

Investigation The Effect of Leadership and Work Environment on Employee Performance

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ABSTRACT

This study aims to investigate the effect of leadership and work environment on employee performance. The research sample are 102 employees of the Regional Water Company (PDAM) Tirta Kampar, Kampar Regency. Using the secondary and primary data, analysis method using statistics tool multiple linear regression The results reveal that leadership and work environment both partially and simultaneously have a positive effect on the employees' performance. The result also show that directly effect of leadership variables and work environment on performance is greater than the indirectly effect of leadership and work environment on performance through job satisfaction.

Keywords: Leadership, Work Environment, Employee Performance

INTRODUCTION

Human resources are one of the main driving forces for each company's operations, so efforts to develop human resources are the main strategy to enforce global competition (Gibson, 2015). The aim is to understand and study human resource management as the knowledge needed to have analytical skills in dealing with management problems, especially in the field of organization. Performance is a function of motivation and ability. To complete a task or job, a person should have a certain degree of willingness and level of ability. The performance of subordinates is also influenced by the behavior of the leader as a superior. Line with Guritno (2005); Zhang & Bartol (2010), Muharsiliani et al. (2020) states that leadership style has a significant impact on subordinate attitudes, behavior and performance of subordinates. The effectiveness of a leader will be very influenced by the characteristics of his subordinates.

The work environment also important factor for improving company performance. This environment in which there are a number of groups with several supporters facilities to achieve company goals in accordance with the company's vision and mission (Sedarmayanti, 2013). Mangkunegara (2013) defines it as the unity of all aspects of physical work, work psychology, and work in the work environment that can affect job satisfaction and productivity achievement. Heizer and Render (2015) also define that the work environment is an environment in which employees work that can improve performance and quality of work life. Pawirosumarto et al. (2017) stated that the work environment is a place where all employees can carry out activities, where they can have a positive or negative impact on employees to achieve the desired goals has been established.

The urgency to be considered for improvement in employee performance is in Regional Owned Enterprises (BUMD). The implementation of regional autonomy basically provides a broad scope for BUMD to contribute to the formation of the economic structure of the city or district. One of the regional companies that are members of BUMD in managing water resources in each region is the Regional Drinking Water Company (PDAM). PDAM is an entity established by the Provincial or Regency Government to provide drinking water services to the community study conducts in the Regional Drinking Water Company (PDAM) Tirta Kampar which is a company owned by the local government of Kampar Regency. PDAM Tirta Kampar has the vision to increase professionalism towards a healthy company and its mission is to increase the quantity and continuity of services, service coverage, company performance, quality of human resources and employee welfare, contributions to the region, partnerships and company revenues. According to early observation and data from PDAM Tirta Kampar employees from January to October 2020. The low absenteeism rate shows good performance from PDAM Tirta Kampar employees. The attendance data can be seen in the following table:

Table 1: Attendance Data for PDAM Tirta Kampar Employees, Kampar Regency in 2019 and 2020

Month	2019		Sick		Late	
	2019	2020	2019	2020	Leave	2020
January	9	2	13	15	27	31
February	3	4	9	11	22	27
March	4	1	3	1	17	12
April	1	2	2	3	12	10
May	1	2	0	0	11	7
June	2	4	0	2	14	3
July	5	1	1	5	10	9
August	19	17	12	11	21	19
September	5	6	7	1	12	12
October	10	12	17	12	44	37
November	9	10	21	14	35	31
December	13	15	25	19	39	40
Total	81	76	110	94	264	238

Source: PDAM Tirta Kampar

Based on Table 1, it can be seen that the level of absenteeism and tardiness of employees at PDAM Tirta Kampar, Kampar Regency experienced decline. This illustrates that employee work motivation increases with the hope that employee performance will also increase. In addition to employee attendance data as a performance indicator, data on customer development in 2020 from January to October, which can describe the good performance of PDAM Tirta Kampas employees, Kampar Regency, can be seen in Table 2:

Table 2: Data on the Development of the Number of PDAM Customers Tirta Kampar Kampar Regency, 2020

