

The Effect of Work Environment and Work Motivation on Employee Performance with Work Discipline as a Mediating Variable at PT. Madina Dzikra Cemerlang Lamongan

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Article Info

Keyword:

Work Environment, Work Motivation, Work Discipline, Employee Performance, PLS-SEM, Human Resource Managemen

ABSTRACT

This study aims to analyze the effect of work environment and work motivation on employee performance with work discipline as a mediating variable at PT Madina Dzikra Cemerlang Lamongan. This study uses a quantitative approach with the survey method as a data collection technique. Data obtained from the results of questionnaires distributed to permanent employees in the company, with a total of 132 respondents who have been determined through stratified random sampling techniques to ensure representation from all parts of the organization. Hypothesis testing was carried out using a Structural Equation Modeling (SEM) approach based on Partial Least Square (PLS), which was processed using SmartPLS 4.0 software. Based on the results of the hypothesis test analysis, it is known that work motivation has a positive and significant direct effect on employee performance as well as work discipline and the work environment has no significant direct effect on employee performance, but has a positive and significant effect on work discipline. Work discipline itself is proven to have a significant effect on employee performance, besides that work discipline is proven to be a significant mediator in the relationship between work environment and work motivation on employee performance. This means that although the work environment does not directly affect employee performance, the indirect effect through work discipline shows significant results. With the sake of. Thus, work discipline has an important role in improving employee performance, especially in strengthening the influence of work environment and motivation.

INTRODUCTION

Human resources have a vital role in every company activity. In the era of globalization, although supported by modern facilities, the company's operational activities will not run optimally without good human resource management. Excellent and optimally managed human resources are a

key factor in increasing competitiveness and producing high performance. Good employee performance encourages loyalty and work motivation, which ultimately supports the achievement of organizational goals.

A conducive work environment also plays an important role in supporting employee productivity. A comfortable and safe working environment can boost morale and make employees feel at home, which has a positive impact on their performance. Therefore, companies need to create a work atmosphere that supports the optimal development of employee competence and potential.

Employee performance reflects the results of work and individual behavior in completing tasks and responsibilities. According to Riniwati (2016), performance is a process of work behavior that produces thoughts or products to achieve goals. Cashmere (2016) adds that performance includes work results and behavior in a certain period. To achieve this, organized performance management is needed, including planning, directing, and controlling so that company targets are achieved on an ongoing basis.

In addition to the work environment, motivation is also an important factor in improving performance. Susilo et al. (2023) state that motivation arouses and maintains work behavior. High motivation will encourage work enthusiasm, loyalty, and the desire to develop with the company. Wardan (2020), and Hasibuan (2018), also emphasize that motivation plays a role in fostering work enthusiasm and passion.

PT Madina Dzikra Cemerlang Lamongan is a company engaged in the rental of tourist buses, tours and travel. Competition in this industry requires companies to focus on improving service quality, comfort, and customer satisfaction. Employee performance is a determining factor in supporting the company's success, so HR development, motivation, and work environment are top priorities.

In this context, motivation and work environment are expected to have a significant influence on employee performance, either directly or through indirect influences such as work discipline. Work discipline is a form of compliance with organizational rules and procedures. Simamora (2018) states that discipline is a procedure that corrects violations of work rules. Employees who have high discipline tend to make a positive contribution to the organization.

Seeing the importance of work environment, motivation, and work discipline factors in influencing employee performance, this study was conducted with the aim of examining the effect of work environment and work motivation on employee performance with work discipline as a mediating variable at PT Madina Dzikra Cemerlang Lamongan.

RESEARCH METHODS

This research uses a quantitative approach. The population in this study were all employees of PT Madinah Dzikra Cemerlang Lamongan as many as 198 employees. From the entire population of these employees so as to determine the research sample using the Slovin formula with an error rate of 5% and obtained a sample in the study of 132 respondents. Furthermore, the data was processed and analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method.

