The Influence of Organizational Commitment and Work Environment on Employee Performance Mediated By Job Satisfaction (Empirical Study: Employees at PT. Global Loyalty Indonesia)

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KEYWORDS	ABSTRACT
organizational commitment, work environment, job satisfaction, employee performance	Employee performance is an important factor for companies in achieving their goals. Several factors influence employee performance, including organizational commitment, work environment, and job satisfaction. This study aims to determine the effect of organizational commitment and work environment on employee performance mediated by job satisfaction at PT Global Loyalty Indonesia. The research method used is a quantitative method. This study employs Structural Equation Modeling (SEM) data analysis techniques with the Smart-PLS application. The population size is 241 employees, and the sample size to be taken is 112 respondents. The data collection technique used in this study is a questionnaire. The results of the study indicate that the variables of organizational commitment, work environment, and job satisfaction have a positive and significant effect on employee performance. In addition, organizational commitment and work environment also have a positive and significant effect on job satisfaction. The results of the indirect effect test indicate that the job satisfaction variable mediates the relationship between organizational commitment and employee performance and also mediates the relationship between the work environment and employee performance. This study provides practical implications for companies to always pay attention to the work environment so that employees can work safely and comfortably so that job satisfaction can increase which ultimately affects their performance.

INTRODUCTION

For a company, having employees with good performance can play an important role in the success and development of the company in the long run. Employees must have important attitudes to achieve performance which is referred to as good criteria. Employee performance contributes to organizational effectiveness by utilizing employee skills, knowledge, and various competencies, (Otoo, 2024). Employees who have good performance tend to be more productive in carrying out their work so that they can complete their tasks and responsibilities more effectively and efficiently. This can certainly also affect what the company can achieve as a whole. According to (Dogbe et al., 2024), employee performance is a behavioral attribute that is in line with the company's ethical values. Understanding the relationship between employee ethical behavior and employee performance is essential for organizations looking to improve productivity and competitive advantage in today's dynamic business environment.

Good achievement by the company is the positive impact of good employee performance that can improve the quality or service that the company provides to its customers. The high dedication given by employees can also have an impact on the company's customer satisfaction.

Good performance can also be seen from the creativity and innovation provided by employees who have the potential to solve problems and find solutions to problems faced by the company. According to (Nelson & Panjaitan, 2023), employee performance plays an important role in developing the business success of an organization or company. Employee contributions to new ideas can help the company to develop more and continue to adapt to challenges and changes that occur. Good performance from employees is a valuable asset in maintaining the company's ability to survive changes or crises because employees with good performance can work together to find solutions in difficult situations and still maintain a commitment to common goals.

To support the achievement of the company's growth in the long term, employees need to always be committed to prioritizing and providing the best support to achieve the company's desired goals and results. According to (Robbins & Judge, 2022), organizational commitment is the level at which an employee identifies himself with a particular organization and its goals and wants to maintain his membership in the organization. In order for this to be achieved, companies can provide support in the form of providing appropriate training and development, providing resources or needs needed by their employees, creating a work environment that supports the creation of collaboration and productivity, and always providing constructive *feedback*.

As a form of good organizational commitment to employee performance, the company also needs to clearly convey to employees about the company's expectations, how much and to what extent employees are given the flexibility to make decisions and be responsible in managing their own work. The company must also be able to clearly separate the workload from the personal needs of employees. With companies that are committed to employee performance, they tend to produce employees with higher levels of satisfaction and loyalty and also have better productivity. According to (Robbins & Judge, 2022), employees who are quite committed may however still decide to continue working in the organization even if they are currently unhappy with their job. This can happen because employees feel highly valued and supported to reach their potential, which in the end can also have an impact on a much more positive and productive work environment overall.

In addition to organizational commitment, a good work environment also has an impact on employee performance. According to (Noviyanti & Asmalah, 2023), the work environment factor is also important in improving employee performance. The work environment in the company must always be able to support employees in increasing productivity and increasing employee motivation to carry out their duties and responsibilities, and can always involve employees to be able to help make decisions and provide their creative ideas that also have an impact on increasing employee satisfaction.

According to (Akinwale & George, 2020), the work environment is described as a physical and emotional aspect of the workplace that encourages employee commitment, productivity, and satisfaction. It also includes organisational policies and culture, communication, recognition and rewards, career development, work-life balance, working facilities and conditions, and fairness and support. Clear and transparent policies can help create an environment where employees feel valued and treated fairly. Fairness and support from colleagues and management are needed by employees when they are facing challenges or problems in their work. According to Noe (2010), a supportive work environment is needed so that employees can be motivated to participate in training and learning activities, use what they learn on the job, and share their knowledge with others. This can also support good collaboration between employees, creating effective communication between employees and

management. Open and honest communication helps create a good understanding of the organization's goals.

Providing recognition and appreciation for employees' achievements and contributions can increase their motivation in carrying out their duties. The awards given by the company to employees can be in the form of material awards or monthly or annual incentives, or they can also be in the form of simple things such as praise and thanks. After that, employees can also be rewarded with clear career development in the company. If employees can feel that they have the opportunity to develop their careers, they tend to be more motivated to provide maximum performance. Companies also need to provide training in developing new skills or *training* so that employees have the opportunity to be able to take on new responsibilities.

Another thing to note is that companies need to ensure a balance between work and personal life of employees. Balancing work and personal life can help reduce stress and increase happiness, which ultimately leads to improved performance. In an effort to reduce stress and increase happiness, companies need to provide comfortable and safe working facilities and conditions and support employee productivity, this includes aspects of cleanliness, lighting, temperature, and entertainment facilities. These aspects are important for the company to provide to employees in order to maintain the performance of its employees.