Month	Target SR	New SR	Close d	Open	SR Active	Inacti ve	Active & Inactive
January	256	218	614	730	54,611	1,339	55,336
February	220	295	612	608	54,897	1,315	55,600
March	221	121	855	652	55,058	1,518	55,721
April	221	358	669	850	55,410	1,332	56,073
May	342	160	816	599	55,499	1,547	56,230
June	342	1,150	833	726	56,559	1,653	57,379
July	342	1,911	769	769	58,403	1,616	59,273
August	342	3,042	806	714	61,411	1,702	62,307
Septemb er	343	6272,964	9671.1	—	9,266	—	2,063
743	7043	573	2,264	5	2,063	1,812	63,809

Source: PDAM Tirta Kampar

The above data can describe the good work results of employee services shown by the number of requests for new installations and the number of customers is increasing every month. Employees can meet targets and complete installation requests beyond the company's initial targets. From the initial observations, it can be seen that the leader is often not at work. Coming does not match the working hours at PDAM Tirta Kampar, Kampar Regency. Many employees have difficulty when they want to ask the leadership about difficulties in their work because they are often not in the office. This shows the lack of good leadership at PDAM Tirta Kampar, Kampar Regency.

Based on observation through interviews with several employees, information was obtained that the policies that were decided regarding the interests of employees had not taken into account the aspirations of the employees and the lack of adequate coordination with the goals/targets and action plans at each level of the organization, this indicates a poor communication relationship between the leadership or management. with employees at PDAM Tirta Kampar, Kampar Regency. Furthermore, the performance evaluation of each work unit is not sufficient. Information about the condition of the company is still considered inadequate due to the unavailability of information channels for employees.

The physical work environment at PDAM Tirta Kampar, Kampar Regency, which was obtained from initial observations, showed the atmosphere of a narrow office space. Most of the space in the 5x3 m office is used for 5 employees, each with a desk. There is no work desk distance between employees and the distance to walk is 50 cm, this sometimes makes it difficult for employees to move, especially if one of the employees is receiving guests in the office space. Therefore, there is a file cupboard that is placed in one corner of the room, making the space look more crowded and crowded. Most office spaces still rely on lighting from electric lights because sunlight cannot reach the room. There is no AC (*Air Conditioner*) in the office space which can facilitate air circulation so that the air remains fresh and can increase the morale of the employees. In addition to the absence of air conditioning, in each office space, there are only 2 supporting facilities in the form of computers, the rest of which hampers the work of employees.

Insufficient opportunities for career advancement and professional development for employees as well as the unavailability of discussion media between management and employees regarding the career path and goals of each employee are increasingly causing employee job satisfaction to be low. Good relations between colleagues, subordinates and superiors have not been maximized because communication is considered new at the necessary stage and not as expected. Several research questions can be formulated, namely, is there any influence of leadership on employee performance, is there a direct influence on employee performance and is there any influence of leadership and work environment on employee performance at PDAM Tirta Kampar, Kampar Regency. This study purposes to examine the effect of leadership on employee performance, the work environment on performance and both of examine the effect of leadership and work environment on the employee performance of PDAM Tirta Kampar Kampar Regency.

LITERATURE REVIEW

1. Performance

Performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities given within a certain period. Performance is a function of motivation and ability. To complete a task or job a person should have a certain degree of willingness and level of ability. Gibson, et.al (2015) states that individual performance is the basis of organizational performance which is strongly influenced by individual characteristics, individual motivation, expectations, and assessments made by management on the achievement of individual work results. Performance according to Scriber in the Bantam *English Dictionary* explains that performance comes from *to perform* with several entities, (*to do or carry of*), *execute*, carry out or perfect the responsibility (*to execute or complete of fan understand king*), doing something that is expected by a person or machine (*to do what is expected of a person machine*).

