

CHAPTER I INTRODUCTION

1.1 Background

The economic success of a country highly depends on the effectiveness of its human resources. To achieve good results within a specified timeframe, companies must be able to identify, develop, and retain high-quality human resources. The management of these human resources should be aligned with the functions and responsibilities of each member, as mutually agreed upon (Utami et al, 2021). Given the rapid pace of change today, it is necessary to have a careful plan that forces them to study the medium- and long-term goals, as well as the steps necessary to achieve them. Leaders are one of the essence of management, the main resource and the central point of every activity that occurs in a company. Another study by Koyongian (2020) found that leadership style and the physical work environment simultaneously have a significant effect on employee performance. Based on the research conducted at PT Semen Tonasa, it was found that the problems arise from a lack of effective leadership style and an uncomfortable work environment, which have led to a decline in employee performance and productivity each year. A sudden drop in the quality of employee performance is primarily caused by inconsistent behavior from leaders, as well as gaps and divisions among employees that create an uncomfortable working relationship, marked by discrimination and undermining behavior. From an environmental perspective, it is evident that the facilities provided are inadequate for instance, the insufficient number of facilities compared to the large number of employees, limited



to Wi-Fi

in workspaces, and other related issues. The facilities and comfort of the work environment provided by PT Semen Tonasa have not been fully optimized. In particular, the toilet facilities, room temperature, available room amenities, and unstable internet connection are still inadequate. A leader's leadership style is unique and cannot be automatically inherited. Each leader has specific characteristics that emerge in different situations. In other words, a leader must at least be able to guide subordinates to achieve organizational goals, manage relationships between employees, have good interpersonal interactions, and possess the ability to adapt to various circumstances. Equally important is that employees need to know that management recognizes their presence, understands the value of employees to the company, is able to remember the names of their subordinates, and is not hesitant to greet them.

Leadership style is the approach used by a leader in interacting with their subordinates. A leader influences the behavior of subordinates to encourage collaboration and productive work to achieve organizational goals. According to Nikmat (2022:42), leadership style refers to the behavioral patterns of a leader in influencing their followers. The concept of leadership style is dynamic, as it can change depending on the followers and the situation.

Zaharuddin (2021:50) states that leadership style is the behavior or method chosen and used by a leader to influence the thoughts, attitudes, and behaviors of their subordinates within the organization. Leadership style also plays a very important role in improving employee performance (Sulaeman & Sugiarto, 2024). The leadership style applied within an organization can shape the work environment and influence how

employees interact, collaborate, and complete their tasks (Ardellia & Sukmawati,



According to Oktaviani (2023), the work environment refers to everything around employees that can influence their job satisfaction in carrying out their tasks, thereby leading to optimal work results. In this environment, there are work facilities that support employees in completing the tasks assigned to them, ultimately improving their performance within the company.

Muryati (2022:45) states that performance is a condition related to the success of an organization in carrying out its mission, which can be measured by productivity levels, service quality, responsiveness, responsibility, and accountability. Similarly, Purwanta et al. (2022:51) explain that employee performance refers to work related to organizational goals, determined by factors such as quantity, quality, efficiency, effectiveness, and adherence to structural and functional duties performed by personnel at all levels within the organization.

Employee performance plays a very significant role in determining the fate of a company. It is not only the technical abilities of employees that matter, but also their attitudes, motives, and dedication to their work. To ensure that employees can work to their fullest potential and provide consumers with the best possible experience, businesses must have a solid plan. For management to create policies and an environment that encourages productivity, they must have a strong understanding of the elements that influence employee performance. Individual and team performance are influenced by factors such as job satisfaction, motivation, leadership, corporate culture, and opportunities for growth (Wowiling & Turang, 2023).



According to Arifin and Rizaldy (2023), employee performance is the result obtained from the work process that an individual achieves while performing various tasks assigned to them, in accordance with their skills, experience, and time. Companies must also care about the well-being of their employees, as it has been proven that employees are more loyal and dedicated when they have a good work-life balance and a pleasant work environment. Organizations can gain a competitive advantage in the service sector and maximize employee potential with the right strategies (Sulistiarini, 2024).

The achievement of a company's goals does not solely rely on modern equipment and complete facilities and infrastructure but also on the individuals who perform the work. The success of a company largely depends on the performance of each employee. Every company strives to improve employee performance in the hope of achieving its organizational objectives (Goni et al., 2021).

In terms of influencing and improving the work environment within a company, one of the key factors is the leadership style and employee performance. Based on data analysis, the leadership style at PT Semen Tonasa employs a democratic approach with its employees in order to create a harmonious work environment.

One of the key indicators of employee performance is leadership style and the work environment. It cannot be denied that the motivation provided by leadership style significantly affects employee performance, while trust and security within the work environment play a major role in influencing employee performance (Darmadi et al, 2022).

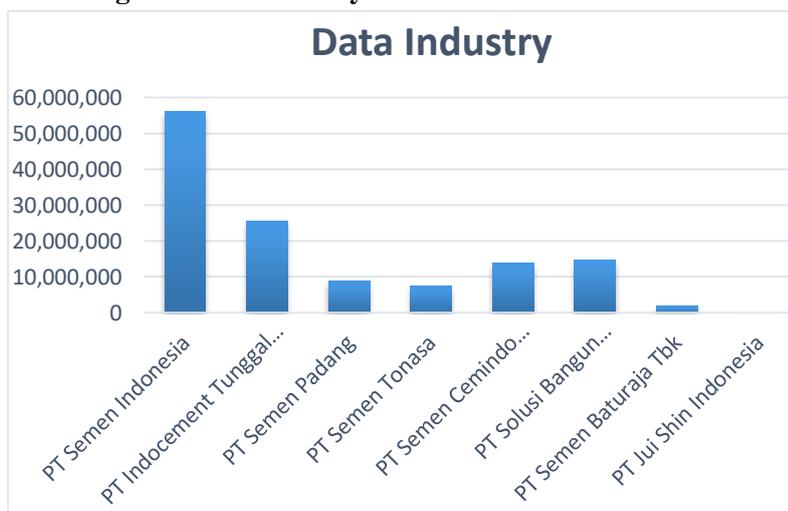


PT Semen Tonasa, a subsidiary of Semen Indonesia, operates in cement production. It is one of the largest cement producers in Eastern Indonesia, located on a 1,571 hectare site in Biring ere Village, Bungoro District, Pangkep Regency, approximately 68 kilometers from Makassar. The company has an installed production capacity of 5,980,000 tons of cement per year and operates four manufacturing units: Tonasa Plants II, III, IV, and V. All four plants employ a dry process, with Units II and III each having a capacity of 590,000 tons per year, Unit IV producing 2,300,000 tons per year, and Unit V producing 2,500,000 tons per year. These capacities are designed to support national cement demand. Supported by abundant raw materials, the factory is expected to continue operating and contributing to the national economy for several decades to come.