In addition, job satisfaction has an important role in improving employee performance. When employees feel satisfied with their work, they will tend to have more motivation in their work and increase their commitment to continue to be productive and achieve the desired results. They will be more focused and efficient in completing tasks with enthusiasm. According to Indrayani, Nurhatisyah, (Indrayani et al., 2024), employee performance will increase if they get job satisfaction. With satisfaction, the commitment and competence of employees are high. Employees will also always want to be actively involved, participating, and collaborating with colleagues in the tasks they are performing. Job satisfaction can also help increase employee retention, the more satisfied they are with their job the higher the likelihood that they will stay with the company. The impact is that it can reduce the company's expenditure on the process of recruiting new employees as replacements, as well as the company's expenditure on providing training to new employees.

Employees who are satisfied with their work tend to have a commitment to provide their best service to the company's customers and to their fellow colleagues. They will pay attention to details and actively provide creative and innovative solutions, encouraging them to be more open to new things and share ideas with each other so that the company's customers and colleagues get a positive experience. Thus, job satisfaction is not only important for the welfare of the employees themselves, but also has an impact on the performance and success of the organization as a whole because it is filled with people who tend to be happier and more balanced in their work and personal lives and are more able to cope with work stress.

Global Loyalty Indonesia as a subsidiary of Alfamart developed the Alfagift application, an *omni-channel* application where consumers can shop for products sold at Alfamart only through *smartphones* using the Alfagift application. Everything is done easily and quickly online because the products that consumers buy will be sent through the Alfamart store closest to the consumer's location. Meanwhile, Alfamart stores themselves have spread widely throughout Indonesia. Alfagift launched in 2019 and is currently in its fifth year of establishment. Currently, Alfagift is always consistently in the top 10 in terms of the number of *downloads* on both Google *Play* and *the App Store*. This is inseparable from the performance of employees who always try their best so that Alfagift is always at the forefront as *an online grocery retailer* in Indonesia.
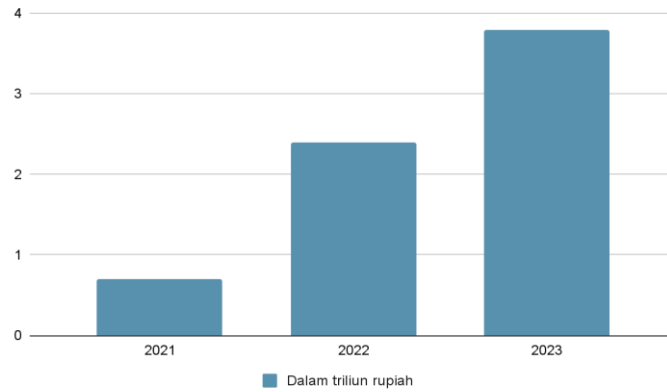
Figure 1 Sales Target of PT. Global Loyalty Indonesia for 3 years

Since 2021 until now, there has been a significant increase in the sales target, which initially the sales target was at 700 billion, but in 2023 it has reached 3.8 trillion, where the increase in the target has been more than 500%. The challenge of increasing sales targets significantly from year to year is always well answered by the company, because the company always manages to achieve the targeted sales target. On the other hand, the growth in the number of employees itself is not so significant, which is around 31% in the last 2 years. This happens because it is difficult to find candidates for highly dedicated employees who have the same vision as the company. In addition, the fierce competition in finding candidates who can meet the company's expectations is due to the increasing number of companies engaged in the same field, in this case *e-commerce* or *online retail*.
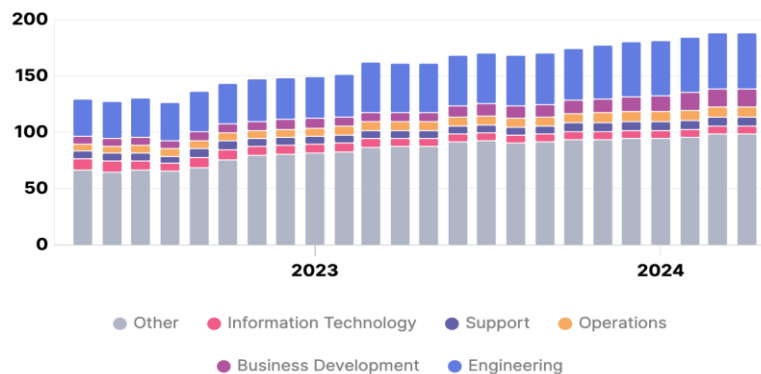
Figure 2 *Employee Metrics* of PT. Global Loyalty Indonesia for 2 years

With this positive sales target growth, the company certainly has a higher target in 2024 compared to the previous year. Entering the beginning of 2024, the company has difficulties in meeting the new target, so in the first quarter the company cannot achieve its target. Although entering the second quarter of 2024, there was an increase in sales, driven by the conditions of Ramadan and Eid al-Fitr, which caused the company's sales target to return *to track*. Meanwhile, the company always strives to give its best commitment so that employees can provide good performance as well. Even at the end of 2023, the company provides additional benefits for employees in the form of opportunities for recreation to go to the desired place together with colleagues, with the cost of recreation borne by the company. Previously, this recreational opportunity only occurred once a year during the company's birthday. Another effort made by the company so that employees always give their best performance is to provide vacation packages both domestic and foreign for employees who have contributed very well throughout the year. The company is also committed that these new benefits will continue to

be provided in the following years. From these conditions, it can be seen that the company's target has returned to expectations because it is supported by other conditions, while employee performance has not been able to show significant results.

Research will be conducted to see if the role of organizational commitment and work environment can affect employee performance. In addition, whether job satisfaction can mediate the influence between organizational commitment and the work environment on employee performance. (Akhiriani & Risal, 2023), stated that the work environment does not have a significant effect on employee performance. Meanwhile, according to (Saputra & Dihan, 2020) and (Faitul & Kusdiyanto, 2023), the work environment has a positive and significant effect on employee performance.

