Enhancing Employee Performance through Optimizing Work Environment and Discipline: A Case Study at PT. Edelweis Tour and Travel Lumajang

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Abstract

This study aims to analyze the influence of the work environment on employee performance with work discipline as an intervening variable at PT Edelweis Tour and Travel Lumajang. The research is motivated by the importance of a conducive work environment and work discipline in improving employee performance amid increasingly fierce business competition. PT Edelweis, as a company engaged in the tour and travel services sector, faces several challenges related to space arrangement, lighting, and interpersonal relationships that need to be improved to enhance employee performance. The research method used is a quantitative approach with data collected through questionnaires completed by employees of PT Edelweis. The results show that the work environment has a positive and significant effect on work discipline and employee performance. Moreover, work discipline also has a positive and significant effect on employee performance. Work discipline is proven to mediate the relationship between the work environment and employee performance, where a good work environment will increase work discipline, which in turn will improve employee performance. Based on these findings, it can be concluded that PT Edelweis needs to pay attention to aspects of the work environment and work discipline to improve employee performance. Efforts to reorganize space, improve lighting, and strengthen interpersonal relationships will positively impact overall employee performance improvement. This research makes an important contribution to the development of human resource management strategies, particularly in improving employee performance through enhancing the work environment and work discipline.

Keywords: Work Environment, Work Discipline, Employee Performance

1. Introduction

In the midst of the rapid advancement of the business world in Indonesia, competition among companies has become increasingly intense with the development of technology and information. In this context, companies must strive to stand out among competitors to secure a favorable position in the eyes of consumers. One way to achieve this is by creating a conducive work environment and enhancing employee discipline. These two aspects are crucial for improving employee performance, which will ultimately have a positive impact on the company's productivity and success. In an increasingly competitive business environment, companies are required to create a supportive work environment to compete effectively. According to Zahra, a manager must be able to foster a good work environment and strong work discipline among employees to boost their work spirit [1]. This becomes even more important amid the intensifying business competition, where employee performance is significantly influenced by the quality of the work

environment. Kurniawan emphasizes that human resources are an inseparable element of a company's success [2]. To achieve the company's goals, human resource aspects must be well managed, including efforts to minimize problems and maximize existing potential. Without proper management, the company risks facing various challenges that could hinder the achievement of its objectives.

Factors influencing employee performance are diverse, as highlighted by Rizal [3]. He points out that good performance is influenced by education, work discipline, motivation, and a conducive work environment. By paying attention to these factors, companies can ensure that their employees work optimally and productively, which in turn will enhance the overall performance of the company. Additionally, Pratama underscores that an ideal employee performance is reflected in high productivity, good work quality, and punctuality in completing tasks [4]. A conducive work environment and recognition of work achievements are essential to

encouraging employees to achieve better performance. This indicates that efforts to improve employee performance must include aspects of the work environment and an appropriate reward system. Hartanto adds that creating a conducive work environment and providing recognition for work achievements can significantly boost employee motivation and performance [5]. Therefore, companies need to focus on managing the work environment and acknowledging employee efforts as strategies to improve their performance and ensure the company's success in facing global competition.

PT Edelweis Tour and Travel Lumajang, operating in the tour and travel service sector, faces various challenges in terms of work environment management and employee discipline. Poor office layout, inadequate lighting, and disharmonious relationships among employees are some of the obstacles that need to be addressed. By paying attention to and managing the work environment and employee discipline, it is hoped that employee performance can be improved, which will help the company achieve its goals and vision more effectively. This research aims to analyze the influence of the work environment on employee performance with work discipline as an intervening variable at PT Edelweis Tour and Travel Lumajang. The results of this study are expected to provide valuable contributions to the development of human resource management strategies, particularly in improving employee performance through enhancements in the work environment and work discipline.

2. Method
Research is a process where researchers seek to obtain useful information for decision-making. In the context of the problem statement, the researcher uses a quantitative research method. This study employs a quantitative approach, aimed at testing the hypotheses that have been established.

2.1. Research Location
The research is conducted at PT. Edelweis Tour and Travel Lumajang.

2.1.1. Population and Sample
• **Population:** All employees of PT. Edelweis Tour and Travel Lumajang, totaling 62 people.
• **Sample:** Using a saturated sampling technique, all members of the population are selected as the sample, totaling 110 employees.
• **Sampling Technique:** A saturated sampling technique is used, where all members of the population are included in the sample.

