

Improving Employee Performance Through Work Environment and Work Discipline in a Palm Oil Factory Construction Company Pt Barkha Cipta Karya

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Abstract. *This study aims to analyze the influence of the work environment and work discipline on employee performance at PT Barkha Cipta Karya, a palm oil mill construction company. Employee performance is seen as a crucial factor in the company's success in achieving project targets, therefore, it is necessary to examine the factors that influence it. The independent variable in this study is the work environment, the mediating variable is work discipline, and the dependent variable is employee performance. The research method used a quantitative approach with Partial Least Squares (PLS-SEM) analysis techniques. The study respondents were 100 employees of PT Barkha Cipta Karya, selected using a purposive sampling method. Data were collected through a questionnaire designed based on indicators of the work environment, work discipline, and employee performance. The results of the study indicate that: (1) the work environment has a positive and significant effect on work discipline; (2) work discipline has a positive and significant effect on employee performance; (3) the work environment has a positive and significant effect on employee performance; and (4) work discipline is proven to partially mediate the influence of the work environment on employee performance. The R-square value of 0.38 for work discipline and 0.57 for employee performance indicates that this research model is in the moderate to strong category. The conclusion of this study is that a good work environment and high work discipline can improve employee performance in a palm oil mill construction company. The practical implications of this study emphasize the need for PT Barkha Cipta Karya to improve the physical, social, and psychological aspects of the work environment while strengthening the implementation of work discipline. This research is expected to contribute to the development of human resource management theory and serve as a practical reference for similar construction companies.*

Keywords: *Employee Performance; Construction; PLS-SEM; Work Environment; Work Discipline.*

1. Introduction

Employee performance is a key factor in determining a company's success in achieving its goals. Good performance reflects the extent to which employees are able to carry out their duties and responsibilities effectively and efficiently. According to Mangkunegara (2017), employee performance is the quality and quantity of work achieved by an employee in carrying out their duties in accordance with their assigned responsibilities. Optimal performance not only benefits the company in achieving business targets but also contributes to the employee's career development and job satisfaction.

However, achieving optimal performance levels is not easy. Many factors influence employee performance, including work discipline and the work environment. Work discipline is an employee's attitude and behavior in complying with company regulations and norms. According to Hasibuan (2016), work discipline is an individual's awareness and willingness to comply with all company regulations and applicable social norms. Strong work discipline can encourage employees to work more regularly, consistently, and responsibly, thus positively impacting performance improvement.

In addition to work discipline, the work environment also plays a crucial role in influencing employee performance. A comfortable, safe, and conducive work environment can increase employee motivation and productivity. According to Sedarmayanti (2017), a good work environment is one that provides comfort and supports employees in carrying out their duties. A poor work environment, such as inadequate facilities or disharmonious relationships between employees, can reduce morale and negatively impact performance.

PT Barkha Cipta Karya, a construction company specializing in palm oil mills, faces challenges in retaining and improving employee performance amidst high work demands. Employee competence is essential for managing complex projects. Furthermore, work discipline is fundamental to ensuring operational efficiency, while a conducive work environment can motivate employees to work productively.

PT Barkha Cipta Karya, located in Bengkalis, Riau, operates as a construction company specializing in projects related to palm oil mills. The palm oil industry is currently highly complex, both technically and in project management, requiring a competent workforce.

Companies face significant challenges in retaining and improving employee performance, particularly due to high work pressure, often driven by tight deadlines, high work volumes, and quality expectations. Employee competency is a key factor in ensuring project management is successful. This competency encompasses both technical skills (such as construction expertise and project management) and soft skills (communication, teamwork, and problem-solving).

Furthermore, work discipline is also an operational foundation for ensuring project completion on time. This includes adherence to schedules, quality standards, and safety

regulations. A conducive work environment plays a crucial role in creating a comfortable working atmosphere. Such an environment can include:

- Adequate work facilities.
- Harmonious relations between employees.
- Support from management for balance between work and personal life.
- A positive work environment can increase employee motivation, leading to higher productivity. Overall, the combination of competence, discipline, and a supportive work environment are three essential pillars for meeting the high work demands of the construction industry, particularly in handling palm oil mill projects.

In the context of research on the influence of the work environment on employee performance, there are significant differences in results between previous studies. Some studies indicate that the work environment has a positive and significant influence on employee performance, while others find that the work environment has no significant effect. These differences may be caused by various factors, such as differences in research methods, organizational context, or other influencing variables.