Based on the background and phenomenon described above, the study will be titled: "The Influence of Organizational Commitment and Work Environment on Employee Performance Mediated by Job Satisfaction (Empirical Study: Employees at PT. Global Loyalty Indonesia)".

This study aims to determine the effect of organizational commitment and work environment on employee performance mediated by job satisfaction at PT Global Loyalty Indonesia.

This study introduces a novel perspective by examining the interplay between organizational commitment, work environment, and employee performance, with a specific focus on the mediating role of job satisfaction within the context of PT Global Loyalty Indonesia, a rapidly growing player in the e-commerce sector. Unlike prior research, which often explores these variables in isolation or within more traditional industries, this study contextualizes these dynamics within the unique challenges and opportunities of the digital retail environment. The research also explores the implications of these relationships in a company that has experienced significant growth in sales targets without a proportional increase in employee numbers, highlighting the critical importance of organizational commitment and a supportive work environment in sustaining high employee performance. Additionally, the study contributes to the ongoing debate on the impact of the work environment on performance by exploring how job satisfaction can act as a crucial mediator in this relationship, potentially offering new insights and strategic recommendations for companies in similar fast-paced industries.

RESEARCH METHOD

A research design is a *Blueprint* or data collection, measurement and analysis plan, which is created to answer the empirical questions of the research (Sekaran & Bougie, 2017). The following is an explanation of the research design that will be used in this study:

1. In this study, hypothesis testing will be carried out, which is used in the research to determine whether there is enough evidence from the sample data taken to support a certain hypothesis about the population. According to (Sekaran & Bougie, 2017), the purpose of hypothesis testing is to accurately determine whether the null hypothesis can be rejected and support the alternative hypothesis. Hypothesis testing can be a very important tool in quantitative research because it allows researchers to draw incoming conclusions about the population based on sample data. By following proper and systematic procedures, hypothesis testing can help ensure that the conclusions drawn from the data are valid and reliable.
2. This study will use a quantitative method, which based on the opinions expressed by (Sekaran & Bougie, 2017), is interpreted as a systematic process to collect, examine, and interpret numerical data or measurable data in order to understand or test the relationship between the variables studied in the study. This process involves using statistical and mathematical techniques to formulate and test hypotheses, make inferences, and present findings objectively based on the collected data.

3. This approach uses *a statistical multivariate* method to measure variables and identify relationships between variables. According to (Sekaran & Bougie, 2017), *the statistical multivariate technique* is used to test the relationship between many variables. This technique focuses on the relationships, interactions, and structures between several variables.
4. The time dimension of the research used is *cross sectional*, which is a type of observational research that collects data from a population or sample at a specific point in time. The main purpose of *cross-sectional* research is to describe the state or characteristics of a population at a given time and identify relationships between variables.
5. The unit of analysis in this study is employees of PT. Global Loyalty Indonesia located in Tangerang.
6. The data source used in this study is primary data collected by individuals themselves from the object of their research. This data can be obtained through dissemination or questionnaires to respondents. Primary data sources are very important because they provide accurate and relevant data according to research needs.
7. There are four variables that will be used in this study, namely organizational commitment, work environment, job satisfaction, and employee performance.

The analysis technique used in this study is Partial Least Square (PLS). (Black & Babin, 2019) explained that the Structural Measurement Model test is used to measure the magnitude of the influence of exogenous variables on endogenous variables.

RESULTS AND DISCUSSION
Descriptive Statistical Test Results

Descriptive statistics are used to interpret the magnitude of the minimum, maximum and average values of organizational commitment, work environment, employee performance and job satisfaction. From the statistics obtained from this study, it can be explained that from 23 instruments submitted to 116 respondents as a trial, the following results were obtained:

Table 1 Table of Descriptive Statistical Test Results

Variable	Item Code	Min	Max	Mean	Standard Deviation
Organizational Commitment	KO1	2	5	3.84	0.697
Organizational Commitment	KO2	2	5	3.97	0.597
Organizational Commitment	KO3	2	5	4.13	0.583
Organizational Commitment	KO4	2	5	3.91	0.646
Organizational Commitment	KO5	2	5	3.84	0.685
Organizational Commitment	KO6	1	5	3.87	0.717
Total Average Score and Standard Deviation				3.92	0.555
Variable	Item Code	Min	Max	Mean	Standard Deviation
Work Environment	LK1	2	5	4.33	0.670

Variable	Item Code	Min	Max	Mean	Standard Deviation
Work Environment	LK2	2	5	4.23	0.609
Work Environment	LK3	2	5	4.28	0.613
Work Environment	LK4	2	5	4.08	0.674
Work Environment	LK5	2	5	4.21	0.640
Work Environment	LK6	2	5	4.22	0.634
Total Average Score and Standard Deviation				4.22	0.556
Variable	**Item Code**	**Min**	**Max**	**Mean**	**Standard Deviation**
Employee Performance	KIN1	2	5	4.25	0.671
Employee Performance	KIN2	2	5	4.11	0.682
Employee Performance	KIN3	2	5	4.27	0.595
Employee Performance	KIN4	2	5	4.50	0.653
Employee Performance	KIN5	2	5	4.44	0.650
Total Average Score and Standard Deviation				4.31	0.539
Variable	**Item Code**	**Min**	**Max**	**Mean**	**Standard Deviation**
Job Satisfaction	KK1	2	5	4.15	0.622
Job Satisfaction	KK2	2	5	3.97	0.697
Job Satisfaction	KK3	2	5	4.11	0.789
Job Satisfaction	KK4	2	5	4.20	0.701
Job Satisfaction	KK5	2	5	4.18	0.705
Job Satisfaction	KK6	2	5	4.21	0.666
Total Average Score and Standard Deviation				4.14	0.634