PT. Semen Tonasa is not merely a subsidiary within the SIG group, but a strategic pillar that supports SIG operations in Eastern Indonesia and make a significant contribution to SIG strength at the national level. With its large production capacity, strong distribution network, progressive digital transformation, and commitment to sustainability, Semen Tonasa plays a vital role in realibilizing SIG vision of becoming a world class cement company that is efficient, innovative, and environmentally friendly.



Page1.1 Data Industry



Source: sementonasa.co.id

Based on the table above, PT Semen Tonasa ranks 4th in annual production capacity in Indonesia, following PT Semen Indonesia Tbk, PT Indocement Tunggak Prakarsa Tbk, and PT Semen Padang. Despite being ranked 4th nationally, PT Semen Tonasa is the largest cement producer in the eastern part of Indonesia, with a significant contribution to the cement demand in that region.

As a company engaged in producing materials for infrastructure development, the Corporation fully realizes the vital role of this sector as a key driver of national economic growth. Building trust among stakeholders is not an instant achievement, but rather the outcome of consistent and genuine efforts by all members of the Corporation in communicating its management practices to stakeholders. These efforts are continuously strengthened through internalization, socialization, and public communication, which in turn enhance transparency in the Corporation's management.



uous improvement of marketing competitiveness is carried out through the role of distributors in collaboration with banking institutions and other increasingly logistic networks. This is intended to support the Corporation's marketing strategy

By restructuring distributors, conducting promotions, increasing the utilization of cement packing units and warehouses, as well as strengthening other distribution channels. In the future, these measures will be further reviewed to develop a more effective Marketing Strategy.

PT Semen Tonasa is the largest cement producer in Eastern Indonesia with an installed capacity of 7.4 million tons per year. As a subsidiary of PT Semen Indonesia (Persero) Tbk, the company holds around 8% of the national market share, with a primary distribution focus in Eastern Indonesia. Supported by abundant natural resources, Tonasa remains committed to sustainability through ISO 50001-based energy management, biomass utilization, and digitalized energy management systems. These innovations have led to its designation as a National Lighthouse Industry 4.0, strengthening its position as a backbone of national cement supply.

PT Semen Tonasa is a dominant player in the Eastern Indonesia market, with a production capacity of 7.4 million tons per year and a contribution of approximately 8% to the national cement market share.

Although the cement industry is currently facing oversupply, Tonasa maintains a strategic position as demand outside Java remains relatively higher. Beyond its production performance, the company stands out in sustainable transformation, implementing ISO 50001, utilizing biomass as an alternative energy source, achieving energy savings of more than USD 16 million, and significantly reducing CO₂ emissions. In 2024, Semen Tonasa was recognized as a National Lighthouse Industry 4.0 for its digital innovation in energy management through the Tonasa Energy Management Center (TEMC). With abundant raw material resources and a



nability-oriented strategy, the company is projected to remain a key driver of development in Eastern Indonesia as well as a crucial pillar of the national cement industry.

Table 1. Employee by Band

Band	2024	2023	2022	2021
General Manager	11	15	11	13
Senior Manager	59	59	55	48
Manager	141	131	134	114
Supervisor	524	457	475	492
Associate	251	355	391	441
Total	987	1.028	1.070	1108

Source: Annual Report PT. Semen Tonasa Years of 2024

The following is a comparison of employee composition by management level between 2022 and 2023, where there are changes in employee formations at all levels with the aim of adjusting the needs of the company's latest organizational structure. According to the company's latest structure, the composition of employees based on management levels in 2023 has experienced a significant decrease in the number of employees compared to the previous three years. This certainly has a significant impact on the leadership style and employee performance at PT Semen Tonasa.

Indonesia's economic growth in 2022 ranged from 5.1% to 5.4%. However, according to data from the Indonesian Cement Association (ASI) as of the end of 2022, national cement demand decreased by 2%, amounting to 61.83 million tons, compared to the same period in the previous year, which was 63.12 million ton.



1.2 Research Question

Based on the problems and description of the background above, then the formulation of the problem to be studied in this research is as follows:

1. Does Leadership style has significant effect on performance of Semen Tonasa employees?
2. Does Work environment has a significant effect on performance of Semen Tonasa employees?

1.3 Writing Purpose

1. To determine and analyze the significant effect of leadership style to the employee performance at PT. Semen Tonasa
2. To determine and analyze the significant effect of work environment to the employee performance at PT. Semen Tonasa

1.4 Benefits of Research

By carrying out this research, it hopes to be able provides the following benefits:

1.4.1 Theoretical benefits:

This research is expected to provide insight into human resource management, especially the influence of leadership style and work environment on employee performance so it can be done further research to further develop existing topics or those that have not been researched.



1.4.2 Practical Benefits:

a. Writer

For researchers, this research can be an insightful tool implement the knowledge or theory leadership styles, work environment, and performance employee.

b. Organization

For organizations, this research is expected to provide views, used as material for consideration, and as a source thoughts regarding the influence of leadership style and work environment on employee performance in determining organizational strategies in the future.

c. University

It is also hoped that this research can be used as material references for future research on leadership styles, work environment, and employee performance.

1.5 Systematic Writing

The results of this research will be reported in systematic writing as follows:

CHAPTER I INTRODUCTION

This chapter consists of problem background, problem formulation, objectives Research, benefits of research, and systematic writing.

CHAPTER II LITERATURE REVIEW

This chapter contains theoretical foundation as a basis for understanding the h context, as well as the empirical review that presents the results of previous to support the research.



CHAPTER III CONCEPTUAL FRAMEWORK

This chapter contains the theories used as a foundation carry out this research and carry out an analysis of the main problem that has been put forward, framework, of thought and hypothesis.

CHAPTER IV RESEARCH METHODS

This chapter consists of research design, place and time, population and sample, types sources of data, data analysis techniques so that they are known the influence of organizational culture on employee performance PT. Semen Tonasa.