In his research, Bambang (2024) found that the work environment has a significant influence on employee performance. According to Bambang, a comfortable, safe, and adequately equipped work environment can increase employee motivation and productivity. This research was conducted at a manufacturing company in Indonesia, where the physical work environment (such as lighting, ventilation, and cleanliness) and non-physical work environment (such as employee relations and management support) are key factors in improving performance. The results of this study align with Sedarmayanti's (2017) theory, which states that a good work environment can encourage employees to work more effectively.

Judi (2022) also found similar results in his research conducted in the service sector. Judi concluded that a conducive work environment, particularly from a psychological perspective (such as superior support and a harmonious work atmosphere), significantly improves employee performance. This study emphasizes the importance of non-physical aspects of the work environment, which are often overlooked by companies. Judi's research findings support Mangkunegara's (2017) opinion that a positive work environment can create job satisfaction, which ultimately impacts performance improvement.

On the other hand, Budi (2023) in his research conducted on technology companies found that the work environment did not have a significant influence on employee performance. Budi argued that in the context of technology companies, factors such as technical skills, innovation, and work pressure were more dominant in influencing employee performance. The physical work environment, although important, was not a primary determinant of performance improvement. This research indicates that the influence of the work

environment on performance may vary depending on the type of industry and job characteristics.

Furthermore, Budi also found that even in an adequate work environment, improving facilities or physical comfort did not automatically improve performance. This suggests that other, more critical factors, such as leadership, organizational culture, or incentive systems, have a greater influence on employee performance. This finding contradicts research by Bambang (2024) and Judi (2022), which emphasized the importance of the work environment as a primary factor.

These differences in research results can be explained by several factors. First, organizational context plays a significant role. Manufacturing or service companies may rely more on the physical and non-physical work environment to support employee performance, while technology companies may rely more on factors such as creativity and work pressure. Second, the research methods used can also influence the results. For example, studies using large samples and comprehensive statistical analysis may be better able to uncover a significant relationship between the work environment and performance. Third, moderating or mediating variables not considered in a particular study may contribute to the differences in results. For example, work motivation or job satisfaction could be variables mediating the relationship between the work environment and performance.

Based on the pros and cons of previous research, this study needs to consider the specific context of PT Barkha Cipta Karya as a palm oil mill construction company. The work environment in construction companies tends to be more physically demanding, such as safety and comfort at the project site, so it is likely that the work environment will have a significant influence on employee performance. However, this study also needs to consider other factors, such as work discipline, which may play a larger role in determining employee performance.

Based on the description above, this study aims to analyze the influence of the work environment and work discipline on improving employee performance at PT Barkha Cipta Karya. By understanding the factors that influence performance, the company can take strategic steps to create a better work environment and improve work discipline, so that it can ultimately achieve optimal and stable employee performance. The palm oil mill construction sector has a strategic role in supporting the palm oil industry, which is one of the leading commodities in Indonesia. The process of building a palm oil mill requires technical expertise, work discipline, and a supportive work environment to achieve optimal quality and time targets.

This study aims to explore the extent to which competence, discipline, and work environment influence the performance of PT Barkha Cipta Karya employees, in order to provide strategic recommendations to increase the productivity and sustainability of the company's projects.

2. Research Methods

The type of research used in this study is explanatory research, which aims to explain the relationship between variables by testing predetermined hypotheses. This approach allows researchers to identify and measure the influence of independent variables on the dependent variable to determine whether the relationship strengthens or weakens the existing hypothesis. This study uses quantitative methods. According to Creswell & Creswell (2023), explanatory research aims to understand the reasons behind a phenomenon and help broaden insight and test relevant theories. The main focus of this study is to analyze and identify the influence of the work environment (X) on work discipline (Y1) and employee performance (Y2).

3. Results and Discussion

Based on the results of the PLS-SEM analysis, it was found that all constructs in this research model have very good validity and reliability.

- a) The work environment (X1) has been proven to have a positive and significant influence on work discipline (Y1) and employee performance (Y2).
- b) Work discipline (Y1) also has a strong positive influence on employee performance (Y2).
- c) Thus, the work discipline variable acts as a mediator in the relationship between the work environment and employee performance.

This finding is in line with human resource management theory which states that a comfortable and conducive work environment will improve employee discipline, and ultimately have a positive impact on improving performance (Robbins & Judge, 2022; Sedarmayanti, 2021).

Conclusion of Model Analysis

1. All constructs (X1, Y1, Y2) meet the validity and reliability criteria.
2. The R^2 and Q^2 values indicate that the structural model has strong explanatory and predictive power.
3. The Work Discipline variable (Y1) was proven to be an effective mediator between the Work Environment (X1) and Employee Performance (Y2).
4. Overall, the PLS-SEM model used is appropriate and suitable to explain the relationship between variables in this study.

