



**The Effect Of Work Environment And Organizational Culture On
Employee Performance With Job Satisfaction As An Intervening
Variable At PT. PMO (Project Management Office) Pangkalan
Kerinci**

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| ARTICLE INFO | ABSTRACT |
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| Accepted: 12 December 2024 Revised: 5 February 2025 Approved: 6 March 2025 | This research was completed at PT. PMO (Project Management Office) Pangkalan Kerinci. This study aimed to determine the effect of the work environment and organizational culture on employee performance, with job satisfaction as an intervening variable at PT. PMO Pangkalan Kerinci. The population in this study included all PT employees. PMO totaling 159 people. The sampling technique used a census technique, in which the entire population would be used as a sample. Primary data was obtained from the questionnaire results using SmartPLS 4.0 software. The results of the study obtained were: 1) The work environment affects employee performance, 2) Organizational culture affects employee performance, 3) Job satisfaction does not affect employee performance, 4) The work environment affects job satisfaction, 5) Organizational culture affects job satisfaction, 6) The work environment does not affect employee performance through job satisfaction, 7) Organizational culture does not affect employee performance through job satisfaction. |
| Keywords: Work Environment, Organizational Culture, Employee Performance, Job Satisfaction | |

INTRODUCTION

Employees are the most critical organizational assets and play a strategic role as organizers and managers of its activities to achieve company goals. Employee performance is the result of work carried out by an individual in carrying out the tasks given (Ramli, 2019). With high employee performance, organizational goals can be achieved. Therefore, from the perspective of work and organizational psychology, performance is a function of ability and motivation and is an influence consisting of three components: motivation, qualification level, and attitude. In addition, employee performance is also relevant to completing tasks carried out by employees (Ramli, 2020).

At PT. PMO, employee performance is not yet satisfactory and does not comply with the standards set by the company. This shows that the quality and quantity of work are not optimal, so it is an inhibiting factor in improving employee

performance. After conducting interviews with several employees, several employees complained about the uncomfortable layout, where several people from different departments filled one building that was not too large and spacious, so it could be said that the room was inadequate. In addition, several employees complained about the lack of storage space, making it challenging to store goods and work equipment after work. Regarding culture, some employees lack a competitive spirit and cannot implement innovative ideas. Regarding job satisfaction, some employees find it difficult to get promotions.

LITERATURE REVIEW

Employee Performance

Performance results from work in terms of quality and quantity carried out by employees in carrying out their duties by the responsibilities entrusted to them. Gultom (2021). According to (Akbar, 2018), several factors affect employee performance, namely:

1. Motivation

Motivation is a driving force that creates a spirit of job satisfaction so that they can work together effectively and honestly with all their efforts. Nurhandayani (2022).

2. Job satisfaction

According to Bhastary (2020), job satisfaction is essential for employees and companies because to see the results of employee work, whether the employee is satisfied or not with their superiors and their work is reflected in their performance, which continues to increase.

3. Stress level

When stress levels are low, employee performance is low; in this situation, employees do not have challenges, and boredom occurs due to the lack of challenges. As the load increases to the optimal point, this leads to good performance. However, excessive workload puts pressure on employees because they can no longer handle tasks that are too difficult. Gunawan (2018).

4. Working conditions

Working conditions are a set of conditions or conditions in the company's work environment where employees work in that environment. Winata (2016).

Work Environment

The work environment is the company's social, psychological, and physical life, which significantly affects the implementation of employee tasks. (Tambunan, 2018). Meanwhile, according to (Mamesah et al., 2016), the work environment is the condition around the workplace, both physical and non-physical, which can provide a pleasant, safe, calming, and enjoyable work impression, and so on. The work environment is internal and external. An environment that can affect work enthusiasm so that work is expected to be completed faster and better. (Ratnasari, 2017).

According to (Gultom, 2021), several factors affect the work environment, namely:

1. Lighting
Good lighting allows employees to see their work carefully, quickly, and without excessive effort, and it helps create a comfortable work environment. Yusuf (2015). The characteristics of good lighting are as follows:
 - a. Sufficient light
 - b. The light is not shiny and dazzling
 - c. There is no sharp contrast
 - d. Bright light
 - e. Even the distribution of light
2. Temperature
Temperatures that are too hot will reduce employee work enthusiasm and vice versa. Temperatures that are too cold will create an uncomfortable atmosphere in the workspace.
3. Humidity
Humidity is the amount of water in the air, which can be expressed as a percentage. This humidity is related to or affects air temperature, and together with temperature, humidity, air movement speed, and air heat radiation, it affects the condition of the human body when absorbing and releasing the body.
4. Air Circulation
The surrounding air is said to be dirty if the oxygen in the air has decreased and is mixed with other gases that are harmful to the health of the body. This is caused by abnormal air circulation. This should not be allowed because it will affect the health of the body and will quickly make our bodies tired.
5. Noise Level
Noise levels above the threshold can cause hearing loss and the risk of hearing damage, both temporary and continuous exposure over a specific period, without adequate protective equipment.
6. Employee Relations with Superiors
The relationship between superiors and subordinates can make employees feel happy or unhappy while working in a company. Therefore, human resource management plans are always made in organizations to find the right person for the right job. One of the goals of human resource management in the organizational management function is related to leadership.

