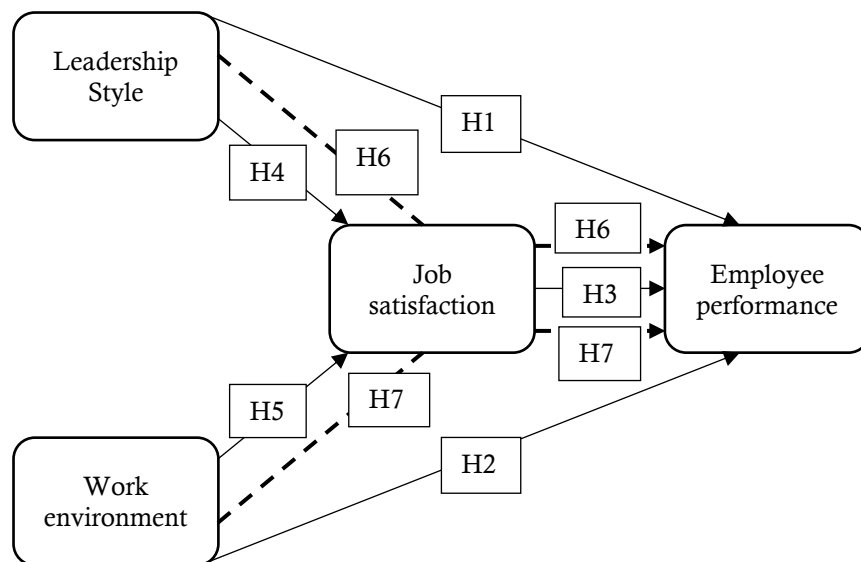
#### **Job Satisfaction Mediates the Work Environment on Employee Performance**

The work environment is one of the factors that determines employee performance. Employee performance is considered a key to a company's success (Lestary & Harmon, 2017). If the work environment aligns with employees' expectations, their satisfaction and performance will increase. Research by Marcelia et al. (2022) indicates that the work environment indirectly has a positive, significant effect on job satisfaction and employee performance. A parallel study conducted by Wisudayanti and Mustika (2021) also stated that the work environment indirectly has a positive and significant influence on performance through job satisfaction. Based on the theory and supported by previous studies, the following hypothesis can be formulated.

**H7: The work environment has a positive and significant influence on employee performance through job satisfaction as a mediating variable.**

### Research Conceptual Framework

The variables, determined based on the theoretical basis and objectives of previous research, include employee performance as the dependent variable, leadership style and work environment as the independent variables, and job satisfaction as the intervening variable (mediator). This study examines the influence of independent variables on dependent variables through mediation. Based on this explanation, a conceptual framework is obtained as shown in Figure 1 below:



**Figure 1. Conceptual Framework**

## 3. Data and Method

### Type of Research

The type of research chosen in this study is explanatory research, which explains the cause and effect between a variable (explanatory research), which is intended to explain the position of the variables studied by knowing the influence of one variable on another through hypothesis testing (Sugiyono, 2017). This study aims to determine the influence of Leadership Style and Work Environment on Employee Performance, with Job Satisfaction as a mediating variable.

### Data Tennis and Data Sources

The research uses primary data. Primary data are collected by distributing research questionnaires or surveys to respondents. The primary data source used in this study is the employees of TCT Teknik. In addition to distributing questionnaires, this primary data is also obtained from presentations or explanations by HRD (Human Resource Development) on employee performance at TCT Teknik.

### Data Collection Techniques

Without knowing the data collection techniques, this study will not obtain data that meets the established data standards. Data collection techniques include observation, interviews, questionnaires, and documentation. The data collection technique used in this study is a survey, administered via a questionnaire. The data collected comes from TCT Teknik employees and contains several written statements intended to be answered by the employee.

### Population and Research Sample

The population of this study comprises all employees of TCT Teknik at the Jakarta head office, totaling 64 individuals who are actively involved in the company's operational activities. These employees represent various roles and functions, making them relevant for examining factors

influencing employee performance. Given the relatively small population, this study employs a saturated sampling technique (census), in which all members of the population are included as research respondents. This approach ensures comprehensive data collection and minimizes sampling bias, thereby enabling the findings to reflect actual organizational conditions more accurately. Thus, the final sample size is 64 employees, representing the entire population under study.

### Data Analysis Method

The use of Structural Equation Modeling–Partial Least Squares (SEM-PLS) in this study is based on several scientific considerations. First, SEM-PLS is suitable for studies with relatively small sample sizes, such as this research with 64 respondents, as it does not require large samples or strict data distribution assumptions like covariance-based SEM. Second, SEM-PLS is appropriate for predictive and exploratory research, particularly when the objective is to examine complex relationships between variables, including mediation effects, as in this study involving leadership style, work environment, job satisfaction, and employee performance. Third, SEM-PLS is robust in handling models with multiple constructs and indicators, even when the data does not meet normality assumptions. Finally, WarpPLS 7.0 facilitates comprehensive analysis, including measurement model evaluation (validity and reliability) and structural model testing, making it a reliable tool for obtaining accurate, meaningful results.