Outer model evaluation is carried out to assess the validity and reliability of research indicators:

- **Convergent Validity:** all indicators have a loading factor value > 0.70 so they meet the convergent validity requirements.

- **Discriminant Validity:** the cross-loading value indicates that each indicator is higher against its own variable compared to other variables. The Fornell-Larcker test also shows that the AVE root value is greater than the correlation between variables.
- **Construct Reliability:** composite reliability and Cronbach alpha values for all variables > 0.70, so it can be concluded that the research instrument is reliable.

This study aims to analyze the influence of the Work Environment (X1) on Employee Performance (Y2), both directly and through Work Discipline (Y1) as a mediating variable at PT Barkha Cipta Karya, a palm oil mill contractor company in Riau.

The research results show that the work environment has a direct influence on employee discipline and performance. A comfortable, safe, and conducive work environment has been shown to encourage greater employee discipline and ultimately improve performance. This finding aligns with research by Syahrul et al. (2020) and Munawaroh (2022), which emphasizes the importance of the physical, social, and psychological aspects of the work environment in supporting performance.

Furthermore, work discipline has been shown to significantly impact employee performance. Employees who are disciplined in terms of attendance, adherence to regulations, and responsibility in completing tasks tend to demonstrate higher productivity. These results are consistent with research by Ardianto & Susanto (2022) and Maulana & Hartanto (2023), which states that discipline is a key factor in project success in the construction sector.

The partial mediation of work discipline in the relationship between the work environment and employee performance shows that improving the work environment not only has a direct impact on performance but also increases work discipline, which in turn strengthens employee performance. Therefore, PT Barkha Cipta Karya needs to focus on improving the quality of the work environment (facilities, security, social relations) while tightening the implementation of discipline to improve employee performance sustainably.

The Influence of the Work Environment on Work Discipline

The Work Environment (X1) has a very strong and significant relationship with Work Discipline (Y1). A psychologically and physically supportive environment encourages employees to be more compliant with regulations and responsible. A conducive work environment – characterized by physical comfort, a harmonious work atmosphere, work safety, and relationships between colleagues – can foster a culture of discipline among employees. A psychologically and physically supportive environment will encourage employees to be more compliant with regulations, punctual, and responsible for assigned tasks.

The Influence of Work Discipline on Employee Performance

Work Discipline (Y1) significantly influences Employee Performance (Y2). Employees with high discipline demonstrate better work productivity and effectiveness. Employees with high discipline tend to demonstrate consistency in completing work, comply with company regulations, and have better work productivity. Good work discipline directly contributes to work effectiveness and efficiency, which are the main basis for assessing employee performance in the construction sector, such as PT Barkha Cipta Karya.

Direct Influence of Work Environment on Employee Performance

The Work Environment (X1) has a direct and significant effect on Employee Performance (Y2). A good work environment improves employee motivation and performance. A good work environment not only creates comfort but also increases employee motivation and work enthusiasm. In the context of a construction company like PT Barkha Cipta Karya that has high productivity demands and strict occupational safety, the quality of the work environment is very important in determining employee performance.

The Mediation Role of Work Discipline in the Relationship between the Work Environment and Employee Performance

Work discipline mediates the influence of the work environment on employee performance. The model shows partial mediation. Work discipline is an important pathway that bridges the influence of the work environment on performance. A good work environment will improve employee discipline, and ultimately, this discipline will improve performance. This indicates partial mediation, where some of the influence of X1 on Y2 is channeled through Y1, and the other part occurs directly.

Based on the results and discussion above, it can be concluded that:

- a) Work environment has a positive and significant influence on work discipline.
- b) Work Discipline has a positive and significant effect on Employee Performance.
- c) The work environment also has a direct impact on employee performance.
- d) Work Discipline acts as a partial mediating variable, strengthening the influence of the Work Environment on Employee Performance.

4. Conclusion

Based on the results of the research and discussion that has been carried out, it can be concluded that: 1. The work environment has a significant influence on work discipline The better the working environment, the higher the level of employee discipline at PT Barkha Cipta Karya. 2. Work discipline has a significant influence on employee performance Employees with high levels of discipline demonstrate increased productivity, work quality, and project target achievement. 3. The work environment has a significant influence on employee performance. Conducive working conditions directly encourage increased

individual and team performance. 4. Work discipline partially mediates the relationship between the work environment and employee performance. This means that a good work environment increases discipline, which in turn strengthens employee performance. Overall, this research model explains that the combination of a good work environment and high work discipline plays an important role in improving employee performance in palm oil mill construction companies.

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