CHAPTER V RESULTS AND DISCUSSION

This chapter presents the research findings, the outcomes of hypothesis testing, and the discussion of the results.

CHAPTER VI CONCLUSION

This chapter presents the conclusions based on the previous discussions, the suggestions proposed by the study, and the limitations encountered during the research



CHAPTER II

LITERATURE REVIEW

This chapter outlines the theoretical foundation as a basis for understanding the research context, as well as the empirical review that presents the results of previous studies to support the research.

2.1 Theoretical Basis

The theoretical Framework is a section that explains the theories the author will use to address the research problems. This chapter will discuss human resource management, leadership style, work environment, and employee performance.

2.1.1 Human Resource Management

Human resource management can be defined as a process of planning, organizing, directing, and conducting various activities aimed at achieving an organization's goals. The concept of human resource management has also been explained by many experts. Dumont, J., Shen, J., & Deng, X. (2017). This perspective is particularly significant as it underscores the need to understand how HRM practices shape employee attitudes, motivations, and behaviors to enhance organizational performance. Organizations can effectively achieve their strategic goals by aligning their HRM strategies with their desired employee behaviors. Doing so not only adds scholarly insight but also provides a starting point for future studies to advance this line of research. Meanwhile, Emron (2020:10) defines human resource management as



gement that focuses on maximizing the capabilities of employees or members
gh various strategic steps to improve employee performance and optimize
izational goals.

Furthermore, Human Resource Management is the process of achieving organizational goals by utilizing the people within the organization. According to Ni Kadek, John (2019:2), individuals or employees are managed to possess the competencies and skills needed to support their work effectively. Aljabar (2020:5) defines Human Resource Management as activities undertaken to stimulate and develop employees, motivate, and maintain good performance within the organization. Based on the opinions of these experts, it can be concluded that the scope of human resource management is very broad. It not only involves managing the workforce but also organizing their relationships and roles to achieve organizational effectiveness and efficiency. Sutrisno (2016:6) states that human resource management involves activities such as planning, recruitment, development, maintenance, and utilization of human resources to achieve both individual and organizational goals.

Human Resource Management is not just about managing people within an organization but also about helping them achieve their best potential and competencies to support the overall success of the organization.

2.1.2 Function Human Resource Management

Human Resource Management (HRM) is a part of management discipline that applies various functions, which ideally should be implemented within HRM practices. In general, HRM develops and operates through an integrated HRM system encompassing five functional areas: planning,



Staffing, HR development, compensation and benefits, safety and health, as well as employee and labor relations. According to Poltak Lijan (2016:18-19), the functions of HRM align with general management functions, which include:

a. Planning

All human organizational activities essentially begin with planning, even though such planning is often carried out unconsciously. Despite this, there are various definitions of human resource planning (HRP). HRP is defined as an activity that examines what tasks human resources will perform, how they will perform them, and when they will be carried out. In general, the term HR planning refers to an organization's efforts to identify the implications of HR in organizational changes and major business issues, with the aim of aligning human resources with the needs arising from those changes and issues.

b. Staffing

Staffing is the process through which an organization ensures that the right number of workers with the appropriate skills are in the right jobs at the right time to achieve the organization's goals. Staffing involves job analysis, human resource planning, recruitment, and selection.

c. Development Human Resource Management

Human Resource Development (HRD) is a key function within human resource management (HRM) that encompasses more than just training and development. It also includes individual career planning, organizational development activities, organizational growth, and performance evaluation. HRD emphasizes the importance of training and development to ensure that employees are equipped with the necessary skills and knowledge to meet organizational goals. In essence, HRD focuses on continuous improvement, helping employees grow professionally while also ensuring the organization adapts to changing needs and maintains strong performance. The function aims to enhance both individual



and organizational capabilities for long-term success. Training is designed to provide participants with learning knowledge and skills required for their work now and in the future. Development involves learning that goes beyond today's work.

d. Compensation and Benefit

A wise compensation system provides employees with adequate and equitable rewards for their contributions in achieving organizational goals.

e. Safety and Health

Security or Safety includes employee protection from accidents resulting from work performance. Health refers to the employee's freedom from physical or emotional pain. This aspect of work is important because the employees work in a safe environment and enjoying good health is more likely to be productive and generate long-term benefits long for the organization.

f. Employment and Relation Work

Private sector union membership has fallen from 39% in 1958 to 9% today, the lowest percentage since 1901. Although thus, business organizations are required by law to recognize unions performance and bargain with the honestly if employees organizations want unions to represent them. In the past. This relationship is an accepted way of life for many entrepreneurs (organization). However, most organizations today will do more prefer a union-free organizational environment when union workers represent the organization's employees, HR organizations often referred to as industrial relations, which handles the bargaining work collective.



g. Research Human Resource Management

Although HR research does not differ from different HRM functions, this concerns all functional areas, and the research laboratory is overall work environment. For example, the reasons for problems such as excessive absences or excessive complaints may not appear. Will however, when such problems occur, HR research can often highlight them their causes and possible solutions. HR research is key to developing a workforce that is as productive and satisfying as possible.

2.1.3 Objectives Human Resource Management

According to Arif Yusuf Hamali (2018) stated that management Human resources contain four objectives as follows:

a. Social Objectives

The social goal of human resource management is to an organization or company is socially responsible and ethically towards the needs and challenges of society with minimize the negative impact. Organization or company business is expected to improve the quality of society and help solve social problems. Implications of The social goal of HRM in the company is to add social responsibility into corporate goals or ones known as Corporate Social Responsibility (CSR) such as environmental health programs, environmental improvement projects, training and development programs (Research & Development), as well as organizing movements and sponsoring various social activities.



b. Organization Objectives

Organizational goals are formal targets that are created to help the organization to achieve its goals. Division Human resources improve organizational effectiveness in the following ways, provide adequate labor trained and highly motivated, utilizing the workforce efficiently and effectively, developing work quality with opens up opportunities for the realization of employee selfactualization, provide equal employment opportunities for everyone, healthy and safe work environment, and provides protection regarding employee rights, socializing resource policies human resources to all employees.

c. Functional Objectives

Functional goals are goals to maintain contribution of the human resources division at the appropriate level with organizational needs. The human resources division must improving human resource management by means of provide good consultation. Human resources division increasingly required to be able to provide programs recruitment and employment training. Resources division humans must be able to function as reality testers when para line managers propose new ideas and directions.

d. Individual Objectives

Individual goals are the personal goals of each member organization or company to be achieved through activities in the organization. Employees will leave company if personal goals and organizational goals are not harmonious. Conflicts between organizational goals can result low employee performance, absenteeism, even sabotage. Companies are expected to be able to satisfy the needs of employees related to work. Employees will work effectively if his personal goals at work are achieved.