## 4. Results

### Measurement Model Evaluation Criteria

This study uses PLS-SEM, in which each variable must be evaluated prior to model estimation. The evaluation in question is carried out in two stages. The first stage is the evaluation of the measurement model (outer model), and the second stage is the evaluation of the structural model (Inner Model). In the first stage or evaluation of the measurement model, it is used to assess the validity and reliability of the indicators that form the latent construct on a particular variable, with the following criteria:

**Table 1. Measurement Model Evaluation Criteria**

Kriteria	Parameter	Criteria Rules
<b>Convergent Validity</b>	Loading Factor, P-Value, and AVE	<ol style="list-style-type: none"> <li>1. Loading factor 0,40 – 0,70</li> <li>2. P-value &lt; 0,05.</li> <li>3. AVE &gt; 0,50</li> </ol>
<b>Internal Consistency Reliability</b>	Composite Reliability and Cronbach's Alpha	<ol style="list-style-type: none"> <li>1. Composite Reliability &gt; 0,70</li> <li>2. Cronbach's Alpha &gt; 0,70</li> </ol>

Source: Processed from research results (2023)

Based on the results of the convergent validity analysis, indicators are considered valid if they meet three criteria: a loading factor between 0.40 and 0.70, a P-value < 0.05, and an AVE > 0.50. Furthermore, to test internal reliability, composite reliability and Cronbach's Alpha are used as parameters. A variable is considered reliable if its composite reliability and Cronbach's Alpha are both greater than 0.70. The test results show that all indicators used in this study meet the validity and reliability criteria, allowing the instrument to be used properly for measurement.

### Structural Model Evaluation (Inner Model)

The second stage is the evaluation of the structural model (Inner Model). The evaluation of the structural model tests whether each construct influences the others. In addition, the evaluation of the structural model assesses its suitability. The results of this study are shown in Table 2 below, using the recommended measurements and criteria.

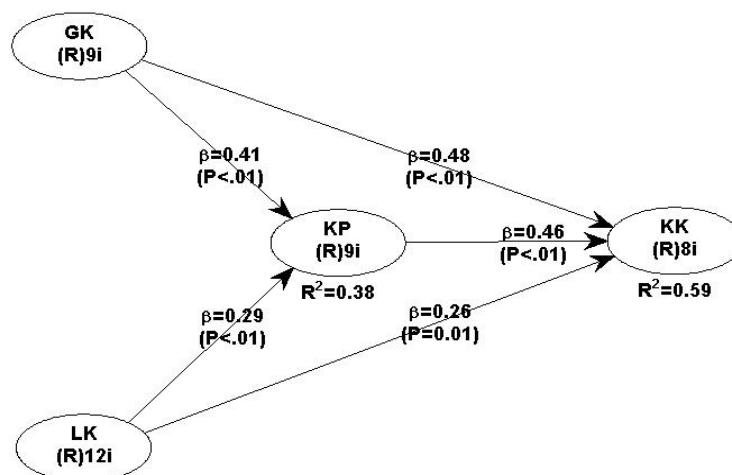
**Table 2. Structural Model Evaluation Criteria (Inner Model)**

Evaluation Size	Criteria Rules	Model Test Results
R <sup>2</sup> (Leadership Style, Work Environment and Job Satisfaction on Employee Performance)	Strong model $\leq 0.75$ , Moderate $\leq 0.50$ , Weak $\leq 0.25$ .	R <sup>2</sup> = 0,593
R <sup>2</sup> (Leadership Style and Work Environment on Job Satisfaction)		R <sup>2</sup> = 0,383
Q <sup>2</sup> Predictive Relevance	Q <sup>2</sup> > 0 = model has predictive relevance, Q <sup>2</sup> < 0 = model has less predictive relevance	Q <sup>2</sup> Job Satisfaction = 0.391 Q <sup>2</sup> Employee Performance = 0.449
Tenenhaus Goodness of FIT (GoF)	Small if $\geq 0.1$ , medium $\geq 0.25$ , large $\geq 0.36$	GoF = 0,456

Source: Processed from research results (2023)

Based on Table 2, the results of the structural model evaluation indicate that the Tenenhaus Goodness of Fit (GoF) test produced a value of 0.456. This shows that the model's ability to explain the influence between variables is  $\geq 0.36$ , indicating a large effect size. The R<sup>2</sup> (Leadership Style, Work Environment, and Job Satisfaction on Employee Performance) is 0.593, indicating that these factors account for 59.3% of the variance in Employee Performance.