Source: Respondent Questionnaire Results (2024)

Based on the table of descriptive statistical test results, it can be seen that the organizational commitment variable has a minimum value of 1, a maximum of 5, a mean of 3.92 and a standard deviation of 0.555. The work environment variable has a minimum value of 1, maximum 5, mean 4.22 and standard deviation 0.556. The employee performance variable has a minimum value of 1, maximum 5, mean 4.31 and standard deviation 0.539. The job satisfaction variable has a minimum value of 1 maximum 5, mean 4.14 and standard deviation 0.634. From the test results in the descriptive statistical test results table, the results of the provisional calculation can be described as follows:

Table 2 Table of Average Results and Standard Deviation

Mean		Standard Deviation	
Variable	**Average**	**Variable**	**Average**
Organizational Commitment	3.92	Organizational Commitment	0.555
Work Environment	4.22	Work Environment	0.556
Employee Performance	4.31	Employee Performance	0.539
Job Satisfaction	4.14	Job Satisfaction	0.634

Source: Respondent Questionnaire Results (2024)

The average score from the questionnaire results was shown to be the highest mean value in the work environment variable with a value of 4.22, and the lowest in the organizational commitment variable with a value of 3.92. Meanwhile, in the calculation of standard deviation, the highest average value is the job satisfaction variable with a value of 0.634 and the lowest is the employee performance variable with a value of 0.539. Judging from the table of average results and standard deviation, tests will be carried out whether the tested variables will affect each other and will support the hypothesis in this study. Therefore, testing will be carried out using SmartPLS analysis version 3.0 to see the results.

Test Instrument

The data that has been collected and analyzed with the SEM or *Structural Equation Modeling model* to measure the magnitude of the influence of exogenous variables on endogenous variables according to Hair, et al. (2019), and *the software* used is SmartPLS version 3.0. The analysis technique used in this study is *Partial Least Square* (PLS).

Outer Model Evaluation

Evaluation of *the outer model* or measurement model is carried out to assess the validity and reliability or reliability of the model. *The outer model* with reflective indicators is evaluated through *the convergent validity* and *discriminant validity* of the indicator and *composite reliability* for the indicator block. In this step, an SEM model diagram was developed which aims to make it easier to see the causal relationships to be tested.

Validity Testing

The *outer loading test* is used to determine the extent to which an indicator is able to reflect the variables in the study. In the partial least square test, the standardization for the assessment *of outer loadings* is 0.70 so that all indicators that have a *loadings value* of > 0.70 mean that they have been able to reflect the latent variables.
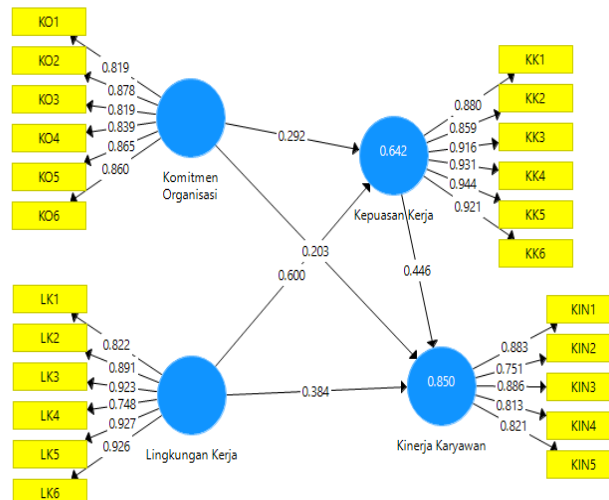
Figure 3 Outer Model Drawing

Source: SmartPLS 3.0 data processing results (2024)

Based on the outer model image (figure 3), here are the outer loading values for each construction indicator:

Table 3 Validity Test Results Table

Variable	Item Code	Outer Loading	Information
Organizational Commitment	KO1	0.819	Valid
Organizational Commitment	KO2	0.878	Valid
Organizational Commitment	KO3	0.819	Valid
Organizational Commitment	KO4	0.839	Valid
Organizational Commitment	KO5	0.865	Valid
Organizational Commitment	KO6	0.860	Valid
Work Environment	LK1	0.822	Valid
Work Environment	LK2	0.891	Valid
Work Environment	LK3	0.923	Valid
Work Environment	LK4	0.748	Valid
Work Environment	LK5	0.927	Valid
Work Environment	LK6	0.926	Valid
Employee Performance	KIN1	0.883	Valid
Employee Performance	KIN2	0.751	Valid
Employee Performance	KIN3	0.886	Valid
Employee Performance	KIN4	0.813	Valid
Employee Performance	KIN5	0.821	Valid
Job Satisfaction	KK1	0.880	Valid
Job Satisfaction	KK2	0.859	Valid
Job Satisfaction	KK3	0.916	Valid
Job Satisfaction	KK4	0.931	Valid
Job Satisfaction	KK5	0.944	Valid
Job Satisfaction	KK6	0.921	Valid

Source: SmartPLS 3.0 data processing results (2024)

Based on the table of validity test results (table 3), all indicators of each research variable have an *outer loading* > 0.70 so that all indicators are declared valid where an indicator is declared valid, if it has an *outer loading* value greater than 0.70, while if there is *an outer loading* below 0.70, it will be removed from the model. The indicator with the highest *outer loading* value of the organizational commitment variable is KO2, the work environment variable is LK5, the employee performance variable is KIN3, and the job satisfaction variable is KK5.