Meanwhile, according to Robbins & Coutler (2016) performance indicators can be measured through, as follows: 1) Quality (quality), performance is measured from employee perceptions of the quality of the work produced where the work process approaches the point of perfection. 2) Quantity (amount), the number of targets that are expected to exceed the targets that have been set, the resulting production can be in the form of a completed activity cycle. 3) Punctuality, certain jobs have been given time to complete the work and the activity level is completed early on time and maximizes the time available for other activities. 4) Effective use of organizational resources such as manpower, money, technology. Maximized by increasing returns in resource use. 5) Efficiency, measuring the degree of suitability of output income by using the lowest possible cost.

2. Leadership Theory Leadership

includes five interdependent things, namely: a) the existence of a leader, b) the presence of followers, c) the goals and objectives to be achieved, d) certain situations (environment), and e) the ability to influence. According to Suyanto (2013) another opinion from previous experts on leadership put forward who agreed that leadership theory can be classified into, 1) *The Trait Theory* this theory teaches that leaders need a set of certain traits, traits or temperaments that can be used to establish success in every situation. 2) *Behavior Theory*, this theory decides to pay attention to two aspects of leadership behavior, namely the functions and styles of leadership, it is stated that in order for a group to run effectively, one must carry out two functions related to group relations, 3) *Path-Destination Theory*. According to this theory, the strategic value and effectiveness of a leader is based on his ability to generate satisfaction and motivation of his members by applying the Reward, 4) *Theory of Strength*. This theory assumes that a person will become a leader if he has advantages over his followers. Basically, the advantages that must be possessed by a leader include 3 things, namely excess ratio, spiritual excess and physical excess, 5) *Charismatic theory*, charismatic type leaders usually have great attraction, authority and influence. This extraordinary

influence can be seen from the sacrifices made by followers for the person of the leader, to the point that they are willing to pay their lives for the leader.

3. Theory of the Work Environment

According to Mardiana (2015) the work environment is an environment where employees do their daily work. A conducive work environment provides a sense of security and allows employees to work optimally. The work environment can affect employees' emotions. If employees like the work environment in which they work, then the employee will feel at home at work to carry out activities so that work time is used effectively and optimistically, employee performance is also high. According to Sedarmayanti (2011), broadly speaking, the type of work environment is divided into 2 (two), namely the physical work environment and the non-physical work environment.

According to Newstrom (2017) a more tangible factor that can influence the behavior of workers is physical condition, which includes the level of lighting, air temperature, noise, vibrations, pollution caused by chemicals and various substances in the workplace and other factors. beauty that includes music, colors and pleasant fragrances. The physical work environment is also a factor causing employee work stress that affects work performance. Meanwhile, the indicators of the work environment according to Sedarmayanti (2011) are light illumination, air temperature, noise, use of color, space, and work

Several previous research Nurwijayanti, et al. (2019). This study examines the effect of leadership and employee work performance to employee performance through the satisfaction of work as intervening variable in PT. Wedu District Merauke. The finding show that leadership style and work environment have a positive and significant effect on job satisfaction. This means that the better or higher the leadership style, the more job satisfaction felt by employees and the work environment as well. The results of this study prove that leadership style has a positive and insignificant effect on performance. This means that the better or higher the leadership style, it will have no effect on employee performance. Furthermore, the results of this research work environment has a positive and significant effect on performance.

Omah and Pramudena, (2020). The effect of leadership, work environment on employee performance through job satisfaction as an intervening variable at PT Yamaha Musik Cikarang Branch. The results of this study conclude that the leadership variable has a significant positive effect on job satisfaction, the work environment variable has a positive and significant effect on job satisfaction, job satisfaction has a positive and significant effect on employee performance, the leadership variable has a positive and significant effect on employee performance, and the work environment variable has a positive and significant effect on employee performance. positive and significant impact on employee performance, leadership has an indirect effect on employee performance through job satisfaction and work environment variables have an indirect effect on employee performance through job satisfaction.

Then the research conducted by Cahyaningrum & Budiarmo (2019) with the research title The Effect of Compensation and Work Environment on Employee

Performance Through Job Satisfaction as an Intervening Variable (Study on Employees of PT. Sampurna Kuningan Juwana in Pati Regency). The results of this study conclude that compensation and work environment partially have a significant effect on job satisfaction, job satisfaction has a significant effect on performance, job satisfaction can mediate the effect of compensation on performance as a full intervening variable and can mediate the effect of work environment on performance as a partial intervening variable.