This illustrates that the model is strong because it falls within the criteria  $\leq 0.75$ . The R<sup>2</sup> (Leadership Style and Work Environment on Job Satisfaction) is 0.383, indicating that Leadership Style and Work Environment explain 38.3% of the variance in Job Satisfaction (Z). This illustrates that the model is moderate, as it falls within the  $\leq 0.50$  criterion. After the data is processed and the results are obtained, the results of this test are relevant for predicting the relationship between variables (predictive relevance), as seen in the Q<sup>2</sup> values of 0.391 for the influence on job satisfaction and 0.449 for the influence on employee performance. The results of the structural model test are shown in Figure 2.



**Figure 2. Empirical Results Model**

**Hypothesis Test Results**

In hypothesis testing, there are two stages: direct influence testing and mediation testing. The results of the hypothesis testing are shown in Table 3 below.

**Table 3. Results of Research Hypothesis Testing**

Variable Relationship	Coefficient	P-Value	Hasil
<i>Direct Effects</i>			
Leadership Style → Employee Performance	0.480	<0.001	Positive Effect
Work Environment → Employee Performance	0.258	0.014	Positive Effect
Job Satisfaction → Employee Performance	0.459	<0.001	Positive Effect
Leadership Style → Job Satisfaction	0.411	<0.001	Positive Effect
Work Environment → Job Satisfaction	0.290	0.006	Positive Effect
<i>Indirect Effects</i>			
Leadership Style → Job Satisfaction → Employee Performance	0.189	0.013	Mediate
Work Environment → Job Satisfaction → Employee Performance	0.133	0.060	Not Mediate

Source: Processed from research results (2023)

Based on the results of the hypothesis test, the direct effects of leadership style, work environment, and job satisfaction are positive and significant for employee performance. The direct influence of leadership style and work environment on job satisfaction is positive and significant. Job satisfaction mediates the influence of leadership style on employee performance, but job satisfaction does not mediate the influence of the work environment on employee performance.

## 5. Discussion

### **Leadership style has a positive and significant effect on employee performance.**

The results of testing the research hypothesis for the direct effect of leadership style on employee performance, with the coefficient value produced, and obtaining positive and significant results with a p-value. Thus, hypothesis 1, that leadership style has a positive and significant effect on employee performance, can be accepted. This means that the better the leader's leadership style, the greater the employee's performance will increase. One good leadership style is seen in how the leader makes decisions, namely by allowing all employees to submit suggestions for consideration. This aligns with Sari's (2022) research, which found that the work environment has a positive and significant effect on employee performance. Other research by Nurwijayanti et al. (2019) found a positive, significant relationship between the work environment and employee performance.

### **The work environment has a positive and significant effect on employee performance.**

The results of testing the research hypothesis for the direct effect of the work environment on employee performance, with a coefficient value and obtaining positive and significant results with a p-value. Thus, hypothesis 2, which posits that the work environment has a positive and significant effect on employee performance, can be accepted. This means that the better the work environment, the more the employee's performance will increase. The effect of the work environment on employee performance means that employees will feel comfortable and safe in their current environment. If work environment conditions do not interfere with their work, this can prompt employees to perform well, leading to good performance (Ginanjar, 2018). These results align with Sari's (2022) research, which found that the work environment has a positive and significant effect on employee performance. Other research by Nurwijayanti et al. (2019) found a positive, significant relationship between the work environment and employee performance.

### **Job satisfaction has a positive and significant effect on employee performance.**

The results of testing the research hypothesis for the direct effect of job satisfaction on employee performance, with a coefficient value and obtaining positive and significant results with a p-value. Thus, hypothesis 3, that job satisfaction has a positive and significant effect on employee performance, can be accepted. This means that the higher the employees' job satisfaction, the higher their performance will be. The extent to which employees feel satisfied or dissatisfied with their work can be used to gauge the positive or negative treatment they receive in the company (Telaumbanua & Silaban, 2022). This positive or negative treatment can come from treatment between coworkers and superiors. With good relationships among coworkers, motivation and the

enthusiasm of superiors, job satisfaction can increase; under these conditions, employee performance will also improve. This aligns with research by Telaumbanua and Silaban (2022), which shows a positive and significant relationship between job satisfaction and employee performance. Other research conducted by Tanjung et al. (2020) also found that job satisfaction has a positive and significant effect on employee performance.

**Leadership style has a positive and significant effect on job satisfaction.**

The results of testing the research hypothesis for the direct effect of leadership style on job satisfaction, with a coefficient value and obtaining a positive and significant effect with a p-value. Thus, hypothesis 4, which posits that leadership style has a positive and significant effect on job satisfaction, can be accepted. This means that the better the leadership style, the greater its impact on increasing employee job satisfaction. A leader can be said to have an effective leadership style by first understanding who his subordinates are, understanding what the strengths and weaknesses of his subordinates are, and understanding how to utilize the strengths of subordinates to compensate for their weaknesses, so that they can influence the behavior or job satisfaction of his employees (Mukmin, 2021). In line with research by Usbal et al. (2022), which found that leadership style has a positive and significant effect on job satisfaction, and with research by Mukmin (2021), which also found the same, namely that leadership style has a positive and significant effect on job satisfaction.

