

## **ABSTRACT**

*This study aims to analyze the influence of Performance Management and Physical Work Environment on Employee Performance with Job Satisfaction as an intervening variable on employees of PT Wijaya Steelindo, an iron and steel manufacturing company in Cikarang. The background of the study is based on the fluctuations in the growth of the manufacturing industry in Indonesia which requires companies to optimize internal factors, especially performance management and the physical work environment, in order to maintain employee productivity and satisfaction.*

*The research method used is a quantitative approach with Structural Equation Modeling (SEM) analysis techniques with the help of AMOS 22. The research sample involved employees of PT Wijaya Steelindo. Data collection was carried out through a structured questionnaire that measured the variables of Performance Management, Physical Work Environment, Job Satisfaction, and Employee Performance based on tested indicators from previous literature. The results of the study indicate that Performance Management has a positive and significant effect on Job Satisfaction and Employee Performance. Physical Work Environment has a positive and significant effect on Job Satisfaction, but its direct effect on Employee Performance is not significant.*

*These findings emphasize the importance of implementing a structured performance management system and creating a comfortable physical work environment to increase job satisfaction, which ultimately impacts employee performance optimization. This research provides practical implications for company management in formulating performance improvement strategies based on effective human resource management.*

*Keywords: performance management, physical work environment, job satisfaction, employee performance, SEM AMOS.*

**FEB UNDIP**