Himawan et al. (2019), investigation the effect of leadership style and organizational culture on employee performance through job satisfaction as an intervening variable at telkom indonesia regional division VII. The results of this study conclude that leadership style and organizational culture have a positive effect on job satisfaction and performance, where the better the leadership style in a company, the more job satisfaction felt by employees as well as organizational culture on job satisfaction. Job satisfaction has a positive effect on job satisfaction, where the higher the job satisfaction felt by the employees, the higher the performance. Leadership style has a positive effect on job satisfaction and employee performance, where the better the leadership style in a company, the more job satisfaction will increase and have implications for employee performance. Based on the literature review and the results of previous research, in this section the research hypothesis can be formulated as follows:

- H1: There is a positive influence of leadership variables on employee performance at the Regional Water Company (PDAM) Tirta Kampar.*
- H2: There is a positive effect of work environment variables on employee performance at the Regional Water Company (PDAM) Tirta Kampar.*
- H3: There is a positive influence of leadership and work environment variables on employee performance at the Regional Water Company (PDAM) Tirta Kampar.*

Based on the description above, this research model can be described as follows:

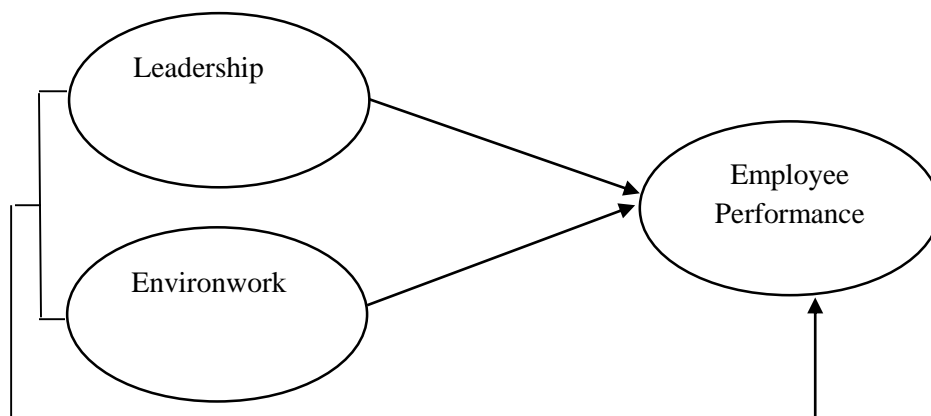


Figure 1: Research Model

4. Definition and Indicators of Variables

Definitions and indicators of each variable can be seen in Table 3 below:

Table 3: Definition and Indicators of Variables

No	Variables	Definition	Indicator	Scale
1	Performance	Performance is the result of work that can be achieved by a person or group of people in a company in accordance with the authority and responsibility of efforts to achieve these goals legally. (Handoko, 2013)	a. Quality (quality) b. Quantity (amount) c. Timeliness d. Effectiveness e. Efficiency f. Independence g. Work Commitment	Ordinal
2	Leadership	Leadership, the process of one's activities in leading, guiding, influencing or controlling the thoughts, feelings, or behavior of others, (Handoko, 2013)	a. Ability to build good cooperation and relationships b. Effective c. Participative leadership d. Ability to delegate tasks or time e. Ability to delegate tasks or authority	Ordinal
3	Work Environment	Work Environment is an environment in which employees perform their daily work. The work environment can affect employees' emotions (Mardiana, 2015)	a. Lighting b. Relationships with colleagues c. facilities d. Security at work e. Relationships with superiors	Ordinal

C. RESEARCH METHOD

This research was conducted at PDAM Tirta Kampat which is located at Jalan Jenderal Sudirman No. 107, Langgini, Kecamatan Bangkinang, Kampar Regency, Riau 28463. The research was conducted for 4 (four) months starting from April 2021 to August 2021. The types and sources of data used in this study consisted of primary

data and secondary data. Data collection techniques used are questionnaires, interviews and research files. The population is all employees of PDAM Tirta Kampar totaling 102 employees. In this study, the sample was all employees of PDAM Tirta Kampar totaling 102 people, thus the sampling was carried out by the census method.