Organizational Culture

According to (Simamora, 2019), organizational culture is a long-term habit used and applied in work life as one of the drivers to improve the quality of work of employees and company managers. According to (Muis, 2018), in general, there are three types of organizational culture, namely:

1. Constructive culture
A constructive culture is where employees are encouraged to interact with others and complete their tasks and projects in ways that help them meet their growth and development needs.
2. Passive-defensive culture
A passive-defensive culture is characterized by the belief that employees interact with other employees in ways that do not threaten their job security.

3. Aggressive-defensive culture

An aggressive-defensive culture encourages employees to do their jobs with hard work to protect their job security and status. This type of culture is more characterized by normative beliefs that reflect opposition, power, competitiveness, and perfectionism.

Job Satisfaction

Job satisfaction is a person's feelings and assessment of their work, especially their working conditions, and whether the work can meet their expectations, needs, and desires. Rahayu (2021). According to (Wolo, 2017), several factors influence job satisfaction, namely:

1. Salary

Salary is one of the most important things for every employee who works in a company because a monthly wage allows them to meet their daily needs. Thus, salary can also increase employee job satisfaction so that employees will work more effectively and diligently to improve performance, increase productivity in the company, and compensate for the shortcomings and involvement of commitment that characterizes today's workforce.

2. Promotion satisfaction

As an employee, everyone hopes to be promoted to a higher position than their current position. By optimizing one's skills for the current workload, there is a real possibility of promotion. Promotion means moving from one position to another with higher status and responsibilities. Usually, moving to a higher position is accompanied by an increase in salary or salary and other rights.

3. Coworker satisfaction

Coworkers, namely friends who are always with us at work. Coworkers can be very pleasant or unpleasant.

Hypothesis Development

Based on the framework of thought, the researcher found several hypothesis developments. The following are some hypothesis developments:

H1: Work environment affects employee performance.

H2: Organizational culture affects employee performance.

H3: Job satisfaction affects employee performance.

H4: Work environment affects job satisfaction.

H5: Organizational culture affects job satisfaction.

H6: Work environment affects employee performance through job satisfaction.

H7: Organizational culture affects employee performance through job satisfaction.

METHOD

This research was conducted at PT. PMO (Project Management Office) Pangkalan Kerinci located in Pangkalan Kerinci District, Pelalawan Regency, Riau Province. The population in this study was all PT employees. PMO totaling 159 people. In this study, the researcher used a census technique where the entire population would be used as a sample. Thus, the number of samples to be used was 159 people.

The technique used for data collection in this study was the questionnaire technique. In this study, the researcher distributed questionnaires to PT employees. PMO Pangkalan Kerinci. The questionnaire was compiled with research indicators, namely the influence of the work environment and organizational culture on employee performance, with job satisfaction as an intervening variable at PT. PMO Pangkalan Kerinci.

The measurement scale used in this study was ordinal. The scale category in this study uses a range of numbers from 1-5. Assuming that the more positive the respondent's answer is reflected by the range of values further to the right, it indicates a higher score. Conversely, the more negative the respondent's answer is reflected by the range of values further to the left, which means a lower score. In this study, interviews were also conducted with several PT employees. PMO Pangkalan Kerinci.

RESULTS AND DISCUSSION

Descriptive Analysis Results

The data in this study uses primary data types, and based on the research results, data was obtained to determine the age characteristics of respondents, which are presented in Table 1 below.

Table 1. Data According to Respondent Age

| Age | Frequency | Percentage %) |
|---------------|-----------|---------------|
| < 25 Years | 32 | 20,1 % |
| 25 – 35 Years | 83 | 52,2 % |
| 35 – 45 Years | 23 | 14,47 % |
| 45 – 55 Years | 21 | 13,21 % |
| Total | 159 | 100 % |

Source: Processed Data, 2024

Employee characteristics are based on gender; this data is used to determine the proportion of employee gender. Based on the research results, the characteristics of respondents based on gender are presented in Table 2 below.

