

ABSTRACT

This study aims to analyze the influence of the work environment on employee performance through work discipline as a mediating variable among production employees at PT Berkah Bumi Independen. The study was motivated by the importance of the work environment and work discipline in supporting employee performance within the wood-processing industry, which has relatively high occupational risks. This research employed a quantitative approach using a survey method. The population consisted of all employees of PT Berkah Bumi Independen totaling 426 employees. The research sample consisted of 100 respondents selected using purposive sampling techniques. Data were collected through questionnaires using a five-point Likert scale and analyzed using Structural Equation Modeling based on Partial Least Square (SEM-PLS). The results showed that the work environment had a positive and significant effect on employee performance. The work environment also had a positive and significant effect on work discipline. Furthermore, work discipline had a positive and significant effect on employee performance. The mediation test results indicated that work discipline was able to mediate the influence of the work environment on employee performance. These findings indicate that a good work environment not only directly improves employee performance but also encourages more disciplined work behavior, which ultimately contributes to better performance outcomes. This study implies that companies need to pay attention to both physical and non-physical work environments while strengthening employee discipline in order to improve work effectiveness and achieve production targets more optimally.

Keywords: *Environment, Discipline, Performance, Employees.*