2.1.2. Data and Data Sources
• **Primary Data:** Obtained directly from questionnaires collected from respondents.
• **Secondary Data:** Includes documents and records such as company history, organizational structure, and number of employees from PT. Edelweis Tour and Travel Lumajang.

2.1.3. Data Collection Techniques
• **Questionnaires:** Structured surveys designed to obtain accurate data from respondents.
• **Interviews:** Dialogues with relevant parties to gather additional information.
• **Measurement Scale:** Uses a Likert scale with five levels of response, ranging from strongly agree to strongly disagree.

2.1.4. Operational Definitions of Variables
• **Independent Variable (X):** Work environment, including both physical and non-physical aspects.
• **Intervening Variable (Z):** Work discipline, with indicators such as time discipline, adherence to regulations, and responsibility.
• **Dependent Variable (Y):** Employee performance, measured by quality, quantity, and punctuality.
• **Descriptive Statistical Analysis:** Used to describe the collected data without making generalizations.

2.1.5. Validity and Reliability Testing
• **Validity:** Measures how well an instrument can measure the intended variable.
• **Reliability:** Tests how consistent the instrument is in measuring the variable.
• **Path Analysis:** Used to analyze the patterns of relationships between variables, both direct and indirect. This model will be tested using SPSS software to assess the significance of the relationships between variables.
• **Path Analysis Model:** Illustrates the causal relationships between the work environment, work discipline, and employee performance, both directly and through the intervening variable.

For path analysis, two structural equations will be created where X is an exogenous variable, while Z and Y are endogenous variables. The model consists of two stages:

$$Z = b_1 X + e_1 \quad (1)$$

Explanation:
Z: Work discipline variable
X: Work environment variable
b_1: Regression coefficient for the work environment
e_1: Residual

$$Y = b_1 X + b_2 Z + e_2 \quad (2)$$

Explanation:
Y: Employee performance variable
Z: Work discipline variable
X: Work environment variable
b_1: Regression coefficient for the work environment
b_2: Regression coefficient for work discipline
e_2: Residual.

3. Results and Discussion
3.1. DefinitionWork Environment
According to George R. Terry, the work environment refers to the forces that influence the performance of an organization

or company, either directly or indirectly [6].

3.1.1. Factors Affecting the Work Environment
According to Nitisemito, the factors that affect the work environment include [7]:
• Coloring
• Cleanliness
• Lighting
• Air exchange
• Safety
• Noise

3.1.2. Measurement of Work Environment
According to Sedarmayanti, the work environment is divided into two types [8]:
• **Physical Work Environment:** The physical conditions in the workplace that affect employees either directly or indirectly.
• **Non-Physical Work Environment:** The working relationships between employees, supervisors, and colleagues.

3.2. Work Discipline
3.2.1. Definition of Work Discipline
According to Rivai, work discipline is a tool for managers to change employee behavior so that they are aware and willing to comply with company regulations [9]. Siagian adds that work discipline is a form of training to improve employees' knowledge, attitudes, and behavior [10]. Hasibuan defines discipline as the awareness and willingness of a person to comply with all company regulations and applicable social norms [11].

3.2.2. Forms of Work Discipline
According to Rivai, there are four main perspectives on work discipline [9]:
• **Retributive Discipline:** Punishing individuals who make mistakes.
• **Corrective Discipline:** Helping employees correct inappropriate behavior.
• **Individual Rights Perspective:** Protecting individuals' basic rights during disciplinary actions.
• **Utilitarian Perspective:** Using discipline only when its consequences outweigh its negative impacts.

3.2.3. Approaches to Work Discipline
Rivai mentions three approaches in disciplinary actions:
• **Hot Stove Rule:** Disciplinary actions should have immediate consequences similar to touching a hot stove.
• **Progressive Discipline:** Providing appropriate minimum punishment that escalates from light to severe.
• **Positive Discipline**: Encouraging employees to monitor their own behavior and take responsibility for their actions.

3.3. Factors Affecting Work Discipline
Several factors influence work discipline, including goals and capabilities, leadership example, compensation, fairness, close supervision, sanctions, firmness, and human relations. These factors affect employees' compliance with the company's rules and norms.

3.3.1. Indicators of Discipline
Indicators of discipline according to Hasibuan and Guntur include [11]:
• **Time Discipline:** Adherence to working hours and timely completion of tasks.
• **Regulation Discipline:** Compliance with rules and regulations, including wearing the appropriate uniform.
• **Responsibility Discipline:** Maintenance of office equipment and responsibility for assigned tasks.