Table 2. Data According to Respondent Gender

| Gender | Frequency | Percentage %) |
|--------|-----------|---------------|
| Man | 137 | 86,16 % |
| Woman | 22 | 13,84 % |
| Total | 159 | 100 % |

Source: Processed Data, 2024

Respondent characteristics are grouped according to their work division, which are presented in the following table:

Table 3. Data According to Respondent Division

| Division | Frequency | Percentage %) |
|--------------------|-----------|---------------|
| Civil Construction | 43 | 27,04% |
| Civil Design | 23 | 14,47% |
| Electrical | 20 | 12,58% |

| Division | Frequency | Percentage %) |
|-------------------|-----------|---------------|
| Mechanical | 18 | 11,32% |
| Piping | 8 | 5,03% |
| Instrument | 12 | 7,55% |
| Quality Control | 10 | 6,29% |
| Quantity Surveyor | 9 | 5,66% |
| HRD/Personalia | 6 | 3,77% |
| Automation | 10 | 6,29% |
| Total | 159 | 100% |

Source: Processed Data, 2024

The respondents' responses regarding the Employee Performance variable (Y) are as follows:

Table 4. Respondents' Responses to Employee Performance Variables (Y)

| No | Indicator | STS | TS | CS | S | SS | Total Score | Mean |
|----|---|-----|----|-----|-----|-----|-------------|------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | I put team success above personal success. | 36 | 32 | 16 | 43 | 32 | 480 | 3,02 |
| | Score | 36 | 64 | 48 | 172 | 160 | | |
| 2 | My colleagues and I work together to do our best to achieve better results. | 13 | 49 | 32 | 34 | 31 | 498 | 3,13 |
| | Score | 13 | 98 | 96 | 136 | 155 | | |
| 3 | I feel that the boss nurtures talented employees by developing their skills and abilities. | 21 | 32 | 37 | 48 | 21 | 493 | 3,10 |
| | Score | 21 | 64 | 111 | 192 | 105 | | |
| 4 | I feel that my superiors give rewards based on performance and human resource development in a fair and transparent manner. | 23 | 37 | 27 | 39 | 33 | 499 | 3,14 |
| | Score | 23 | 74 | 81 | 156 | 165 | | |
| 5 | I do not compromise on dishonesty. | 20 | 34 | 34 | 35 | 36 | 510 | 3,21 |
| | Score | 20 | 68 | 102 | 140 | 180 | | |
| 6 | I protect company assets and knowledge. | 19 | 42 | 28 | 36 | 34 | 501 | 3,15 |
| | Score | 19 | 84 | 84 | 144 | 170 | | |
| 7 | I am determined that today must be better than yesterday. | 15 | 37 | 35 | 43 | 29 | 511 | 3,21 |
| | Score | 15 | 74 | 105 | 172 | 145 | | |
| | I am determined that tomorrow must be | 16 | 36 | 36 | 43 | 28 | 508 | 3,19 |

| No | Indicator | STS | TS | CS | S | SS | Total Score | Mean |
|------|---------------------------|-----|----|-----|-----|-----|-------------|------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| 8 | better than today. | | | | | | | |
| | Score | 16 | 72 | 108 | 172 | 140 | | |
| 9 | I work better. | 21 | 40 | 29 | 30 | 39 | 503 | 3,16 |
| | Score | 21 | 80 | 87 | 120 | 195 | | |
| 10 | I work faster. | 29 | 37 | 22 | 37 | 34 | 487 | 3,06 |
| | Score | 29 | 74 | 66 | 148 | 170 | | |
| 11 | I work more economically. | 32 | 36 | 16 | 45 | 30 | 482 | 3,03 |
| | Score | 32 | 72 | 48 | 180 | 150 | | |
| Mean | | | | | | | | 3,13 |

Source: Processed Data, 2024

Based on the table above, it is known that the respondents' responses to the Employee Performance variable (Y) obtained a mean score of 3.13. The value of 3.13 is part of the "Quite Agree" category. In addition, from several statements provided, the highest responses were obtained in statements number 5 and 7. This shows that employees prioritize honesty and are determined that today must be better than yesterday. At the same time, the lowest respondent response was obtained in statement number 1. This shows that some employees prioritize personal interests over team interests. Of course, this will hinder the improvement of employee performance.