Sources activity Companies are expected to be able to satisfy the needs of employees related to work. Employees will work effectively if his personal goals at work are achieved. Source activity

Human resources must be focused on achieving harmony between employee knowledge, abilities, needs and interests with the terms of employment and rewards offered by company.

2.1.4 Leadership Style

This section outlines Leadership Style, the goals of employee performance, including the factors that influence it, types of employee performance, components, as well as the dimensions and indicators used to measure learning motivation.

2.1.5 Leadership Style Definition

Leadership, according to Griffin and Ebert in Wijono (2018:1), is the process of motivating others to work diligently to achieve the company's goals. This definition aligns with the statement by Sutrisno (2020:213), who describes leadership as the activity of directing others to achieve expected outcomes through leading, guiding, and influencing others. Another definition of leadership is proposed by Robbins and Judge (2015:249), who state that leadership is the ability to realize a predetermined vision or goal by mobilizing individuals or groups to achieve those objectives.

Zaharuddin (2021:50) states that leadership style is the behavior or method chosen



and used by a leader to influence the thoughts, attitudes, and behaviors of their subordinates within an organization. Similarly, Hasibuan (2017:170) defines leadership style as the way a leader influences their subordinates with the aim of increasing work enthusiasm, job satisfaction, and high employee productivity to

achieve the company's maximum goals.

Setiana (2022:6) explains that leadership style represents a leader's philosophy, skills, and attitude in politics. Leadership style is a pattern of behavior designed to integrate organizational goals with individual objectives to achieve specific outcomes. Apriyanto (2020:33) states that an effective leadership style can succeed if a leader is able to apply a situational leadership style and is willing to selectively listen to input from subordinates based on sound knowledge and accountable analysis.

Based on the explanation of leadership styles above, the researcher concludes that leadership style is a set of characteristics used by a leader to influence subordinates to achieve goals. Alternatively, leadership style can be defined as the preferred and frequently applied patterns of behavior and strategies of a leader.

2.1.5.1 Leadership Style Factors

Each leader has a different leadership style. Leadership style refers to the distinctive characteristics of a leader in influencing their subordinates. It can also be defined as the behavior applied by a leader. According to Setiana (2022:11), several factors influence leadership style in carrying out leadership activities, namely:

- a. Personality, past experiences, including values, background, and life events, shape and influence a leader's leadership style.
- b. Expectations and Behavior of Superiors
- c. Characteristics, Expectations, and Behavior of Subordinates, The characteristics, expectations, and behaviors of subordinates also affect a leader's leadership style.
- d. Ask Requirements, The specific tasks assigned to subordinates also influence the leadership style.



- e. Ask Requirements, The specific tasks assigned to subordinates also influence the leadership style.
- f. Organizational Climate and Policies, The organizational climate and policies influence the expectations and behaviors of subordinates.
- g. Expectations and Behavior of Peers

According to Amirullah (2017:43), the factors influencing leadership style are:

- a. Leader Member Relations: This refers to the quality of the relationship between the leader and subordinates, which indicates the level of support the group provides to the leader.
- b. Task Structure: This refers to how structured or unstructured the tasks are and whether they are accompanied by clear and definite procedures. It indicates the extent to which the tasks are defined and organized.
- c. Authority Position: This refers to the level of influence a leader has over authority factors such as employee appointments and dismissals, enforcement of discipline, promotions, and salary increases.

From the explanation of the factors influencing leadership style above, the researcher concludes that the factors affecting leadership style are:

- a. Leader member Relations, This refers to the quality of the relationship between the leader and subordinates, which indicates the level of support the group provides to the leader,
- b. Task Structure, This refers to the extent to which the tasks that need to be performed are structured or unstructured, and whether they are accompanied by clear and definite procedures,
- c. Authority Position, This refers to the level of influence a leader has over authority factors, such as employee appointments and dismissals, enforcement of discipline, promotions, and salary increases.



2.1.5.2 Benefits of Research

The application of appropriate and effective leadership principles and styles provides several benefits for an organization. Bureaucratic leadership style can be efficient in organizations that need to adhere to strict rules and regulations. This leadership style separates work from individual relationships within the team. According to Rumondan (2021:30), the benefits of leadership style include:

- a. Effective leadership provides the organization with a holistic approach to managing affairs coherently.
- b. An effective leadership style must be based on objective criteria.
However, the methods can be defined according to the specific circumstances of the organization.
- c. An effective leadership style must be able to provide a framework in which key aspects of management are identified and regularly improved.
- d. Effective leadership must be able to offer opportunities for comparison with others, both within and outside the organization's system.

Effective leadership and management create structures and processes, as well as build relationships that allow members to be fully engaged in the organization. In addition, the benefits of leadership according to Usman (2019:143) are as follows:

- a. The ability to assess one's own SWOT (Strengths, Weaknesses, Opportunities, and Threats) is essential for effective leadership.
- b. Using power appropriately and positively influences increasing subordinates' commitment. Effective leaders use their authority to inspire and motivate rather than to control or coerce.
- c. Testing personal values and self-beliefs related to assumptions about leadership and subordinates is an important aspect of self-awareness for effective leadership.



- d. Understanding various leadership roles is essential for effective leadership
- e. Understanding the relationship between task-oriented and relationship-oriented leadership is crucial for effective leadership.
- f. Understanding the importance of moral goals and ethical values in leadership.

From the explanation about the benefits of leadership above, the researcher concludes that a great leader should be open to listening to their employees and actively seek solutions for the development of their employees' talents. A great leader is someone who does not see themselves as superior to their colleagues but rather as an extension of them, focusing on the career development of their employees.

2.1.5.3 Leadership Style Types

The type of leadership is a distinct pattern of behavior exhibited by a leader when influencing their subordinates. It includes what the leader chooses to do and how they act in influencing group members, shaping their leadership style. Theoretically, there are many leadership styles, but determining the best one is not easy. According to Aswan (2017:45), the types of leadership are as follows:

1. Charismatic Leadership

Charismatic leadership is leadership that is not created formally. A person's authority can be caused by their high knowledge.