3.4. Employee Performance
Performance is the work outcome achieved by employees or an organization, both in terms of quality and quantity, which plays a crucial role in the achievement of organizational goals. According to Mangkunegara, performance is the work result of an employee in accordance with the responsibilities assigned [12]. Simamora defines performance as the achievement of job requirements, which is reflected in the output, both in quantity and quality [13]. Dharma emphasizes that performance is a method to achieve better results [14]. In conclusion, performance is a measure of the work results achieved by an individual according to established criteria.

3.4.1. Factors Influencing Employee Performance
According to Mangkunegara, the factors influencing employee performance are divided into two categories: internal factors and external factors [12].
• **Internal Factors:** Factors related to individual characteristics, such as ability and work ethic. Good performance is often due to high ability and a hard-working attitude, while poor performance can result from low ability and a lack of effort to improve.
• **External Factors:** Factors originating from the work environment, such as colleague behavior, work facilities, and organizational climate. Wirawan adds that internal organizational environment factors, such as organizational strategy, management systems, and compensation, also influence performance. Additionally, external environmental factors, such as economic crises, can impact employee performance [15].
• **Internal Employee Factors:** These include factors within the employee, such as talent, personal traits, physical condition, as well as knowledge, skills, and work motivation acquired during development.

3.5. Hypotheses
Based on the problem background, problem formulation, and hypothesis model, the hypotheses to be tested are as follows:
• **(H1)** There is a positive and significant direct influence of the work environment (X) on employee performance (Y) at PT. Edelweis Tour and Travel Lumajang.
• **(H2)** There is a positive and significant indirect influence of the work environment (X) on employee performance (Y) through work discipline (Z) at PT. Edelweis Tour and Travel Lumajang.

3.6. Data Analysis
3.6.1. Outer Loading Test (Measurement Model)
3.6.1.1. Convergent Validity

Variable	Indicator	Outer Loading	Remarks
Work Discipline (Z)	Z.1	0.805	Valid
	Z.2	0.580	Valid
	Z.3	0.849	Valid
	Z.4	0.586	Valid
	Z.5	0.684	Valid
	Z.6	0.503	Valid
Work Environment (X)	X.1	0.877	Valid
	X.2	0.516	Valid
	X.3	0.707	Valid
	X.4	0.837	Valid
	X.5	0.771	Valid
	X.6	0.687	Valid
	X.7	0.531	Valid
Employee Performance (Y)	Y.1	0.774	Valid
	Y.2	0.628	Valid
	Y.3	0.891	Valid
	Y.4	0.543	Valid
	Y.5	0.767	Valid
	Y.6	0.714	Valid
Source: Processed Primary Data, 2024.			

Table 1: Outer Loading Values - First Stage

From the data processing results using SmartPLS presented in Table 4.8, it can be observed that all indicators in each variable of this study have outer loading values greater than 0.5, indicating they are valid.

3.7. Discriminant Validity

Indicator	Work Environment (X)	Work Discipline (M)	Employee Performance (Y)	Remarks
Z.1	0.607	0.725	0.705	Valid
Z.2	0.543	0.768	0.682	Valid
Z.3	0.623	0.763	0.652	Valid
Z.4	0.639	0.757	0.704	Valid
Z.5	0.524	0.684	0.598	Valid
Z.6	0.588	0.703	0.593	Valid
X.1	0.807	0.646	0.507	Valid
X.2	0.847	0.780	0.684	Valid
X.3	0.757	0.615	0.451	Valid
X.4	0.705	0.568	0.573	Valid
X.5	0.561	0.415	0.432	Valid
X.6	0.518	0.412	0.317	Valid
X.7	0.719	0.549	0.508	Valid
Y.1	0.648	0.597	0.879	Valid
Y.2	0.529	0.625	0.719	Valid
Y.3	0.661	0.694	0.761	Valid
Y.4	0.310	0.378	0.748	Valid
Y.5	0.335	0.382	0.583	Valid
Y.6	0.347	0.411	0.587	Valid
Source: Processed Primary Data, 2024.				

Table 2: Cross Loading Results

The results indicate that the indicators used in this study have good discriminant validity, where the indicators in their respective variables are stronger than those in other variables.