The respondents' responses regarding the Work Environment variable (X1) are as follows:

Table 5. Respondents' Responses to Work Environment Variables (X1)

| No | Indicator | STS | TS | CS | S | SS | Total Score | Mean |
|----|--|-----|-----|-----|-----|-----|-------------|------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | I feel comfortable with the lighting in my workplace. | 26 | 26 | 35 | 28 | 44 | 515 | 3,24 |
| | Score | 26 | 52 | 105 | 112 | 220 | | |
| 2 | I feel comfortable with the air circulation in the workplace. | 16 | 50 | 22 | 43 | 28 | 494 | 3,11 |
| | Score | 16 | 100 | 66 | 172 | 140 | | |
| 3 | Cleanliness in the workplace makes me feel comfortable at work. | 15 | 45 | 34 | 36 | 29 | 496 | 3,12 |
| | Score | 15 | 90 | 102 | 144 | 145 | | |
| 4 | I enjoy communicating with coworkers who are willing to provide solutions when I | 27 | 36 | 35 | 30 | 31 | 479 | 3,01 |

| No | Indicator | STS | TS | CS | S | SS | Total Score | Mean |
|------|---|-----|----|-----|-----|-----|-------------|------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| | experience difficulties at work. | | | | | | | |
| | Score | 27 | 72 | 105 | 120 | 155 | | |
| 5 | I enjoy working with coworkers who provide support when other coworkers are having a hard time. | 23 | 41 | 29 | 55 | 11 | 467 | 2,94 |
| | Score | 23 | 82 | 87 | 220 | 55 | | |
| 6 | I feel that the facilities provided are appropriate to the needs required. | 28 | 36 | 27 | 34 | 34 | 487 | 3,06 |
| | Score | 28 | 72 | 81 | 136 | 170 | | |
| 7 | I am sure that complete facilities can improve maximum work results. | 13 | 36 | 33 | 43 | 34 | 526 | 3,31 |
| | Score | 13 | 72 | 99 | 172 | 170 | | |
| Mean | | | | | | | | 3,11 |

Source: Processed Data, 2024

Based on the Table, it can be seen that the respondents' responses to the Work Environment variable (X1) had a mean score of 3.11. The value of 3.11 is part of the "Quite Agree" category. In addition, from several statements provided, the highest response was obtained in statement number 7. Most employees believe that complete facilities can improve maximum work results. At the same time, the lowest respondent response was obtained in statement number 5. This shows that some employees are not happy working with coworkers who provide support when other coworkers are in trouble.

The respondents' responses regarding the Organizational Culture variable (X2) are as follows:

Table 6. Respondents' Responses to Organizational Culture Variables (X2)

| No | Indicator | STS | TS | CS | S | SS | Total Score | Mean |
|----|---|-----|----|----|-----|-----|-------------|------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | I feel that my superiors give me tolerance to innovate freely to advance the company. | 25 | 34 | 27 | 31 | 42 | 508 | 3,19 |
| | Score | 25 | 68 | 81 | 124 | 210 | | |

| No | Indicator | STS | TS | CS | S | SS | Total Score | Mean |
|----|---|-----|----|-----|-----|-----|-------------|------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| 2 | I always try to create innovative ideas in my work. | 21 | 44 | 27 | 41 | 26 | 484 | 3,04 |
| | Score | 21 | 88 | 81 | 164 | 130 | | |
| 3 | I feel that my superiors provide clear and detailed directions regarding the work I have to do. | 18 | 38 | 35 | 51 | 17 | 488 | 3,07 |
| | Score | 18 | 76 | 105 | 204 | 85 | | |
| 4 | I always pay attention to every detail of my work. | 13 | 31 | 43 | 38 | 34 | 526 | 3,31 |
| | Score | 13 | 62 | 129 | 152 | 170 | | |
| 5 | I always emphasize work results but still pay attention to the work process to achieve optimal results. | 24 | 32 | 28 | 40 | 35 | 507 | 3,19 |
| | Score | 24 | 64 | 84 | 160 | 175 | | |
| 6 | I continue to develop myself to get optimal results in completing work. | 20 | 40 | 30 | 42 | 26 | 488 | 3,07 |
| | Score | 20 | 80 | 90 | 168 | 130 | | |
| 7 | I always try to do my work thoughtfully and carefully. | 14 | 44 | 26 | 44 | 30 | 506 | 3,18 |
| | Score | 14 | 88 | 78 | 176 | 150 | | |
| 8 | In completing work, I always do it according to the procedures set by the company. | 27 | 26 | 37 | 42 | 27 | 493 | 3,10 |
| | Score | 27 | 52 | 111 | 168 | 135 | | |
| 9 | I try to collaborate with other coworkers to improve the best results for the company. | 16 | 44 | 31 | 40 | 28 | 497 | 3,13 |
| | Score | 16 | 88 | 93 | 160 | 140 | | |
| 10 | I prefer to work together with a team. | 15 | 35 | 39 | 31 | 39 | 521 | 3,28 |
| | Score | 15 | 70 | 117 | 124 | 195 | | |
| 11 | I sometimes feel dissatisfied with one. | 19 | 39 | 33 | 34 | 34 | 502 | 3,16 |
| | Task, so I am challenged with the next task. | | | | | | | |
| | Score | 19 | 78 | 99 | 136 | 170 | | |