**The work environment has a positive and significant effect on job satisfaction.**

The results of testing the research hypothesis for the direct effect of the work environment on job satisfaction, with a coefficient value and obtaining positive and significant results with a p-value. Thus, hypothesis 5, which posits that the work environment has a positive and significant effect on job satisfaction, can be accepted. This means that the better the existing work environment, the greater its impact on increasing employee job satisfaction. Based on the descriptive analysis, respondents rated the work environment variable as good. A good work environment is generally evident in the cleanliness of the surrounding area, including the workspace and toilets. In this study, most levels of the work environment can affect each employee's job satisfaction, whereas a comfortable work atmosphere can increase it. According to research conducted by Astuti and Iverizkinawati (2018), the work environment has a positive and significant effect on job satisfaction. Furthermore, supported by other research conducted by Wuwungan et al. (2017), which states that the work environment has a positive and significant effect on satisfaction.

**Leadership style has a positive and significant effect on employee performance through job satisfaction as a mediating variable.**

The results of testing the research hypothesis that leadership style affects employee performance through job satisfaction as a mediating variable, with a positive, significant coefficient and a p-value. Thus, hypothesis 6, which posits that leadership style has a positive and significant effect on employee performance through job satisfaction as a mediating variable, can be accepted. This is in line with research by Usbal et al. (2022) and Nurwijayanti et al. (2019), which found that leadership style has a positive and significant effect on employee performance through job satisfaction as a mediating variable. Based on the test results, leadership style directly affects employee performance (as indicated by the coefficient). In contrast, the indirect effect of leadership style on employee performance via job satisfaction has a p-value. When comparing the values of direct and indirect influences, it is found that the coefficient value of the direct influence is greater than that of the indirect influence. It can be concluded that job satisfaction partially mediates the effect of leadership style on employee performance. This partial mediation indicates that job satisfaction is not the only mediator of the relationship between leadership style and employee performance; other mediating factors are at work.

**The work environment has a positive and insignificant effect on employee performance through job satisfaction as a mediating variable.**

The results of testing the research hypothesis that the work environment affects employee performance through job satisfaction as a mediating variable, with a positive, insignificant effect (p-value). Thus, hypothesis 7 shows that the work environment has a positive and significant effect on employee performance, with job satisfaction as the mediating variable. Based on the test results,

the work environment directly affects employee performance, as indicated by the coefficient value. In contrast, the indirect effect of the work environment on employee performance via job satisfaction has a p-value. This shows that the work environment has a positive but insignificant effect on employee performance variables through job satisfaction at TCT Teknik. In other words, the results of this hypothesis test prove that job satisfaction does not mediate the effect of the work environment on employee performance. In line with the results of Marcelia et al. (2022), the work environment indirectly affects employee performance through job satisfaction. A similar study conducted by Wisudayanti and Mustika (2021) also stated that the work environment indirectly has a positive and significant influence on performance through job satisfaction.

## 6. Conclusion

The findings of this study confirm that leadership style, work environment, and job satisfaction have a positive and significant effect on employee performance. Importantly, job satisfaction mediates the relationship between leadership style and employee performance, indicating that effective leadership not only directly improves performance but also enhances it indirectly by increasing employees' satisfaction. This highlights that leadership practices that are supportive, participative, and responsive to employee needs can strengthen both psychological and performance outcomes within the organization.

However, the mediating role of job satisfaction in the relationship between the work environment and employee performance was found to be positive but not significant. This suggests that while a conducive work environment directly improves performance, it does not necessarily do so through job satisfaction as an intermediary. This result is particularly interesting, as it indicates that other mechanisms such as motivation, organizational support, or work discipline may better explain this relationship. Therefore, future research should further explore alternative mediating variables to provide a more comprehensive understanding of how the work environment influences employee performance.

## Recommendation

To improve employee performance, management should implement specific and measurable actions. First, conduct quarterly employee satisfaction surveys to monitor changes and identify key issues, followed by targeted interventions. Second, establish leadership development programs focusing on participative and communication-based leadership styles, with clear evaluation metrics. Third, improve the work environment by redesigning workspace layouts, ensuring adequate facilities, and reducing operational bottlenecks. Fourth, introduce a structured performance appraisal system linked to rewards and feedback sessions conducted at least twice a year. Finally, future researchers are encouraged to include additional variables, such as motivation and organizational support, and to use longitudinal designs to capture causal relationships better.

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