Average Variance Extracted *(AVE)* **Testing**

The *average variances exctracted test* is used to determine the validity of each variable studied. Validity means the ability of a measuring tool to reflect the data being studied. In the partial least square test, the standardization for the assessment *of average exceeded variances* is 0.50, so that any latent variable that has an *average value of* > 0.50 means that it has been

able to meet *the requirements of average outstanding variances*. The AVE values for each variable are presented in the following table:

Table 4 Table of *Average Variance Extracted* (AVE) Test Results

Variable	AVE Scores	Information
Organizational Commitment	0.717	Valid
Work Environment	0.766	Valid
Employee Performance	0.693	Valid
Job Satisfaction	0.826	Valid

Source: SmartPLS 3.0 data processing results (2024)

Based on the table of validity test results (table 3) and the table of *average variance extracted* test results (table 4), it can be seen that the value on the *outer loading* of all indicators has met the requirements, which is above 0.70 and is supported by the AVE value, which is also qualified, which is above 0.50. Based on the table of the results *of the average variance extracted* test (table 4), it can be seen that the highest AVE value is found in the job satisfaction variable with a value of 0.826. Meanwhile, the lowest AVE value is found in the employee performance variable with a value of 0.693. Thus, judging from *the outer loading* value and the AVE value, the data from this study can be said to have met the test requirements for convergence validity.

Composite Reliability *Testing*

Composite reliability *testing* is used to determine the reliability of each variable studied. Reliable means the ability of a measuring instrument to be tested repeatedly. This means that if a variable is reliable, then the statement on that variable can be used for other research at another time. In the *partial least square test*, the standardization for the composite *reliability* assessment is 0.60, so that every latent variable that has a *composite reliability* value of > 0.60 means that it has been able to meet *the composite reliability* requirements.

Table 5 *Composite Reliability Test Results Table*

Variable	Composite Reliability	Information
Organizational Commitment	0.938	Reliable
Work Environment	0.951	Reliable
Employee Performance	0.918	Reliable
Job Satisfaction	0.966	Reliable

Source: SmartPLS 3.0 data processing results (2024)

Based on the table of composite *reliability test* results (table 5), it can be seen *that the composite reliability* values produced by all variables can be said to be reliable because they meet the requirements of *a composite reliability value* of > 0.60.

Testing Cronbach's Alpha

The reliability test in PLS can use two methods, namely *cronbach's alpha* and *composite reliability*. The difference between *cronbach's alpha* and *composite reliability* is that *cronbach's alpha* measures the lower bound of the reliability value of a construct while *composite reliability* measures the actual value of a construct. A construct is declared reliable if *the value of Cronbach's alpha* is greater than 0.60. If *the value of Cronbach's alpha* is greater than 0.60, then the question items in the questionnaire are reliable. Meanwhile, if *the Cronbach's alpha* value is less than 0.60, then the items in the questionnaire are unreliable or *unreliable*.

Table 6 Table of *Composite Reliability Test Results*

Variable	Cronbach's Alpha	Information
Organizational Commitment	0.922	Reliable
Work Environment	0.938	Reliable
Employee Performance	0.888	Reliable
Job Satisfaction	0.958	Reliable

Source: SmartPLS 3.0 data processing results (2024)

Based on the table of composite *reliability test* results (table 6), *the cronbach's alpha* value of all variables in this study has a *cronbach's alpha value > 0.60*. So all variables in this research model are said to be reliable.

Discriminant Validity *Testing*

Validity tests with *discriminant validity* are carried out to ensure that each concept of each latent model is different from the other variables. *Discriminant validity* testing can be assessed based on *the fornell-larcker criterion* and *cross loading*. In *the fornell-larcker* test, *the discriminant validity* can be said to be good if the root of the AVE in the construct is higher compared to the correlation of the construct with other latent variables, while in the *cross landing test* it must show the indicator value in other constructs (Bougie and Sekaran, 2020). The decision-making criteria in this validity test are if the r-count value is greater than the r-table, then the question item in the questionnaire is valid while if the r-count value is less than the r-table, then the question item in the questionnaire is invalid.

Table 7 Table of *Discriminant Validity Cross Loading Test Results*

Code	Job Satisfaction	Employee Performance	Organizational Commitment	Work Environment
KIN1	0.799	0.883	0.585	0.762
KIN2	0.684	0.751	0.633	0.643
KIN3	0.773	0.886	0.648	0.711
KIN4	0.651	0.813	0.495	0.671
KIN5	0.685	0.821	0.540	0.695
KK1	0.880	0.743	0.644	0.679
KK2	0.859	0.711	0.625	0.562
KK3	0.916	0.798	0.516	0.682
KK4	0.931	0.808	0.561	0.726
KK5	0.944	0.818	0.545	0.745
KK6	0.921	0.840	0.554	0.756
KO1	0.497	0.547	0.819	0.469
KO2	0.448	0.509	0.878	0.365
KO3	0.522	0.588	0.819	0.462
KO4	0.371	0.415	0.839	0.259
KO5	0.654	0.698	0.865	0.594
KO6	0.609	0.693	0.860	0.585
LK1	0.662	0.697	0.468	0.822
LK2	0.634	0.734	0.513	0.891

LK3	0.709	0.777	0.547	0.923
LK4	0.542	0.630	0.406	0.748
LK5	0.722	0.769	0.496	0.927
LK6	0.725	0.784	0.512	0.926

Source: SmartPLS 3.0 data processing results (2024)

The *discriminant validity cross loading* test table (table 7) above shows that the cross loading value of each indicator has a higher correlation compared to other latent variables. From these results, it can be stated that all variables have met the requirements in the discrimination validity test.

Table 8 *Fornell-Larcker Discriminant Validity Test Results Table*

Variable	Job Satisfaction	Employee Performance	Organizational Commitment	Work Environment
Job Satisfaction	0.909			
Employee Performance	0.867	0.832		
Organizational Commitment	0.629	0.699	0.847	
Work Environment	0.764	0.838	0.562	0.875

Source: SmartPLS 3.0 data processing results (2024)

The table of the results *of the Fornell-Larcker discriminant validity* test (table 8) above shows that the root of the AVE in the construct is higher than the correlation of the construct with other latent variables. From these results, it can be stated that all variables have met the requirements in the discrimination validity test.