| No | Indicator | STS | TS | CS | S | SS | Total Score | Mean |
|------|--|-----|----|-----|-----|-----|-------------|------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| 12 | I am required to work hard to carry out the tasks that are my responsibility. | 22 | 37 | 33 | 43 | 24 | 487 | 3,06 |
| | Score | 22 | 74 | 99 | 172 | 120 | | |
| 13 | I would recommend this company as a good place to build a career. | 21 | 42 | 24 | 44 | 27 | 488 | 3,07 |
| | Score | 21 | 84 | 72 | 176 | 135 | | |
| 14 | I am confident that this company has a clear strategy for the future of its employees careers. | 17 | 37 | 35 | 45 | 24 | 496 | 3,12 |
| | Score | 17 | 74 | 105 | 180 | 120 | | |
| Mean | | | | | | | | 3,14 |

Source: Processed Data, 2024

Based on the table above, it can be seen that the respondents' responses to the Organizational Culture variable (X2) had a mean score of 3.14. The mean value of 3.14 is part of the "Quite Agree" category. In addition, from several statements provided, the highest response was obtained in statement number 4. This shows that most employees always pay attention to every detail. At the same time, the lowest respondent response was received in statement number 2. This indicates that some employees have not been able to create innovative ideas in their work.

The respondents' responses regarding the Job Satisfaction variable (Z) are as follows:

Table 7. Respondents' Responses to Job Satisfaction Variables (Z)

| No | Indicator | STS | TS | CS | S | SS | Total Score |
|----|--|-----|-----|----|-----|-----|-------------|
| | | 1 | 2 | 3 | 4 | 5 | |
| 1 | I feel that the salary received is based on the tasks, workload Moreover, responsibilities are given. | 31 | 25 | 32 | 18 | 53 | 514 |
| | Score | 31 | 50 | 96 | 72 | 265 | |
| 2 | I agree that salary increases should be adjusted according to the length of service an employee has had. | 18 | 51 | 22 | 47 | 21 | 479 |
| | Score | 18 | 102 | 66 | 188 | 105 | |
| 3 | I am happy with my work because it matches my expectations and abilities. | 14 | 48 | 32 | 29 | 36 | 502 |
| | Score | 14 | 96 | 96 | 116 | 180 | |

| No | Indicator | STS | TS | CS | S | SS | Total Score |
|------|---|-----|----|----|-----|-----|-------------|
| | | 1 | 2 | 3 | 4 | 5 | |
| 4 | I am happy with my current job because it matches my education/work experience. | 25 | 35 | 30 | 51 | 18 | 479 |
| | Score | 25 | 70 | 90 | 204 | 90 | |
| 5 | I am happy because there are clear regulations from the company regarding job promotions. | 21 | 40 | 30 | 42 | 26 | 489 |
| | Score | 21 | 80 | 90 | 168 | 130 | |
| 6 | I feel that the implementation of the socialization of the promotional policy imposed by the company is by its regulations. | 20 | 40 | 30 | 36 | 33 | 499 |
| | Score | 20 | 80 | 90 | 144 | 165 | |
| Mean | | | | | | | 3,11 |

Source: Processed Data, 2024

Based on the table above, it can be seen that the respondents' responses to the Job Satisfaction variable (Z) had a mean score of 3.11. The mean value 3.11 is part of the "Quite Agree" category. In addition, from several statements provided, the highest response was obtained in statement number 1. This shows that most employees feel that the salary received is based on the tasks, workload, and responsibilities given. At the same time, the lowest respondent responses were obtained in statements 2 and 4. This shows that some employees do not agree that the salary received is based on the tasks, workload, and responsibilities given. In addition, some employees are unhappy with their current jobs because some jobs do not match the employee's education/work experience.

Inferential Analysis Results

Convergent Validity

Convergent validity is done by measuring outer loading. There are several requirements: the loading factor value must be more than 0.7, and the AVE value of all variables must be above 0.50.