RESULTS AND DISCUSSION

Outer Model

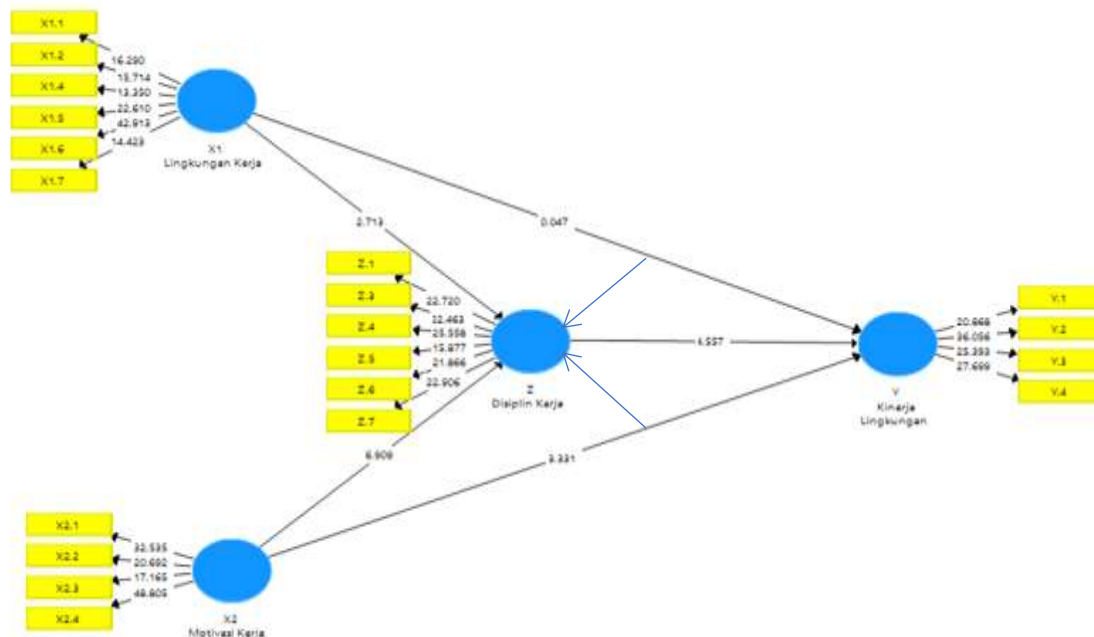
There are two validity tests used in PLS including Convergent Validity and Discriminant validity. Pointers can be said to meet merged legitimacy in case the cross stacking esteem is > 0.70 as well as the level of legitimacy. Whereas the Normal Fluctuation Extricated (AVE) esteem is > 0.50 . For Legitimacy Evaluation, the esteem of cross stacking and Fornell Larcker measure or HTMT > 0.70 , whereas the most elevated esteem isn't permitted to be littler than other values (Muhtarom, et al, 2022).

Table 1 Validity and Reliability Test Results

Variable	Indicator	Loadings	Composite Reliability	Cronbach' Alpha	AVE
Work Environment (X1)	X1.1	0.748	0.902	0.870	0.607
	X1.2	0.749			
	X1.4	0.721			
	X1.5	0.836			
	X1.6	0.874			
	X1.7	0.733			
	X1.7	0.733			
Work Motivation (X2)	X2.1	0.869	0.907	0.862	0.709
	X2.2	0.779			
	X2.3	0.826			
	X2.4	0.889			
Employee Performance (Y)	Y.1	0.852	0.910	0.868	0.716
	Y.2	0.862			
	Y.3	0.824			
	Y.4	0.847			
Work Discipline (Z)	Z.1	0.814	0.910	0.868	0.657
	Z.3	0.805			
	Z.4	0.827			
	Z.5	0.757			
	Z.6	0.824			
	Z.7	0.834			

The results of the validity and reliability tests on the Work Environment (X1), Work Motivation (X2) Employee Performance (Y), and Work Discipline (Z) variables, show that all of these variables are declared valid and reliable.

Inner Model



This model is also used to view and analyze existing values. In the inner model, researchers use the R-Square test. The R-Square value is used to measure the level of variation in changes between variables with the following results:

R-Square

Table 2 R-Square Test

	R Square	R Square Adjusted
Employee Performance (Y)	0.671	0.664
Work Discipline (Z)	0.687	0.682

Source: Primary Data (2025)

The table above shows that the R square between the Work environment variable (X1) and Work Motivation (X2) on Employee Performance (Y) is 0.671 with an R square adjusted value of 0.664, and on Work Discipline (Z) of 0.687, with an R square adjusted value of 0.682. This shows that the relationship between variables X1 and X2 to Y and Z is in the strong category, because the R square value is above 0.60.