Inner Model *Evaluation* (Structural Model)

The inner model or inner measurement is also called a structural model, which is a model that connects latent variables. The feasibility test of the model was used to determine the extent to which the regression of the panel data succeeded in forming a good regression model to interpret the results of the study. There are 3 steps in the feasibility testing of the model including Normed Fit Index, Q Square and F Square.

Normed Fit Index *Testing*

A measure of the model's conformity to a comparative basis to *a baseline* or *null model*. *A null model* is generally a model that states that the variables contained in the estimated model are not related to each other. The value of the *normed fit index* ranges from 0 (no match at all) to 1 (perfect fit). There is no absolute value that indicates the acceptance rate, but the recommended value is greater than 0.90 which indicates good fit.

Table 9 Table of *Normed Fit Index Test Results*

Test	Value
Normed Fit Index	0.760

Source: SmartPLS 3.0 data processing results (2024)

From the results of the data obtained, it shows a normed *fit index* value of 0.760, so it can be concluded that the mode used has met the requirements of the model feasibility (*good fit*) and can be continued to the next stage.

 ***Predictive Relevance* Testing (Q2)**

Predictive relevance is a test that is carried out to show how well the observation value produced in using the *blindfolding* procedure by looking at the Q *square* value. In the *predictive relevance* test , if the Q *square* value is greater than 0, it can be said to have a good

observation value, while if the Q *square value* is less than 0, it can be stated that the observation value is not good (Hair *et al.*, 2019).

Table 10 Table of *Predictive Relevance* Test Results (Q2)

Variable	Q2 predict
Job Satisfaction	0.642
Employee Performance	0.850

Source: SmartPLS 3.0 data processing results (2024)

Based on the table of the results of *the predictive relevance test* (table 10) above, it can be seen that the Q2 value for the job satisfaction variable is 0.642 and the employee performance variable is 0.850 which means that all models formed have a good observation value because they have met the requirements of Q2, which is > 0.

Testing *Effect Size* (F2)

The Effect Size or F-square test was carried out to find out how much the relative influence of the independent latent variable on the dependent latent variable. The criteria for measuring F-square are if an F2 value of 0.02 is categorized as a weak influence of the latent *predictor* variable (exogenous latent variable) on the structural level, if an F2 value of 0.15 is categorized as a sufficient influence of the latent *predictor* variable (exogenous latent variable) on the structural level and if the F2 value of 0.20 is categorized as a strong influence of the latent *predictor* variable (exogenous latent variable) at the structural level (Hair *et al.*, 2019).

Table 11 Table of *Effect Size* Test Results (F2)

Variable	Job Satisfaction	Employee Performance
Job Satisfaction		0.474
Employee Performance		
Organizational Commitment	0.163	0.161
Work Environment	0.688	0.398

Source: SmartPLS 3.0 data processing results (2024)

The table of effect *size test* results (table 11) shows that, job satisfaction has an *effect size* value of 0.474 on employee performance, so job satisfaction has a strong influence on employee performance. Organizational commitment has *an effect size* value of 0.163 on job satisfaction and 0.161 on employee performance, so organizational commitment has a sufficient influence on job satisfaction and employee performance. The work environment has an *effect size* value of 0.688 on job satisfaction and 0.398 on employee performance, so the work environment has a strong influence on job satisfaction and employee performance.

Path Coefficients *Testing*

The test *of path coefficients* is a useful value in showing the direction of the relationship in a variable, whether a hypothesis has a positive or negative direction. *Path coefficients* have values that range from -1 to 1. If the value is in the range of 0 to 1, it can be declared positive, while if the value is in the range of -1 to 0, it can be declared negative.

Table 12 Table of *Path Coefficients Test Results*

Construct	Path Coefficients
Organizational Commitment → Employee Performance	0.203
Work Environment → Employee Performance	0.384
Organizational Commitment → Job Satisfaction	0.292
Work Environment → Job Satisfaction	0.600
Job Satisfaction → Employee Performance	0.446
Organizational Commitment → Job Satisfaction → Employee Performance	0.130
Work Environment → Job Satisfaction → Employee Performance	0.267

Source: SmartPLS 3.0 data processing results (2024)

Based on the results in the table of path *coefficients test* results (table 12), the following results were obtained:

1. The direct influence of organizational commitment on employee performance is 0.203, which means that if organizational commitment increases by one unit, employee performance can increase by 20.3%, so it can be concluded that this influence is positive.
2. The direct influence of the work environment on employee performance is 0.384, which means that if the work environment increases by one unit, employee performance can increase by 38.4%, so it can be concluded that this influence is positive.
3. The direct influence of organizational commitment on job satisfaction is 0.292, which means that if organizational commitment increases by one unit, job satisfaction can increase by 29.2%, so it can be concluded that this influence is positive.
4. The direct influence of the work environment on job satisfaction is 0.600, which means that if the work environment increases by one unit, job satisfaction can increase by 60.0%, so it can be concluded that this influence is positive.
5. The direct effect of job satisfaction on employee performance is 0.446, which means that if job satisfaction increases by one unit, employee performance can increase by 44.6%, so it can be concluded that this effect is positive.
6. The indirect influence of organizational commitment on employee performance through job satisfaction is 0.130, which means that if organizational commitment increases by one unit, employee performance can increase indirectly through job satisfaction by 13.0%, so it can be concluded that this influence is positive.
7. The indirect influence of the work environment on employee performance through job satisfaction is 0.267, which means that if the work environment increases by one unit, employee performance can increase indirectly through job satisfaction by 26.7%, so it can be concluded that this influence is positive.