2. Traditional Leadership

Traditional leadership is typically held by customary leaders or tribal leaders.



3. Legal/Formal Leadership

Formal leadership is a type of leadership that is created structurally, such as a president who is elected by the people and greatly depends on their term of office. When they retire, their leadership no longer attracts public attention.

2.1.5.4 Dimensions of Leadership Style

The dimensions and indicators of leadership style according to Kartono (2016: 34) are as follows:

1. Ability to Make decisions

Decision making is a systematic approach understanding the alternatives faced and taking actions that, based on calculations, are considered the most appropriate.

2. Ability to Motivate

The ability to motivate is the driving force that causes an organization member to be willing and eager to mobilize their abilities (in the form of expertise or skills), energy, and time to carry out various activities that are their responsibility and fulfill their duties, in order to achieve the goals and various organizational objectives that have been previously determined.

3. Ability to Communication

Communication ability is the skill or capability to convey messages, ideas, or thoughts to others with the aim that the



recipient understands what is meant, either directly in spec or indirectly.

4. Ability to Control Subordinates

A leader has the desire to make others follow their wishes by using personal power or positional authority effectively and appropriately for the long-term interests of the company. This includes informing others about what needs to be done with varying tones, ranging from a firm tone to requests or even threats. The goal is to ensure that tasks are completed effectively.

5. Ability to Controlling Emotion

The ability to control emotions is very important for our success in life. The better we are at controlling our emotions, the easier it will be for us to achieve happiness.

2.1.6 Work Environment

According to Estiana et al (2023), the work environment is everything surrounding workers that can influence them in carrying out the tasks assigned to them.

According to Yuliantari & Prasasti (2020), the condition of the work environment, with adequate facilities and harmonious work relationships among colleagues and between employees and superiors, will create a comfortable and conducive work environment. On the other hand, if the work environment is poor and does not support the needs of employees, it can make it difficult for employees to concentrate, leading to disharmony in work relationships, which results in a decline in employee performance.



2.1.7 Aspects in the Work Environment

The work environment has important aspects that are classified into internal and external work environment aspects, according to Riyadi (2018: 78).

1. Physical Environment

The physical work environment refers to all physical conditions surrounding the workplace that can influence employees either directly or indirectly.

The physical work environment can be divided into two categories:

- The work environment that is directly related to employees, such as workstations, chairs, desks, and so on.
- The intermediary or general environment, also known as the ambient work environment, which affects human conditions for example, temperature, humidity, air circulation, lighting, noise, and others.

a. Lighting

Light or illumination is highly beneficial for employees to ensure safety and smooth work processes. Therefore, it's important to provide lighting that is bright but not glaring. Inadequate lighting can slow down work, lead to more mistakes, and ultimately result in inefficiency in carrying out tasks, making it difficult for the organization to achieve its goals.

b. Air Circulation in the Workplace

Oxygen is a gas essential for living beings to sustain life, particularly for metabolic processes. The surrounding air is considered polluted when the oxygen levels decrease and it becomes mixed with harmful gases or odors



that are dangerous to health. A primary source of fresh air is the presence of plants around the workplace.

c. Noise in the Workplace

One type of pollution that has been a major concern for experts is noise sounds that are unwanted by the ear. These sounds are considered unwanted because, especially over the long term, they can disrupt work concentration, damage hearing, and cause communication errors. In fact, research shows that severe noise can even lead to death. Since work requires concentration, noise should be minimized so that tasks can be carried out efficiently, thereby increasing productivity. The longer the ears are exposed to noise, the more harmful the effects one of which is a gradual loss of hearing.

d. Workplace Security

Workplace and environment, it is important to pay attention to its security. One way to ensure workplace security is by employing security personnel, such as a dedicated Security Task Force.

2. Non-Physical Environment

The non-physical work environment refers to all conditions related to work relationships, including relationships with superiors, colleagues, and subordinates. The non-physical work environment is one that can only be felt and cannot be directly perceived by the human senses.



2.1.7.1 Benefits of the Work Environment

The work environment is one of the factors in human resource management functions, specifically in the planning function. The planning function is directly related to employees working within the organizational environment. The different conditions of the work environment in each organization can provide varying levels of job satisfaction for employees, which in turn affects their work performance in carrying out the tasks assigned to them. What should be aimed at is improving work methods within an organization or workplace to ensure that employees can work and perform their tasks under conditions that meet the necessary requirements, allowing them to carry out their duties effectively. The benefits of a good work environment include creating enthusiasm for work, which increases work productivity. In a conducive work environment, employees will enjoy their work, leading to improved performance.

This was later continued by Simanjuntak (in Riyadi, 2018: 79), who stated that "the work environment can be divided into several parts, or what can also be referred to as aspects that shape the work environment.

a. Work Services

Employee services are among the most important aspects that every company must provide for its workforce. Good services from the company will encourage employees to work more enthusiastically, foster a sense of responsibility in completing their tasks, and help maintain the company's good reputation through their productivity and behavior. In general, employee services include several elements, such as:



Health services

Restroom or bathroom facilities in the workplace, and so on.

b. Working Conditions

The company's management should strive to create the best possible working conditions in order to foster a sense of safety and comfort among employees. These working conditions include adequate lighting, proper and stable air temperature, controlled noise levels, the psychological effect of colors, sufficient space for movement, and workplace safety.

b. Employee Relations

Employee relations play a crucial role in achieving productivity. This is because motivation, enthusiasm, and work spirit are closely linked to the quality of relationships among coworkers. Poor relationships among employees can reduce motivation and morale, which in turn may decrease work productivity. Moenir (in Riyadi, 2018: 71) stated that the elements included in the employee work environment are as follows:

2.1.7.2 Equipment and Facilities

Equipment and facilities refer to everything used and enjoyed by employees, either directly related to their work or to support the smooth running of their tasks. Based on this definition, equipment and facilities include:

a. Work Equipment Facilities

An employee cannot carry out a given task without the tools or equipment required for the job these are all items that function directly in the production process.



b. Supporting Equipment Facilities

These refer to items or materials used in work that do not directly contribute to production but serve to support and facilitate work processes.

c. Social Facilities

These are facilities used by employees for social purposes, such as medical clinic services.