Hypothesis Test

in this analysis is a hypothesis test that can be done based on the path coefficient table from the bootstrapping technique in the SmartPLS 4.0 program. Hypothesis testing is carried out by comparing the critical value of the T-statistic to exceed the critical value of the T-table and checking whether the P-Values are less than 0.05. the critical value of the T table is confirmed to be 1.658 by calculating the applicable formula.

Tabel 3 Hypothesis Test

Variable	Coefficient	P value	T-Statistic	T-tabel
Work Environment (X1) -> Employee Performance (Y)	0.006	0.963	0,047	1.658
Work Motivation (X2) -> Employee Performance (Y)	0.364	0.001	3.331	1.658
Work Environment (X1) -> Work Discipline (Z)	0.257	0.007	2,713	1.658
Work Motivation (X2)-> Work Discipline (Z)	0.612	0.000	6,909	1.658
Work Discipline (Z)-> Employee Performance (Y)	0.491	0.000	4,557	1.658
Work Environment (X1)-> Work Discipline (Z) -	0.126	0.018	2.372	1.658

Variable	Coefficient	P value	T-Statistic	T-tabel
> Employee Performance (Y)				
Work Motivation (X2)-> Work Discipline (Z) -> Employee Performance (Y)	0.301	0.000	3,776	1.658

Source: Primary data (2025)

DISCUSSION

Hypothesis 1: Work Environment on Employee Performance

The results show that the effect of Work Environment on Employee Performance has no positive and insignificant effect. This is indicated by a coefficient value of 0.006 (more than 0.000: positive but very small), a P value of 0.963 (more than 0.05: insignificant), and a T-statistic of 0.047 (smaller than the T-table of 1.658). Based on this evaluation, H1 shows that the Work Environment variable on Employee Performance does not have a positive and significant effect, so it is declared “not accepted”. This indicates that Work Environment does not contribute enough to directly influence Employee Performance in this company.

This finding is not in line or contrary to the results of research by Dini Febriani and Prayekti (2021) entitled “The Effect of Extrinsic Motivation and Work Environment on Employee Performance with Work Discipline as a Mediating Variable”.

Hypothesis 2: Work Motivation on Employee Performance

The results show that the effect of Work Motivation on Employee Performance has a positive and significant effect. This is indicated by a coefficient value of 0.364 (more than 0.000: positive), a P value of 0.001 (less than 0.05: significant), and a T-statistic of 3.331 (greater than the T-table of 1.658). Based on this evaluation, H2 shows that the Work Motivation variable on Employee Performance has a positive and significant effect, so it is declared “accepted”. This indicates that the higher the Work Motivation of employees, the higher the Employee Performance in this company.

These findings are in line with and supported by research conducted by Alifian Nugraha and Nuril Hilal (2020) in the journal *Dian Ilmu* Vol.20 No.1 with the title “The Effect of Fingerprint Absendi (Finger Print) and Motivation on Employee Performance with Work Discipline as a Mediating variable (Case study at CV. Indoraga Persada Jember)”.

Hypothesis 3: Work Environment on Work Discipline

The results show that the effect of Work Environment on Work Discipline has a positive and significant effect. This is indicated by the coefficient value of 0.257 (more than 0.000: positive), P value of 0.007 (less than 0.05: significant), and T-statistic of 2.713 (greater than T-table 1.658). Based on this evaluation, H3 shows that the Work Environment variable on Work Discipline has a positive and significant effect, so it is declared “accepted”. This indicates that the better the Work Environment perceived by employees, the higher the level of Work Discipline shown by employees in this company.

This finding is in line with and supported by the results of research by Arnia and Andi Setiawan (2024) in the *Publicuho Journal*, Vol. 7 No. 2, with the title “The Effect of Transformational Leadership and Work Environment on Employee Performance with Work Motivation and Work Discipline as Mediating Variables at the Paser Regency Health Office”.

Hypothesis 4: Work Motivation on Work Discipline

The results show that the effect of Work Motivation on Work Discipline has a positive and significant effect. This is indicated by a coefficient value of 0.612 (more than 0.000: positive), a P value of 0.000 (less than 0.05: significant), and a T-statistic of 6.909 (greater than the T-table of 1.658). Based on this evaluation, H4 shows that the Work Motivation variable on Work Discipline has a positive and significant effect, so it is declared “accepted”. This indicates that the higher the Work Motivation of employees, the higher the level of Work Discipline shown by employees in this company.