Hypothesis Test Results

Hypothesis tests are used to answer the initial conjectures of the research. In *partial least square*, to test the hypothesis a *bootstrapping* calculation is used. By using *bootstrapping*, the following analysis results will be obtained:

1. Statistical t-value, which we compare with the t-value of the table to test whether or not exogenous variables have a significant effect on endogenous.
2. The *p-value* value, to compare whether the value is below the significant level, can be below 0.05 or above 0.05 to indicate whether the *null* hypothesis or alternative hypothesis is accepted or rejected.
3. *Original sample*, used as the regression coefficient value to complete the regression equation.

4. So the conditions that must be met are:

If the p value > 0.05 or the t statistics < 1.96 then Ha is rejected, Ho is accepted.

If the p value ≤ 0.05 and the t statistics ≥ 1.96 then Ha is accepted, Ho is rejected

.

The results of the test on the structure model (hypothesis test) of the direct influence carried out can be seen in the following table:

Table 13 Table of Results of Direct Influence Hypothesis Test

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Organizational Commitment → Employee Performance	0.203	0.197	0.064	3.153	0.002
Work Environment → Employee Performance	0.384	0.385	0.099	3.870	0.000
Organizational Commitment → Job Satisfaction	0.292	0.290	0.069	4.265	0.000
Work Environment → Job Satisfaction	0.600	0.606	0.075	8.019	0.000
Job Satisfaction → Employee Performance	0.446	0.448	0.107	4.185	0.000

Source: SmartPLS 3.0 data processing results (2024)

Based on the table of the results of the direct influence hypothesis test (table 13), the test results are concluded as follows:

H1: Organizational commitment has a positive and significant effect on employee performance.

The results of the hypothesis test showed that the p *value* for the influence of organizational commitment on employee performance was $0.002 < 0.05$, with the t *statistics* value being $3.153 > 1.96$, and the *original sample* value was positive 0.203. Therefore, it can be concluded that organizational commitment has a positive and significant effect on employee performance. Thus, the hypothesis that the organization's commitment has a positive and significant effect on employee performance is accepted.

H2: The work environment has a positive and significant effect on employee performance.

The results of the hypothesis test show that the p *value* for the influence of the work environment on employee performance is $0.000 < 0.05$, with the t *statistics* value being $3.870 > 1.96$, and the *original sample* value is positive 0.384. Therefore, it can be concluded that the work environment has a positive and significant effect on employee performance. Thus, the hypothesis that the work environment has a positive and significant effect on employee performance is accepted.

H3: Organizational commitment has a positive and significant effect on job satisfaction.

The results of hypothesis testing show that the p *value* for the influence of organizational commitment on job satisfaction is $0.000 < 0.05$, with the t *statistics* value being $4.265 > 1.96$, and the *original sample* value is positive 0.292. Therefore, it can be concluded that

organizational commitment has a positive and significant effect on job satisfaction. Thus, the hypothesis that the organization's commitment has a positive and significant effect on job satisfaction is accepted.

H4: The work environment has a positive and significant effect on job satisfaction.

The results of the hypothesis test showed that the p *value* for the influence of the work environment on job satisfaction was 0.000 < 0.05, with the t *statistics* value being 8.019 > 1.96, and the *original sample* value was positive 0.600. Therefore, it can be concluded that the work environment has a positive and significant effect on job satisfaction. Thus, the hypothesis that the work environment has a positive and significant effect on job satisfaction is accepted.

H5: Job satisfaction has a positive and significant effect on employee performance.

The results of the hypothesis test show that the p *value* for the effect of job satisfaction on employee performance is 0.000 < 0.05, with the t *statistics* value being 4,185 > 1.96, and the *original sample* value is positive 0.446. So it can be concluded that job satisfaction has a positive and significant effect on employee performance. Thus, the hypothesis that job satisfaction has a positive and significant effect on employee performance is accepted.

Furthermore, the results of the test on the structure model (hypothesis test) of the indirect influence carried out can be seen in the following table:

Table 14 Table of Results of Indirect Influence Hypothesis Test

Construct	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Organizational Commitment → Job Satisfaction → Employee Performance	0.130	0.133	0.052	2.510	0.012
Work Environment → Job Satisfaction → Employee Performance	0.267	0.268	0.062	4.279	0.000

Source: SmartPLS 3.0 data processing results (2024)

Based on the table of the results of the indirect influence hypothesis test (table 14), the test results are concluded as follows:

H6: Job satisfaction mediates the positive and significant influence of organizational commitment on employee performance.

The results of hypothesis testing showed that the p *value* for the influence of organizational commitment on employee performance through job satisfaction was 0.012 < 0.05, with the t *statistics* value being 2.510 > 1.96, and the *original sample* value was positive 0.130. Therefore, it can be concluded that organizational commitment has a positive and significant effect on employee performance through job satisfaction. Thus, the hypothesis that job satisfaction mediates the influence of organizational commitment positively and significantly on employee performance is accepted.

H7: Job satisfaction mediates the positive and significant influence of the work environment on employee performance.

The results of the hypothesis test show that the p *value* for the influence of the work environment on employee performance through job satisfaction is 0.000 < 0.05, with the t *statistics* value being 4.279 > 1.96, and the *original sample* value is positive 0.267. Therefore, it can be concluded that the work environment has a positive and significant effect on employee performance through job satisfaction. Thus, the hypothesis that job satisfaction mediates the

influence of the work environment positively and significantly on employee performance is accepted.