The stages of data analysis started from the validity test and the reliability test. Then proceed with the classical assumption test consisting of normality test, multicollinearity test and heteroscedasticity test. Hypothesis testing in this study was carried out using a simultaneous test (F-test) and partial test (t-test), which was obtained through multiple linear regression analysis, with the following equation:

$$Y = a + {}_1X_1 + {}_2X_2 + \varepsilon$$

Description :

Y = Performance;

X₁ = Leadership;

X₂ = Environment;

Constant =

_{1,2} = Regression Coefficient;

ε = Error Term or Disruptive Factors

Hypothesis testing in this study aims to see the influence of leadership and work environment on the performance of PDAM Tirta Kampar employees either simultaneously or partially, the test is carried out at 5% alpha ($\alpha = 0.05$).

a. Simultaneous Hypothesis Testing.

Hypothesis testing is carried out by comparing the calculated F value with F table at 5% alpha or comparing the significance value of F arithmetic to alpha, the test criteria. If the significance of F count \leq alpha ($= 0.05$) it is said that there is a simultaneous significant influence of the leadership and work environment variables on performance. While the significance of F arithmetic $>$ alpha ($\alpha = 0.05$) it is said that there is no simultaneous significant effect of leadership and work environment on the performance of

b. Partial Hypothesis Testing.

Hypothesis testing is done by comparing the t value with t table at alpha 5% or comparing between the significance of t arithmetic with alpha. If the significance of t arithmetic \leq alpha ($\alpha = 0.05$) it is said that there is a partially significant influence of the leadership and work environment variables on performance. While, the significance of t arithmetic $>$ alpha ($\alpha = 0.05$) it is said that there is no partially significant effect of the leadership and work environment variables on the performance

RESULTS AND DISCUSSION

The results of statistical descriptive analysis for each research variable can be seen in Table 4 below:

Table 4: Results Statistical Descriptive Analysis of Research Variables

No	Variable	Number of Statements	Average Respondents Response	Conclusion
1	Performance	7	4.20	Good
2	Leadership	12	4.16	Good
3	Work Environment	5	4.17	Good

Source: *Processed Data with SPSS*

The seven statements for the performance variable, it is known that the lowest score is 3.91 for the second statement. However, the value is still within the good criteria. This means that PDAM Tirta Kampar employees in general already have good performance if it is considered from the level of employee job achievement that has been targeted by the leadership. While the highest average score was obtained at 4.18 for the seventh statement. This means that employees have a high commitment in carrying out their work in this agency, so that they can provide maximum work results for the company.

The leadership variable has an average score of 4.16 respondents' responses. This result the good category, which means that in general, employees at PDAM Tirta Kampar consider that the current leadership is good. Good leadership here is judged by the leadership's ability to cooperate with other parties, the leadership's ability to motivate, the attitude of the leader who always puts the interests of the agency above personal interests, and other factors. This is expected to have a positive impact on employee performance at PDAM Tirta Kampar.

The work environment variable has an average score of 4.17 respondents' responses. This figure is in the good category, meaning that in general, employees at PDAM Tirta Kampar state that the current working environment is good. This assessment is based on lighting, relationships between co-workers, facilities to support work, guarantees for employee health and so on. These results are expected to have a positive impact on improving employee performance.

Furthermore, the following can be seen the results of testing the validity and reliability of each variable, as presented in Table 5.

Table 5: Research Variable Validity Test Results

No	Variables	Number of Statements	Number of Valid	Items Invalid Items	Alpha Value Crounbach
1	Performance	7	6	1	0.819
2	Leadership	12	11	1	0.895
3	Work Environment	5	5	0	0.706

Source: *Processed Data with SPSS*

From Table 5 it can be seen that the performance variables consisting of statement objectives, six of which are declared valid and so are the leadership variables, from twelve statements it is known that one statement is not valid, while for the work environment variables the five statements are declared valid. Furthermore, the results of reliability testing, it is known that all valid statements are reliable in determining each variable, because they have a Cronbach's alpha value greater than 0.5.