2.1.8 Employee Performance

Employee performance is the output of an employee's work, both in terms of quantity and quality (Addina & Nasution, 2022). By performing the tasks assigned by the company, employees can achieve this outcome. Employee performance within an organization is defined as the work achievements that are measured according to the established standards or criteria. When employees perform according to company standards, they can help improve the organization's performance. Better performance makes the organization more competitive. The quality and quantity of output, attendance at work, accommodation, and punctuality are all indicators of employee performance. If employee performance meets the company's expectations, the company can use bonuses and direct rewards, according to the research by Winukasto et al. (2022).

2.1.8.1 Definition Employee Performance

Employee performance is an important aspect within an organization, as stated by Paais & Pattiruhu (2020). Employee performance is considered crucial because it reflects the organization's overall performance. Faeq & Ismael (2022) explain that it is undeniable

Employee performance serves as a benchmark for



an organization's success. The better the employee performance, the more it can drive. According to Ridwan et al. (2020), performance is the result or level of a person's overall success during a specific period in carrying out their tasks, compared to various possibilities such as work standards, targets, or predetermined and mutually agreed-upon criteria. Triemiaty et al. (2019) define performance as the result of an employee's work or the overall management or organizational process, where the outcomes must be supported by concrete and measurable evidence (compared to established standards). Ngo et al. (2020) explain that employee performance refers to the act of carrying out one's tasks and responsibilities in a specific role, taking into account well-known elements such as timeliness, speed, and efficiency. According to the performance theory proposed by Paais & Pattiruhu (2020), performance is defined as observable actions by employees in completing assigned tasks.

Efforts to improve employee performance are consistently a focus and concern of companies. These efforts aim to ensure that employee performance remains at the desired level (Asbari et al., 2021). Employee performance can decline due to changing conditions or work environments. If left unaddressed, such declines can affect company performance, and if not controlled, may disrupt organizational operations. Performance improvement can be described as an effort to maintain employee performance at the desired standard (Ridwan et al., 2020). Improvement is a form of striving toward a higher level than the current state. The goal of performance improvement is to deliver the best possible results for the company, enabling it to grow sustainably. Furthermore, a continuously growing company can become a source of pride and hope for employees, encouraging them to remain with the organization.



Interest in research on performance improvement strategies has increased in recent years (Zulkifli, 2019; Arfah, 2021). This topic is important to study because employee performance is a critical organizational aspect that must be maintained. A decline in performance is a critical organizational aspect that must be maintained. A decline in employee performance can result in a decline in organizational performance (Asbari et al., 2021). It is undeniable that organizational performance is highly dependent on employee performance. A study by Ridwan et al. (2020) explains that employee performance significantly impacts organizational growth. Arif et al. (2019) also emphasize that employee performance must be maintained and managed to ensure continued organizational growth. Various studies highlight that organizational performance is a crucial aspect that must always be given attention (Mirsal, 2017).

Previous research outlines several ways organizations or companies can enhance employee performance. Wahyuningsih et al. (2021) state in their study that before organizations can identify strategies to improve employee performance, they should conduct a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) to formulate the appropriate strategy. According to Triemiaty et al. (2019), one method organizations can use to improve employee performance is by first conducting field research to identify the factors that can enhance employee performance.

2.1.8.2 Performance Evaluation

Performance appraisal is a formal process for assessing how well an employee performs their job. Performance appraisal can also be used to identify, monitor, measure, record, and evaluate an employee's strengths and weaknesses. An employee's personal

influences their performance, but it is also a



crucial component of employee success. The goal of a performance review or appraisal is to improve company performance and employee productivity. Employee performance evaluation can be defined as the periodic measurement of organizational and human resource department performance based on established standards and estimated criteria. On the other hand, employee performance evaluation can be described as a matrix used to calculate the efficiency and effectiveness of various actions. Based on this understanding, it can be concluded that performance appraisal is a way to measure how well a person works within an organization as a whole. It relates to the level of contribution or performance of each individual in completing tasks.

2.1.8.3 Benefits and Objectives of Performance Appraisal

Performance reviews can give managers and employees the opportunity to receive feedback that can help improve their own performance. It is possible to improve performance through accurate appraisals and more suitable job opportunities for employees. Skills can be identified through performance appraisals, and training programs can enhance these skills. By conducting evaluations, management can also make decisions regarding compensation improvements. Performance reviews can help identify errors, evaluating the recruitment and selection process. An incorrect recruitment and selection process can result in poor performance from new employees. Performance goals are not time-bound and are not intended to achieve specific results within a specific timeframe, indicating performance goals. Here are the rankings:

1. Payroll management



Performance feedback

3. Identifying personal strengths and weaknesses
4. Documenting employee decisions
5. Rewarding individual performance
6. Identifying performance declines
7. Helping to find goals
8. Determining promotion decisions
9. Employee retention
10. Evaluating goal achievements

2.1.8.4 Performance Evaluation Process

The performance evaluation process is as follows:

1. Determining the specific objectives of performance evaluation; for example, identifying training needs and employee issues;
2. Determining the tasks that need to be performed in the job (job analysis);
3. Reviewing the tasks performed;
4. Evaluating performance; and
5. Discussing the evaluation results with the employee.

2.1.8.5 Employee Performance Measurement

To measure the level of performance, proper performance measurement can be carried out by verifying that the requirements requested by customers are met and establishing performance criteria to make comparisons.



2.1.8.6 Employee Performance Evaluation

A system created by the company to manage all supporting aspects of the company, including employee performance evaluation to determine the planning of employee and company goals, employee performance evaluation, steps that the company must take to track business development worldwide, and decisions made to achieve achievement goals.

2.1.8.7 Empirical review

This section outlines the findings of previous studies that serve as references for this research, as follows:

2.1.8.8 Previous Studies

1. Research Finding Muwaffaq Ahmad Hasanuddin University (2021)

Research Muwaffaq Ahmad Hasanuddin University (2021), Title

“The Influence of Transformational Leadership Style and The working Environment on Employee Performance Through job Satisfaction (Pamong Praja Police Unit, Sulawesi Province. his research aims to identify and analyze the influence of transformational leadership style and work environment on job satisfaction; the influence of transformational leadership style and work environment on employee performance; and the influence of transformational leadership style and work environment on employee performance through job satisfaction among employees of

vil Service Police Unit of South Sulawesi Province. Data were collected through
ation and the distribution of questionnaires. The data were analyzed using

ptive



analysis techniques, validity and reliability tests, classical assumption tests, and path analysis.”