Table 8. Outer Loading Indicator Values

| Variable | Employee Performance | Work Environment | Organizational Culture | Job Satisfaction |
|----------|----------------------|------------------|------------------------|------------------|
| EP 1 | 0,889 | | | |
| EP 2 | 0,888 | | | |
| EP 3 | 0,855 | | | |
| EP 4 | 0,878 | | | |
| EP 5 | 0,881 | | | |
| EP 6 | 0,891 | | | |
| EP 7 | 0,854 | | | |

| Variable | Employee Performance | Work Environment | Organizational Culture | Job Satisfaction |
|----------|----------------------|------------------|------------------------|------------------|
| EP 8 | 0,864 | | | |
| EP 9 | 0,892 | | | |
| EP 10 | 0,903 | | | |
| EP 11 | 0,916 | | | |
| WE 1 | | 0,876 | | |
| WE 2 | | 0,911 | | |
| WE 3 | | 0,857 | | |
| WE 4 | | 0,889 | | |
| WE 5 | | 0,861 | | |
| WE 6 | | 0,891 | | |
| WE 7 | | 0,878 | | |
| OC 1 | | | 0,890 | |
| OC 2 | | | 0,889 | |
| OC 3 | | | 0,852 | |
| OC 4 | | | 0,863 | |
| OC 5 | | | 0,880 | |
| OC 6 | | | 0,881 | |
| OC 7 | | | 0,866 | |
| OC 8 | | | 0,862 | |
| OC 9 | | | 0,889 | |
| OC 10 | | | 0,868 | |
| OC 11 | | | 0,891 | |
| OC 12 | | | 0,869 | |
| OC 13 | | | 0,883 | |
| OC 14 | | | 0,877 | |
| JS 1 | | | | 0,905 |
| JS 2 | | | | 0,887 |
| JS 3 | | | | 0,884 |
| JS 4 | | | | 0,858 |
| JS 5 | | | | 0,878 |
| JS 6 | | | | 0,899 |

Source: Processed Data, 2024

Table 9. AVE (Average Variance Validity) Value

| Variable | AVE Value | Information |
|-----------------------------|-----------|-------------|
| Work Environment (X1) | 0,712 | Valid |
| Organizational Culture (X2) | 0,756 | Valid |
| Job Satisfaction (Z) | 0,664 | Valid |
| Employee Performance (Y) | 0,798 | Valid |

Source: Processed Data, 2024

Based on Table 9, all variables have met the requirements of convergent validity. Convergent validity is considered valid if each variable's AVE (Average Variance Extracted) value is above 0.50.

Discriminant Validity

Discriminant validity testing is done by calculating the cross-loading value, where the cross-loading value on each variable indicator must be the most significant value of other variables. The table of cross-loading values for each indicator is as follows:

Table 10. Cross-Loading Values of Indicators

| Indicator | Employee Performance | Work Environment | Organizational Culture | Job Satisfaction |
|-----------|----------------------|------------------|------------------------|------------------|
| EP 1 | 0,889 | 0,879 | 0,885 | 0,888 |
| EP 2 | 0,888 | 0,880 | 0,882 | 0,870 |
| EP 3 | 0,855 | 0,843 | 0,856 | 0,840 |
| EP 4 | 0,878 | 0,887 | 0,877 | 0,882 |
| EP 5 | 0,881 | 0,857 | 0,866 | 0,862 |
| EP 6 | 0,891 | 0,875 | 0,882 | 0,881 |
| EP 7 | 0,854 | 0,842 | 0,851 | 0,839 |
| EP 8 | 0,864 | 0,855 | 0,865 | 0,853 |
| EP 9 | 0,892 | 0,867 | 0,876 | 0,866 |
| EP 10 | 0,903 | 0,877 | 0,892 | 0,877 |
| EP 11 | 0,916 | 0,882 | 0,898 | 0,878 |
| WE 1 | 0,854 | 0,876 | 0,869 | 0,864 |
| WE 2 | 0,894 | 0,911 | 0,904 | 0,893 |
| WE 3 | 0,856 | 0,857 | 0,845 | 0,849 |
| WE 4 | 0,868 | 0,889 | 0,871 | 0,874 |
| WE 5 | 0,853 | 0,861 | 0,854 | 0,854 |
| WE 6 | 0,884 | 0,891 | 0,881 | 0,883 |
| WE 7 | 0,848 | 0,878 | 0,854 | 0,853 |
| OC 1 | 0,881 | 0,868 | 0,890 | 0,880 |
| OC 2 | 0,886 | 0,876 | 0,889 | 0,895 |
| OC 3 | 0,842 | 0,850 | 0,852 | 0,838 |
| OC 4 | 0,860 | 0,851 | 0,863 | 0,848 |
| OC 5 | 0,872 | 0,865 | 0,880 | 0,865 |
| OC 6 | 0,871 | 0,875 | 0,881 | 0,865 |
| OC 7 | 0,863 | 0,857 | 0,866 | 0,846 |
| OC 8 | 0,851 | 0,848 | 0,862 | 0,852 |
| OC 9 | 0,887 | 0,882 | 0,889 | 0,881 |
| OC 10 | 0,859 | 0,863 | 0,868 | 0,863 |
| OC 11 | 0,886 | 0,887 | 0,891 | 0,871 |
| OC 12 | 0,868 | 0,858 | 0,869 | 0,871 |
| OC 13 | 0,883 | 0,864 | 0,883 | 0,861 |
| OC 14 | 0,850 | 0,847 | 0,877 | 0,848 |
| JS 1 | 0,890 | 0,904 | 0,888 | 0,905 |
| JS 2 | 0,855 | 0,872 | 0,855 | 0,887 |
| JS 3 | 0,879 | 0,875 | 0,887 | 0,884 |
| JS 4 | 0,865 | 0,851 | 0,871 | 0,858 |
| JS 5 | 0,858 | 0,856 | 0,852 | 0,878 |
| JS 6 | 0,870 | 0,873 | 0,882 | 0,899 |