3.7.1. Average Variance Extracted, Composite Reliability, and Cronbach's Alpha

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Work Environment (X)	0.842	0.901	0.524
Work Discipline (Z)	0.891	0.945	0.565
Employee Performance (Y)	0.850	0.931	0.569
Source: Processed Primary Data, 2024.			

Table 3: Average Variance Extracted, Composite Reliability, and Cronbach's Alpha

Based on Table, it is shown that the Average Variance Extracted (AVE) values for the variables Work Environment, Work Discipline, and Employee Performance are all above 0.5, meaning that the constructs of the estimated model have met the criteria for discriminant validity.

3.7.2. Inner Model Testing (Structural Model)
Analysis of Variance (R^2) or Determination Test

Variable	R-square
Work Discipline (Z)	0.723
Employee Performance (Y)	0.842
Source: Processed Primary Data, 2024.	

Table 4: R-Square Values

Based on Table 4.12, it is shown that the R-square value for the Work Discipline variable is 0.723, meaning that the Work Environment can explain the Work Discipline variable by 72%, with the remaining 28% explained by other variables not examined in this study.

3.8. Q-Square
$$Q\text{-Square} = 1 - [(1-R^2{}_1) \times (1-R^2{}_2)]$$
$$= 1 - [(1-0.723) \times (1-0.842)]$$
$$= 1 - (0.277 \times 0.158)$$
$$= 0.95$$

From this calculation, it can be concluded that the research model has a good goodness of fit.

3.9. Hypothesis Testing
The hypotheses in this study can be considered accepted if the p-values are below 0.05 and the t-statistic is above 1.96. The following table shows the calculation results of the hypothesis values:

Variable Relationship	Sample (O)	T-Statistic	P-Values
Work Environment -> Work Discipline	0.689	10.421	0.000
Work Environment -> Employee Performance	0.655	6.724	0.000
Work Discipline -> Employee Performance	0.651	9.222	0.000
Work Environment -> Discipline -> Performance	0.692	8.632	0.000
Source: Processed Primary Data, 2024.			

Table 5: Result for Inner Weights Hypothesis Research

Hypothesis	Remarks
Work Environment positively influences employee engagement	Accepted
Work Environment positively influences Employee Performance	Accepted
Work Discipline positively influences Employee Performance	Accepted
Work Environment positively influences Employee Performance through Work Discipline as an intervening variable	Accepted
Source: Processed Primary Data, 2024.	

Table 6: Recapitulation of Hypothesis Testing Results

4. Discussion

The results of the hypothesis testing reveal that the work environment positively and significantly affects employee performance. However, it does not directly impact performance on its own. Instead, employee engagement plays a crucial role, significantly influencing performance. At PT Eldelweis Tour and Travel Lumajang, employees are satisfied with their work environment, which includes job fit, supportive supervisors, and good colleague relationships. This satisfaction contributes to high work discipline, strong dedication, and enthusiasm, all of which are reflected in their high performance, including meeting quality standards and targets, effective teamwork, and efficient resource use. The research also shows that a positive work environment significantly enhances employee engagement, aligning with previous studies. Employees who are engaged and feel connected to their job and company are more enthusiastic and focused. Although the work environment directly influences performance positively, it is through employee engagement that its impact is most significant. Thus, improving the work environment can enhance employee engagement, which in turn boosts performance, suggesting that management should focus on fostering a positive work environment to improve both engagement and performance.

5. Conclusions and Suggestions

Based on the research on the effect of the work environment on employee performance, with work discipline as an intervening variable at PT Eldelweis Tour and Travel Lumajang, the following conclusions can be drawn: The work environment positively and significantly affects work discipline, indicating that a better work environment leads to increased employee enthusiasm and commitment. Additionally, the work environment positively impacts employee performance, suggesting that improvements in the work environment can enhance overall performance. Work discipline also plays a significant role in influencing employee performance, with employees feeling more comfortable and motivated, thus contributing to their performance. Furthermore, work discipline mediates the relationship between the work environment and employee performance, showing that improved employee engagement, driven by a positive work environment, can lead to better performance outcomes. Recommendations for the company include enhancing the work environment by improving facilities

such as prayer areas, workspaces, cleanliness, and other workplace amenities to maximize performance. Employees are encouraged to increase their enthusiasm, dedication, and enjoyment of their work, which will contribute to higher performance standards. For future research, it is suggested to explore additional variables beyond job satisfaction, employee engagement, and performance to gain further insights into factors influencing work engagement and employee performance.

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