These results are in line with research conducted by Muharani Fiannisa, Bahril Datuk, and Muis Fauzi Rambe (2024) in *Maneggio: Scientific Journal of Master of Management*, Vol.7 No. 1, with the title “The Effect of Principal Leadership Style and Motivation on Teacher Performance and Work Discipline as Mediating Variables”.

Hypothesis 5: Work Discipline on Employee Performance

The results show that the effect of Work Discipline on Employee Performance has a positive and significant effect. This is indicated by the coefficient value of 0.491 (more than 0.000: positive), P value of 0.000 (less than 0.05: significant), and T-statistic of 4.557 (greater than T-table 1.658). Based on this evaluation, H5 shows that the Work Discipline variable on Employee Performance has a positive and significant effect, so it is declared “accepted”. This indicates that the higher the level of Work Discipline owned by employees, the higher the Employee Performance in this company.

These findings are in line with the results of research conducted by Shokhibul Lutfi, Adya Hermawati, and Dharmayanti Pri Handini (2024) in the *Journal of Economics and Business Management*, Vol. 3 No. 3, with the title “The Effect of Competence and Motivation on Employee Performance with Work Discipline variables as Mediating Variables”.

Hypothesis 6: Work Environment on Employee Performance mediated by Work Discipline

The results show that the indirect effect of Work Environment on Employee Performance through Work Discipline has a positive and significant effect. This is indicated by the coefficient value of 0.126 (more than 0.000: positive), P value of 0.018 (less than 0.05: significant), and T-statistic of 2.372 (greater than T-table 1.658). Based on this evaluation, H6 shows that the Work Environment variable on Employee Performance through Work Discipline has a positive and significant effect, so it is declared “accepted”. This indicates that a good work environment can improve employee performance indirectly through increased employee work discipline in this company.

These results are reinforced by research conducted by Arnia and Andi Setiawan (2024) in the *Publicuho Journal*, Vol.7 No.2, with the title “The Effect of Transformational Leadership and Work Environment on Employee Performance with Work Motivation and Work Discipline as Mediating Variables at the Paser Regency Health Office”.

Hypothesis 7: Work Motivation on Employee Performance mediated by Work Discipline

The results show that the indirect effect of Work Motivation on Employee Performance through Work Discipline has a positive and significant effect. This is indicated by the coefficient value of 0.301 (more than 0.000: positive), P value of 0.000 (less than 0.05: significant), and T-statistic of 3.776 (greater than T-table 1.658). Based on this evaluation, H7 shows that the Work Motivation variable on Employee Performance through Work Discipline has a positive and significant effect, so it is declared “accepted”. This indicates that the higher the Work Motivation of employees, the higher the Employee Performance shown through increased Work Discipline in this company.

These results are supported by research conducted by Muharani Fiannisa, Bahril Datuk, and Muis Fauzi Rambe (2024) in *Maneggio: Scientific Journal of Master of Management*, Vol.7 No.1, with the title “The Effect of Principal Leadership Style and Motivation on Teacher Performance and Work Discipline as Mediating Variables”.

CONCLUSION

This study has outlined the results of validity and reliability tests which are declared valid and reliable, with values above 0.7. The R-square test results show a strong category with a value above 0.60. Mediation test (path coefficients, Specific Test, Sobel Test) concluded that Work Motivation has a direct and indirect effect (through Work Discipline) on Employee Performance (Partial Mediation). Work Environment has no direct effect but has a significant indirect effect through Work Discipline (Full Mediation).

Based on hypothesis testing, Work Motivation has a significant positive effect on Employee Performance and Work Discipline. Work Environment has no direct effect but has a significant positive effect on Work Discipline. Work Discipline has a significant effect on Employee Performance. Work Discipline is proven to be a significant mediator in the relationship between Work Environment and Work Motivation on Employee Performance, indicating that Work Discipline plays an important role in improving Employee Performance, especially in strengthening the influence of Work Environment and Work Motivation.

Thus, this research provides practical and theoretical contributions for organizations in improving Employee Performance through increasing Work Motivation, managing a good Work Environment, and strengthening Work Discipline as an important mediator in the relationship.

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