Source: Processed Data, 2024

Composite Reliability

Composite reliability testing is carried out using two methods, namely Cronbach's Alpha and Composite Reliability. A variable can be reliable and meet the testing requirements if the composite reliability value is above 0.7. In addition, a variable is reliable and meets the testing requirements if Cronbach's Alpha value is above 0.6.

Table 11. Cronbach's Alpha and Composite Reliability Values

| Variable | Cronbach's alpha | Composite reliability (rho_a) | Composite reliability (rho_c) | AVE Value |
|------------------------|------------------|-------------------------------|-------------------------------|-----------|
| Employee Performance | 0,972 | 0,972 | 0,975 | 0,779 |
| Work Environment | 0,952 | 0,952 | 0,960 | 0,775 |
| Organizational Culture | 0,977 | 0,977 | 0,979 | 0,767 |
| Job Satisfaction | 0,945 | 0,945 | 0,956 | 0,784 |

Source: Processed Data, 2024

Based on the table above, it can be seen that the Cronbach's Alpha and Composite Reliability values of all variables obtained values above 0.7. This shows that the variables of work environment, organizational culture, job satisfaction, and employee performance are valid and reliable. Also, the Cronbach's Alpha value, which is greater than 0.6, has met the reliability requirements of a variable.

Structural Model (Inner Model) R-Square(R2)

Table 12. R-Square Value

| | <i>R-Square</i> | <i>Adjusted R-Square</i> |
|----------------------|-----------------|--------------------------|
| Job Satisfaction | 0.978 | 0.977 |
| Employee Performance | 0.985 | 0.984 |

Source: Processed Data, 2024

Model Fit

Table 13. Fit Model

| | Saturated | Model Estimation |
|------------|------------------|-------------------------|
| SRMR | 0.027 | 0.027 |
| d_ULS | 0.546 | 0.546 |
| d_G | 2.394 | 2.394 |
| Chi-square | 1548.820 | 1548.820 |
| NFI | 0.834 | 0.834 |

Source: Processed Data, 2024

Direct Effect Hypothesis Test

Table 14. Direct Influence

| | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistic (O/STDEV) | P values |
|--|---------------------|-----------------|----------------------------|-------------------------|----------|
| Work Environment -> Employee Performance | 0.173 | 0.178 | 0.068 | 2.562 | 0.010 |
| Organizational culture -> Employee Performance | 0.821 | 0.816 | 0.066 | 12.373 | 0.000 |
| Job Satisfaction -> Employee Performance | 0.112 | 0.110 | 0.078 | 1.443 | 0.149 |
| Work Environment -> Job Satisfaction | 0.469 | 0.473 | 0.085 | 5.532 | 0.000 |
| Organizational Culture-> Job Satisfaction | 0.523 | 0.519 | 0.085 | 6.140 | 0.000 |

Source: Processed Data, 2024

Based on the table above, it can be seen that the criteria for the results of the direct influence hypothesis test are accepted or rejected as follows:

1. The first hypothesis (H1) is accepted, where the work environment variable on employee performance obtains a p-value of $0.010 < 0.05$.
2. The second hypothesis (H2) is accepted, where the organizational culture variable on employee performance obtains a p-value of $0.000 < 0.05$.
3. The third hypothesis (H3) is rejected, where the job satisfaction variable on employee performance obtains a p-value of $0.149 > 0.05$.
4. The fourth hypothesis (H4) is accepted, where the work environment variable on job satisfaction obtains a p-value of $0.000 < 0.05$.
5. The fifth hypothesis (H5) is accepted, where the organizational culture variable on job satisfaction obtains a p-value of $0.000 < 0.05$.
- 6.