Discussion

The Effect of Organizational Commitment on Employee Performance

This study shows a hypothesis that states that organizational commitment has a positive and significant effect on employee performance is accepted. Based on the calculations obtained, the p *value* for the influence of organizational commitment on employee performance is 0.002, with a *t-statistics* value of 3,153, and an *original sample value* of 0.203. This means that changes in the value of organizational commitment have a direct influence on changes in employee performance. If the organization's commitment increases, there will be an increase in employee performance which statistically has a significant influence. The results of this study are also supported by previous research conducted by (Badrianto & Astuti, 2023) and (Kawiana et al., 2023), which also stated that organizational commitment has a positive and significant effect on employee performance.

The Influence of the Work Environment on Employee Performance

This study shows a hypothesis that states that the work environment has a positive and significant effect on employee performance. Based on the calculations obtained, the p *value* for the influence of the work environment on employee performance is 0.000, with a t *Statistics* value of 3,870, and an *original sample* value of 0.384. This means that changes in the value of the work environment have a direct influence on changes in employee performance. If the work environment improves, there will be an increase in employee performance which statistically has a significant influence. The results of this study are also supported by previous research conducted by (Faitul & Kusdiyanto, 2023), (Noviyanti & Asmalah, 2023), (Susanti et al., 2023), (Saputra & Dihan, 2020), (Basirun et al., 2022), and (Ahakwa et al., 2021), which also stated that the work environment has a positive and significant effect on employee performance.

The Effect of Organizational Commitment on Job Satisfaction

This study shows a hypothesis that states that organizational commitment has a positive and significant effect on job satisfaction received. Based on the calculations obtained, the p *value* for the influence of organizational commitment on job satisfaction is 0.000, with a *t-statistics* value of 4,265, and an *original sample value* of 0.292. This means that changes in the value of organizational commitment have a unidirectional influence on changes in job satisfaction. If the organization's commitment increases, there will be an increase in job satisfaction which statistically has a significant influence. The results of this study are also supported by previous research conducted by (Badrianto & Astuti, 2023), (Rahayu & Dahlia, 2023), and (Andriani, 2023), which also stated that organizational commitment has a positive and significant effect on job satisfaction.

The Effect of Work Environment on Job Satisfaction

This study shows a hypothesis that states that the work environment has a positive and significant effect on job satisfaction received. Based on the calculations obtained, the p *value* for the influence of the work environment on job satisfaction is 0.000, with a t *Statistics* value of 8.019, and an *original sample* value of 0.600. This means that changes in the value of the work environment have a one-way influence on changes in job satisfaction. If the work environment increases, there will be an increase in job satisfaction which statistically has a significant influence. The results of this study are also supported by previous research conducted by (Saputra & Dihan, 2020) and (Rahma et al., 2023), which also stated that the work environment has a positive and significant effect on job satisfaction.

The Effect of Job Satisfaction on Employee Performance

This study shows a hypothesis that states that job satisfaction has a positive and significant effect on employee performance. Based on the calculations obtained, the p *value*

for the effect of job satisfaction on employee performance is 0.000, with a t *Statistics* value of 4,185, and an *original sample* value of 0.446. This means that changes in job satisfaction values have a one-way influence on changes in employee performance. If job satisfaction increases, there will be an increase in employee performance which statistically has a significant influence. The results of this study are also supported by previous research conducted by (Badrianto & Astuti, 2023; Kosim et al., 2023; Riskawati et al., 2023; Saputra & Dihan, 2020), (Khasanah & Abadiyah, 2022), who also stated that job satisfaction has a positive and significant effect on employee performance.

Job Satisfaction Mediates the Influence of Organizational Commitment on Employee Performance

This study shows a hypothesis that states that job satisfaction mediates the influence of organizational commitment on employee performance is accepted. Based on the calculations obtained, the p *value* for the influence of organizational commitment on employee performance through job satisfaction is 0.012, with a t *Statistics* value of 2,510, and an *original sample value* of 0.130. This means that changes in the value of organizational commitment have a one-way influence on changes in employee performance through job satisfaction. If the organization's commitment increases, there will be an increase in employee performance through job satisfaction which statistically has a significant influence. The results of this study are also supported by previous research conducted by (Badrianto & Astuti, 2023; Febriyanti & Suryalena, 2023; Nelson & Panjaitan, 2023), which also stated that job satisfaction mediates the influence of organizational commitment on employee performance.

Job Satisfaction Mediates the Influence of the Work Environment on Employee Performance

This study shows a hypothesis that states that job satisfaction mediates the influence of the work environment on employee performance is accepted. Based on the calculations obtained, the p *value* for the influence of the work environment on employee performance through job satisfaction is 0.000, with a t *Statistics* value of 4,279, and an *original sample value* of 0.267. This means that changes in the value of the work environment have a direct influence on changes in employee performance through job satisfaction. If the work environment improves, there will be an increase in employee performance through job satisfaction which statistically has a significant influence. The results of this study are also supported by previous research conducted by (Badrianto & Astuti, 2023; Febriyanti & Suryalena, 2023; Nelson & Panjaitan, 2023), which also stated that job satisfaction mediates the influence of the work environment on employee performance.

CONCLUSION

Based on the discussion, the following conclusions can be drawn from this study: First, organizational commitment significantly enhances employee performance, as employees with high commitment are motivated to stay and perform well for the organization. Second, a positive work environment also significantly boosts employee performance by providing comfort and safety, fostering good relationships, and offering adequate facilities. Third, organizational commitment and work environment both positively influence job satisfaction. High commitment and a supportive work environment make employees feel attached and satisfied with their jobs. Fourth, job satisfaction significantly improves employee performance, as satisfied employees are more motivated, productive, and creative. Lastly, job satisfaction mediates the effects of both organizational commitment and work environment on employee performance. It serves as a crucial link, as higher job satisfaction resulting from strong organizational commitment and a positive work environment leads to enhanced performance.

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