2. Research Finding Muhammad Akbar Ramadhan, Makassar State University (2023)

Research Muhammad Akbar Ramadhan, Makassar State University (2021),
Title

“The influence Of Leadership and Work Environment on Employee Performance at the Finance and HR Directorate of PT Semen Indonesia (Persero) Tbk, Tonasa Unit in Pangkep Regency”. This research was conducted to determine the effect of leadership and work environment on employee performance. This research is a quantitative research using statistical techniques. The sample used in this research was 35 respondents at PT. Semen Indonesia (Persero) Tbk. Tonasa Unit in Pangkep Regency using saturated sampling technique. The techniques used were observation and questionnaires. The data analysis technique used is validity test, reliability test, classical assumption test and multiple linear regression using Statistical and Service Solution (SPSS) version 26.”

3. Research Finding Tejaarief Billy, University Bina Bangsa(2022)

Research Tejaarief Billy, University Bina Bangsa(2022),Title

“The Influence of Paternalistic Leadership Style and Work Environment on Employee
Performance through Organizational Commitment as an Intervening Variable at PT.
World Indonesia 1-Serang. The research method used in



this study is a survey method with a correlational quantitative approach, the data analysis technique used in this study uses parametric statistical data analysis techniques. The analytical tools used for hypothesis testing in this study include multiple regression analysis using SPSS version 26 which is then followed by path analysis. The purpose of this study was to see the direct and indirect influence between the variables of paternalistic leadership style (X1), work environment (X2), organizational commitment (Z) on employee performance (Y).”

4. Research Finding Muhammad Fadjri Fadillah, National University (2024)

Research Muhammad Fadjri Fadillah, National University (2024), Title

“The Influence of Transformational Leadership Style, Work Environment, Job Satisfaction and Work Discipline on Employee Performance. The analytical methods in this research are descriptive analysis and inferential analysis. Data analysis from several tests, namely instrument testing, classical assumption testing, model feasibility testing, multiple linear analysis and t -hypothesis testing, was conducted. This research aims to analyze the influence of transformational leadership style, work environment, job satisfaction and work discipline on the performance of employees of PT Indomarco Prismatama Bogor 1 Branch.”

5. Research Finding Novia Nafa Wilona, University of Bandar Lampung (2024)

Research Novia Nafa Wilona, University of Bandar Lampung (2024), Title



“Influence of Leadership Style and Work Environment on the Performance of LG Lampung Restaurant Employees”. The method in this study uses a

quantitative approach and SPSS program version 25 as a tool to analyze data. The independent variables in this study are Leadership Style (X1) and Work Environment (X2), while the dependent variable is Performance (Y). The population and sample are employees of LG Bandar Lampung Restaurant which amounted to 30 people. The success and sustainability of activities within a company to produce the desired results, depends on the human resources that exist within the company itself. This study was conducted to find out whether there is an influence of leadership style on employee performance, whether the work environment affects employee performance, and whether there is an influence of leadership style and work environment on employee performance of LG Bandar Lampung Restaurant.”

6. Research finding Ismail H.A, Andi Muhammad Fara Kessi, Imran Tajuddin, Muhammad Abbas, Universitas Muslim Indonesia, Universitas Fajar, STIE Wira Bhakti Makassar, South Sulawesi (2023)

Research finding Ismail H.A, Andi Muhammad Fara Kessi, Imran Tajuddin, Muhammad Abbas, Universitas Muslim Indonesia, Universitas Fajar, STIE Wira Bhakti Makassar, South Sulawesi (2023), title “The purpose of this study is to examine and analyze the influence of leadership style and work environment on the performance of employees at Ibnu Sina Hospital in Makassar City. The population used in this research consists of the employees of Ibnu Sina Hospital Makassar in 2018, totaling 66 people. The sample is a part or representative of the population being studied. The sampling technique used is the census method, meaning that the entire population was taken as the sample. The types of data used in this study are primary and secondary data. Data were collected through



interviews and questionnaires. The results of the study indicate that leadership style partially has a positive and significant effect on performance. Meanwhile, the work environment partially does not have a positive and significant effect on

performance. Employee performance at Ibnu Sina Hospital Makassar can be carried out effectively if the goals and objectives established by the hospital are achieved.”

7. Research finding Andi Afthari Mudatsir T, Achmad Gani, La Mente, Ajmal, Zaenal Arifin, Universitas Muslim Indonesia, (2021)

Research finding Andi Afthari Mudatsir T, Achmad Gani, La Mente, Ajmal, Zaenal Arifin, Universitas Muslim Indonesia, (2021) title “The purpose of this study is to examine and determine the influence of leadership style and work environment on employee performance at the Land Office of Makassar City. The type of research used is quantitative research with a descriptive approach. The data used are primary and secondary data, collected through questionnaires (research surveys) and documentation. The data analysis methods used include validity and reliability tests, classical assumption tests, multiple linear regression analysis, and hypothesis testing. The results of the study indicate that leadership style has a significant positive effect on employee performance, and the work environment also has a significant positive effect on employee performance. The hypothesis testing results prove that leadership style and work environment are capable of improving employee performance at the Land Office of Makassar City.”

8. Research finding Natalia G. C. Wokas, Lucky O.H Dotulong, Regina Saerang, Universitas Sam Ratulangi, (2022)



Natalia G. C. Wokas, Lucky O.H Dotulong, Regina Saerang, Universitas Sam Ratulangi, (2022) title “Human resources are an important factor in an organization, optimal employee performance is one of the things that encourage

the achievement of organizational goals. The purpose of this study was to determine the effect of leadership style, work involvement and work environment on employee performance at PT. PLN Kawangkoan. This study uses an associative approach. The population in this study were employees of PT. PLN Kawangkoan, totaling 52 people. The sampling technique used is saturated sampling where the entire population is sampled. The number of samples obtained as many as 52 respondents. Data analysis used multiple linear regression analysis. The results showed that leadership style partially had a positive and significant effect on employee performance. Partial work involvement has a positive and significant effect on employee performance. The work environment partially has no significant positive effect on employee performance. and based on simultaneous testing it was found that leadership style, work involvement and work environment simultaneously had a significant effect on the performance of PT. PLN Kawangkoan with a total influence based on the coefficient of determination (Rsquare) 97.20%.”.