The next stage of analysis is testing the classical assumptions. From the results of data processing, it is known that all the classical assumptions required for the multiple linear regression model have been met. Therefore, it is possible to test the hypothesis. The results of multiple linear regression can be seen in Table 6:

Table 6: Multiple Linear Regression Results
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	30.157	3.498		8.622	.000		
	Leadership	.424 .152	.005	.047 2.789	1.075	.930	.320	Work
	Environment	.085	.145	3.764	.930	.000	1.075	Data

Source: Data processed

According to the table 6 above, it is known the value constant of 30,157. This figure means that if it is assumed that there is no leadership ($X_1 = 0$) and leadership ($X_2 = 0$) then the employee's performance is still 30,157 units. This condition is natural because there are many other factors that affect performance such as job satisfaction, organizational culture, compensation and so on, but this research is not discussed. The regression coefficient for the leadership variable from the results of data processing is known to be 0.424, the number explains that if there is a change in leadership towards a better direction by 1 unit, while the work environment is constant, then employee performance will also increase and vice versa. If the leadership changes in a bad direction, then employee performance will decrease by 0.424 units assuming constant work environment factors.

The regression coefficient of the work environment variable from the results of data processing is known to be 0.320, the number explains that if there is a change in the work environment towards a better one by 1 unit, while leadership is constant, then employee performance will also increase and vice versa. If the work environment changes in a bad direction, then the employee's performance will decrease by 0.320 units with the assumption that the leadership factor is constant. Then from Table 6, the t-statistic value for the leadership variable is 2,789 with a significance value of

0.005. These results explain that the significance value of the t-count leadership variable is lower than the alpha value, which is $0.005 < 0.05$. This means that there is a significant influence of the leadership variable on employee performance at PDAM Tirta Kampar. Thus the first hypothesis in the study was accepted at the 95% confidence level.

Table 6, it is obtained that the t statistic for the work environment variable is 3.764 with a significant value of 0.000. These results explain that the significance value of the t count of the work environment variable is lower than the alpha value, which is $0.000 < 0.05$. This means that there is a significant effect of work environment variables on employee performance at PDAM Tirta Kampar. Thus the second hypothesis in the study was accepted at the 95% confidence level. Furthermore, the results of testing the third hypothesis can be seen from the results of the calculated F value as shown in Table 7:

Table 7: Simultaneous Hypothesis Testing Results

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9,448	2	4,724	3,231	0.026 ^b
	Residual	144,738	99	1,462		
	Total	154,186	101			

Source: Data Processed

Table 7 shown that the calculated F value is 3,231 with a significance value of 0.026. These results explain that there is indeed a jointly significant influence of the leadership and work environment variables on employee performance at PDAM Tirta Kampar. Thus the third hypothesis of this study can be accepted at the 95% confidence level. Thus, leadership and work environment is indeed a determining factor whether or not the performance of employees at the PDAM Tirta Kampar agency. Seeing the large or small contribution of the leadership and work environment variables to performance, as well as seeing the close relationship between these variables can be seen in Table 8.

Table 8: Coefficient of Determination and Correlation

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Source
1	.879 ^a	.773	.717	1.861	

From Table 8, it is known that the correlation coefficient is 0.897. This means that between the variables of leadership and work environment there is a strong positive relationship of 87.9%. While the variation up or down in employee performance, 71.7% is determined by the leadership and work environment variables, while the remaining 28.3% is determined by factors other than leadership and work environment, such as job satisfaction, organizational culture, organizational commitment and so on.

