

ABSTRACT

This study aimed to examine the direct and indirect effects of the work environment, work motivation, and transformational leadership on employee performance, with employee engagement serving as a mediating variable. Employing a quantitative approach with an explanatory method, this study collected primary and secondary data from 110 permanent employees of PT. Mandira Jaya Abadi through a census technique (nonprobability sampling). Data were gathered using questionnaires and analyzed via Structural Equation Modeling (SEM) with the aid of SmartPLS 3.0.

The study's findings indicate that the work environment directly and significantly influences employee performance in a positive manner. However, work motivation and transformational leadership did not exhibit a significant direct impact on performance. Nevertheless, both the work environment and transformational leadership were found to have a positive and significant influence on employee performance through the mediation of employee engagement. In contrast, work motivation did not show a significant impact on employee performance when mediated by employee engagement.

Keywords: *Employee Performance, Employee Engagement, Work Environment, Work Motivation, Transformational Leadership*