Indirect Effect Hypothesis Test

Table 15. Indirect Effect Hypothesis Test

| | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistic (O/STDEV) | P values |
|--|---------------------|-----------------|----------------------------|-------------------------|----------|
| | | | | | |

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Work Environment-> Job Satisfaction-> Employee Performance | 0.053 | 0.052 | 0.037 | 1.405 | 0.160 |
| Organizational culture -> Job Satisfaction-> Employee Performance | 0.059 | 0.058 | 0.043 | 1.360 | 0.174 |

Source: Processed Data, 2024

Based on the table above, it can be seen that the criteria for the results of the indirect influence hypothesis test are accepted or rejected as follows:

1. The sixth hypothesis (H6) is rejected, where the work environment variable does not affect employee performance through job satisfaction as an intervening variable with a p-value of $0.160 > 0.05$.
2. The seventh hypothesis (H7) is rejected, where the organizational culture variable does not affect employee performance through job satisfaction as an intervening variable with a p-value of $0.174 > 0.05$.

DISCUSSION

The work environment variable affects the employee performance variable. This has similarities and is supported by previous research conducted by Gultom (2021), which found that the work environment affects employee performance. The organizational culture variable affects the employee performance variable. The results of this study have similarities and are supported by previous. Research conducted by Wistiari et al. (2023) found that organizational culture affects employee performance. The job satisfaction variable does not affect the employee performance variable. Of course, this statement has similarities and is supported by previous research by Basri (2021), which found that job satisfaction does not affect employee performance.

The work environment variable affects the job satisfaction variable. This is supported by previous research conducted by Aruan (2015), which found that the work environment affects job satisfaction. Organizational culture variables affect job satisfaction. This is supported by previous research conducted by Nur (2022), which found that organizational culture affects job satisfaction. The work environment variable does not affect employee performance through job satisfaction as an intervening variable. Of course, this statement is supported by previous research conducted by Siagian (2018), which found that the intervening variable, namely job satisfaction, cannot connect the influence of the work environment on employee performance.

Organizational culture variables do not affect employee performance through job satisfaction as an intervening variable. Of course, this statement is supported by previous research conducted by Akbar (2023), which found that the intervening variable, job satisfaction, cannot connect the influence of organizational culture on employee performance

CONCLUSIONS

Based on the results of research conducted at PT. PMO (Project Management Office) Pangkalan Kerinci using path analysis to test the hypothesis and the use of SmartPLS 4 software, the following conclusions can be drawn:

1. The work environment affects employee performance at PT. PMO (Project Management Office) Pangkalan Kerinci.
2. Organizational culture affects employee performance at PT. PMO (Project Management Office) Pangkalan Kerinci.
3. Job satisfaction does not affect employee performance at PT. PMO (Project Management Office) Pangkalan Kerinci.
4. The work environment affects job satisfaction at PT. PMO (Project Management Office) Pangkalan Kerinci.
5. Organizational culture affects job satisfaction at PT. PMO (Project Management Office) Pangkalan Kerinci.
6. The work environment does not affect employee performance through job satisfaction as an intervening variable at PT. PMO (Project Management Office) Pangkalan Kerinci.
7. Organizational culture does not affect employee performance through job satisfaction as an intervening variable at PT. PMO (Project Management Office) Pangkalan Kerinci.

IMPLICATIONS AND LIMITATIONS

All variables in this study, namely employee performance, work environment, organizational culture, and job satisfaction, use questionnaires, so sometimes respondents do not provide answers according to actual reality.

SUGGESTION

Based on the results and discussion of the study, several suggestions can be given as follows:

1. The work environment plays a vital role in improving employee performance. Based on the results of respondents' responses regarding facilities, it was found that several respondents gave answers that they strongly agree with. However, it was also found that several employees gave answers that they strongly disagreed with. Therefore, companies must be able to maintain, preserve, and maintain equipment, facilities, and good and conducive work environment conditions to improve employee performance at work.
2. Organizational culture plays a vital role in improving employee performance. Based on the results of respondents' responses regarding organizational culture, it was found that several respondents gave answers that they strongly agree with. However, it was also found that several employees gave answers that they strongly disagreed with. Thus, leaders and employees are expected to be able to mutually maintain the organizational culture in the company so that communication between leaders and employees remains well-established.
3. Job satisfaction plays a vital role in improving employee performance. Based on the results of respondents' responses regarding salary, the job itself, superiors, and promotions, it was found that several respondents gave answers that they strongly agreed. However, it was also found that several employees gave answers

that they strongly disagreed with. Thus, companies must pay attention to several satisfaction indicators such as salary, the work itself, superiors, and promotions so that employees have high job satisfaction.

4. Based on the results of respondents' responses regarding work and responsibilities according to the abilities and expertise of employees, it was found that several respondents gave answers that strongly agreed. However, it was also found that several employees gave answers that strongly disagreed. To improve employee performance, companies are expected to be able to provide work and responsibilities according to the abilities and expertise of employees.

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