9. Research Finding Ilham Sirojuddin, Fadila Nuraulia, Risa Salsabila, and Didit Haryadi (2023)

Research Ilham Sirojuddin, Fadila Nuraulia, Risa Salsabila, and Didit Haryadi (2023) title “The role of leadership style and work motivation on employee performance PT. Paragon Technologi and Inovation”. Among effective management systems, the importance of human resources is increasing. Employee performance is an essential factor influencing success. This study aims to determine the variables that affect employee performance and develop a theoretical basis and research model. This study used an associative descriptive quantitative method with a population of 43 respondents drawn into a sample using non probability sampling, saturated sampling/total sampling method and data analysis techniques using linear regression with the help of SPSS software version 26”.



10. Research Finding Defrizal Defrizal and Novia N.W. University Bandar Lampung. (2024)

Research Defrizal Defrizal and Novia N.W. University Bandar Lampung (2024), title “The Influence of Leadership Style and Work Environment on the Performance of LG Bandar Lampung Restaurant Employee”. The success and sustainability of activities within a company to produce the desired results, depends on the Human Resources that exist within the company itself. This study was conducted to find out whether there is an influence of leadership style on employee performance, whether the work environment affects employee performance, and whether there is an influence of leadership style and work environment on employee performance of LG Bandar Lampung Restaurant. The method in this study uses a quantitative approach and SPSS program version 25 as a tool to analyze data”.

Table 2. Previous Studies

No	Research	Title	Conclusion
1.	Muwaffaq Ahmad, Hasanuddin University, Year 2021.	The Influence of Transformasional Leadership Style and Work Environment on Employee Performance Through job Satisfaction (Pamong Praja Police Unit, Sulawesi Province)	That leadership style and work environment have a significant effect on the performance of Civil Service (Pamong Praja Polisi Unit) employees.



2.	Muhammad Akbar Ramadhan, Makassar State University, Year 2023	The Influence of Leadership and Work Environment on Employee Performance at the Finance and Human Resources Directorate of PT Semen Indonesia (Persero) Tbk, Tonasa Unit in Pangkep Regency	The results show that leadership (X1) and work environment (X2) variables simultaneously have an influence positive effect on employee performance (Y) of 38.7%. Furthermore, the leadership variable (X1) partially has a significant effect on employee performance (Y) and the work environment variable (X2) partially has a significant effect on employee performance (Y).
	jaarief Billy,	The Influence of Paternalistic Leadership Style and Work	Paternalistic Leadership Style



	<p>Bina Bangsa University, Year 2022</p>	<p>Environment on Employee Performance Through Organizational Commitment as an Intervening Variable at PT. Parkland World Indonesia 1- Serang</p>	<p>(X1) and Work Environment (X2) have a joint and direct influence on Organizational Commitment (Z). The variable of Paternalistic Leadership Style (X1) has a direct and significant influence on Employee Performance (Y). The Work Environment (X2) has a direct and significant influence on Organizational Commitment (Z). Organizational Commitment (Z) has a direct and significant influence on Employee</p>
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			<p>Performance (Y). Paternalistic Leadership Style (X1), Work Environment (X2), and Organizational Commitment (Z) have a joint and direct influence on Employee Performance (Y). The Paternalistic Leadership Style variable (X1) has an indirect influence on Employee Performance (Y) through Organizational Commitment (Z) as an intervening variable, and the Work Environment variable (X2) also has an indirect</p>
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			influence on Employee Performance (Y) through Organizational Commitment (Z) as an intervening variable.
4.	Muhammad Fajri Fadillah, National University, Year 2024	The Influence of Transformational Leadership Style, Work Environment, Job Satisfaction and Work Discipline on Employee Performance	The results of the regression analysis in this research shows that there is a positive and significant influence on performance, which is shown in the coefficient table in the regression equation models. The results of the ANOVA statistical test for the feasibility of the model show



			significant results, so that the model used has a relationship with the performance variable.
5.	Novia Nafa Wilona, University of Bandar Lampung, Year 2024	The Influence of Leadership Style and Work Environment on the Performance of LG Bandar Lampung Restaurant Employees	This study proves that partially leadership style does not have a significant influence on employee performance variables. While work environment variables have a positive influence on employee performance variables. Simultaneously, variable X (leadership style and work environment)



			together affect variable Y (employee performance).
6.	Ismail H.A, Andi Muhammad Fara Kessi, Imran Tajuddin, Muhammad Abbas, Universitas Muslim Indonesia, Universitas Fajar, STIE Wira Bhakti Makassar, South Sulawesi 2023.	The Influence of Leadership Style and Work Environment on Employee Performance at Ibnu Sina Hospital, Makassar.	Leadership Style (X1) and Work Environment (X2) have a positive and significant impact on Employee Performance (Y) at Ibnu Sina Hospital, Makassar.
7.	Andi Afthari Mudatsir T, Achmad Gani, LaMente, Ajmal, Zaenal Arifin, Universitas Muslim Indonesia, 2021	The Influence of Leadership Style and Work Environment on Employee Performance at the Land Office of Makassar.	Leadership Style (X1) and Work Environment (X2) have a positive and significant impact on Employee Performance (Y) at the Land Office of Makassar.
8.	Natalia G. C. Cas, Lucky O.H. Along, Regina ang, Universitas Samulangi, 2022	The Influence of Leadership Style, Work Engagement, and Work Environment on the Performance of PT. PLN Kawangkoa	Leadership Style (X1) and Work Environment (X2) have a positive and significant impact on



			Employee Performance (Y) at PT. PLN Kawangkoan.
9.	Sirojuddin, Ilham., Nuraulia, Fadila., Salsabila, Risa., Haryadi, Didit, Primagraha University Serang Indonesia, 2022.	The Role of Leadership Style and Work Motivation on Employee Performance PT. Paragon Technology and innovation	Leadership Style (X1) and Work Environment (X2) have a positive and significant impact on Employee Performance (Y) at PT. Paragon Technology and Innovation
10.	Defrizal Defrizal dan Novia N.W. Universitas Bandar Lampung. 2024.	The Influence of Leadership Style and Work Environment on the Performance of LG Bandar Lampung Restaurant Employee.	Leadership Style (X1) and Work Environment (X2) have a positive and significant impact on Employee Performance (Y) at LG Bandar Lampung Restaurant Employee