DISCUSSION

Based on the results of research at the Regional Water Company of Tirta Kampar, it was found that leadership and work environment proved to have a positive and significant effect on employee performance. Leadership is an important factor in providing direction to employees, especially at this time where everything is open, so the leadership needed is leadership that can empower employees. Leaders with the ability to act as supervisors, have a need for achievement, intelligence, assertiveness, self-confidence and good initiative are able to encourage employees to give their best performance. Where indicators of ability as a supervisor, achievement needs, intelligence, self-confidence and initiative are in the fairly good category, while the assertiveness indicator gets a good category from employees. The results of the study for the leadership variable showed a positive and significant effect on performance. This is in accordance with the research of Heather (2001) and Chen (2004) which states that leadership can improve employee performance.

The results of the analysis show that leadership has a positive and significant effect on the performance of PDAM Tirta Kampar employees with a large influence of 42.4%. This shows that leadership is a factor that influences the level of employee performance at the PDAM. The better the leadership in the company, the higher the employee's performance and vice versa. The results of this study are in line with the results of research conducted by Alam & Monica (2015) which states that leadership shows the direction of a positive relationship with job satisfaction. In addition, in line with the results of research conducted by Muwaffaq et al. (2020) which proves that leadership has a positive and significant effect on employee job satisfaction. This means that the better the leadership, the better employee performance.

The results of this study are also strengthened by the results of Herman & Nasruji (2019) research which shows that leadership on employee performance is positive. In addition, it is also in line with Yanoto's research (2018) which states that the influence of leadership on employee performance is significant. Organizational situations with leadership will make employees always motivated to work more than expected, and always passionate about work because they believe there will be changes for the better in their future. The strong influence of leadership on employee performance is caused by the characteristics of leaders who care about the heterogeneous abilities of employees. This is in accordance with what was stated by Robbins & Judge (2017) which states that good leadership can inspire followers and can put personal interests aside from common interests.

The work environment consists of physical and non-physical that is attached to employees so that it cannot be separated from efforts to develop employee performance. A fresh, comfortable work environment that meets proper standards of needs will contribute to the comfort of employees in carrying out their duties. The non-physical work environment which includes the friendliness of the attitude of the employees, mutual respect when different opinions are mandatory requirements to continue to foster the quality of thinking of employees which can ultimately improve their performance continuously. In this study, all indicators of the work environment are included in the good category according to the employee's assessment. A work

environment with a work atmosphere, relationships with co-workers and the availability of comfortable work facilities can give employees peace of mind at work so that their performance is optimal. This is in accordance with research by Khoiriyah (2009) that the work environment has a positive effect on performance partially or simultaneously.

Likewise, Nugraha study (2009) states that the work environment has a positive influence on employee performance. The company can develop is the desire of every individual who is in the company, so it is hoped that with these developments the company is able to compete in keeping up with the times. Therefore, the goals expected by the company can be achieved properly. the extent to which the company's goals have been achieved can be seen from how much the company meets the demands of its environment (Rivai, 2013: 307). The job satisfaction of the employees of the Tirta Kampar Drinking Water Company is also influenced by the work environment. In the research of Bauer (2004) stated that the work environment shows a positive and significant influence on employee job satisfaction.

The evidence proves Someone will always crave appreciation for the results of his work and expect fair rewards. Performance appraisal needs to be done as objectively as possible because it will motivate employees in carrying out their activities. Besides, performance appraisal can provide information for the benefit of giving salaries, promotions and observing employee behavior. The results of this study indicate that all indicators are included in the high category. These indicators are indicators of work quality, quantity, production time, effectiveness, independence and work commitment. From the analysis results in the study, it shows that the direct influence of leadership variables and work environment variables on performance is greater than the influence of leadership variables and work environment variables on performance through job satisfaction (indirectly). This means that leadership variables and work environment variables can directly affect performance without going through job satisfaction as an intervening variable. However, the total influence of the leadership variable on performance through job satisfaction is greater than the indirect effect of leadership on performance through job satisfaction with job satisfaction as an intervening variable. Likewise, the total effect of work environment variables on performance through job satisfaction is more indirect, the indirect effect of work environment on performance through job satisfaction is also greater so that job satisfaction can be used as an intervening variable.

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