EMPLOYEE PERFORMANCE AND SEVERAL PREDICTING FACTORS: A CAUSALITY AND STRATEGY IMPLICATION

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Abstract

One way to see the success of a company is by assessing the performance of its employees to build sustainable productivity (Previtali et al., 2022; Athirah Saidi et al., 2019). To follow up on that perspective, this study investigates the role of leadership style, discipline, and work environment on employee performance. The main focus is on companies operating in the maritime services industry sector located at Shorebase Tanjung Batu (North Penajam Paser (*Penajam Paser Utara*) — PPU) under the supervision of Pertamina Trans Continental (PTK). The interview instrument was through the distribution of closed questionnaires which were submitted to 591 employees. The questionnaire is used to measure response perceptions based on a Likert scale which includes five alternative options: 1 = completely disagree, 2 = disagree, 3 = moderate, 4 = agree, and 5 = completely agree. Then, primary data is tabulated via the partial least squares (PLS) model. The study output found that leadership style, discipline, and work environment influence collective employee performance. Partially, leadership style and work environment have positive implications for employee performance. Yet, discipline actually has a negative impact on employee performance. Dedication to growing the body of knowledge is the development of indicators on the variables analyzed.

Keywords: Employee Performance, Leadership Style, Discipline, Work Environment, Partial Least Squares

Authors' individual contribution: Conceptualization — M.A., T.Y., and W.S.; Methodology — D.T. and I.A.; Software — D.C.D.; Validation — M.A., D.T., and I.A.; Formal Analysis — D.C.D.; Investigation – T.Y.; Resources — W.S.; Data Curation — I.A.; Writing — Original Draft — D.T. and D.C.D.; Writing — Review & Editing — M.A. and D.C.D.; Visualization — D.T., T.Y., W.S., and I.A.; Supervision — M.A.; Project Administration — D.C.D.; Funding Acquisition — M.A., D.T., T.Y., W.S. and I.A.

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1. INTRODUCTION

Indonesia is optimistic about achieving economic growth exceeding 5% in 2024 (Thawley et al., 2024). This rate of economic growth can be realized with various government regulations, especially cross-economic integration programs. After the COVID-19 pandemic, through the support of the Group of 20 (G20) Presidency, Indonesia is expected to be able to spur macroeconomic stability at the domestic level (Matovich & Srivastava, 2023). Brás and Soukiazis (2020), and Sanguinet and Rodríguez-Puello (2022) state that the tertiary sector is a business field that produces services, where this tertiary sector is classified as a service economy that is beneficial to the primary sector in determining economic growth.

One of the companies operating in the tertiary sector is the maritime services industry which is domiciled in Shorebase Tanjung Batu in North Penajam Paser Regency (Penajam Paser Utara PPU). The presence of this company functions to supply various materials needed by PT Pertamina (Persero) with a subsidiary named Pertamina Trans Continental (PTK), such as distributing fuel to all ports throughout Indonesia that cannot be reached by tankers, providing maritime transportation for Pertamina Logistics for project development, and accommodating other facilities related to the parent company's activities. Basically, the maritime services industry carries out business activities that are oriented towards the dimensions of health, safety, and environment (HSE), operational reliability, and prioritizing customer satisfaction in the aspects of providing energy sector shipping services, maritime service distribution, and logistics services. To prioritize satisfaction, the customer company maintains the quality of work. Dlamini et al. (2022), and Kosec et al. (2022) emphasized that employee performance is closely related to how employees carry out their work under their responsibilities. In general, Ullrich et al. (2023) detected that organizational success and failure are reflected by employee engagement. Employee involvement is one of the important elements in any organizational structure. In recent years, it has been believed that employee engagement is inseparable from variations in leadership styles.

Several past papers identified that employee performance has relevance to leadership style. The better the leadership style, the more it has an impact on employee attitudes and performance (AlFlayyeh & Alghamdi, 2023; Ho et al., 2023). Conceptually, leadership style is an effort by a leader to motivate other people, especially employees, according to organizational values (Meirinhos et al., 2023). Hassnain (2022) estimated that transformational, autocratic, and democratic leadership styles provide enthusiasm to employees so that they can strengthen organizational performance. On the one hand, there is also quantitative research that calculates that leadership style has no effect on performance (Sufardin et al., 2022).

In practice, employee performance is influenced by discipline, but there are also findings that explain that employee performance is not influenced by discipline. As explained by Askiyanto et al. (2023), where work discipline has a positive effect on performance. This can be articulated that the higher the work discipline, the more employee performance will grow. Contrary to the scientific work of Mentari et al. (2023), work discipline that is not actualized with adequate understanding

and awareness will reduce employee performance. Normally, the relationship between the work environment and employee performance is positive, but there are also those who argue that employee performance is not really influenced by the work environment. Take the example of a scientific article by Zhenjing et al. (2022) which explained that the work environment has a positive effect on performance. On the other hand, Rachman (2021) clarified that a bad work environment actually triggers a decline in employee performance. By analogy, if the work environment (physical and non-physical) gets better, it will increase employee performance.

In reality, leadership style is a comprehensive strategy to encourage employee performance in carrying out work routines according to their job description. This study produces valuable insights for many parties about employee performance which reflects employees' ability to communicate which is stimulated by high creativity, integrity a strong personality, and a strong ability to adapt to work results. Apart from that, a leadership style with character becomes a guide for employees to strengthen performance. Ideally, discipline is employee compliance to complete work on time. The problem is, in existing cases, employees have the option to complete work on time, so the level of discipline does not depend on compliance with working hours like in other companies. Uniquely, the work environment formed in this company is not determined individually, but employees work in teams or collectively as an alternative to improve performance.

Referring to several basic premises above, urgency of this study is to examine the relationship between leadership style, discipline, and work environment on employee performance in the maritime services sector at PTK Shorebase Tanjung Batu (PPU). The output of the study is aimed at managerial improvement, employees, and the development of further literature to be able to develop accurate preferences in optimizing performance. Apart from that, through a perspective that places more emphasis on leadership style, discipline, and a more effective work environment, it is also a future consideration to improve employee performance. As is known, the leadership style, discipline, work environment, and performance of employees in each workplace have their own dimensions and characteristics. Although many human resources (HR) management research topics highlight the link between leadership style, discipline, and work environment on employee performance, the authenticity of this study is to review the effects of all three on employee performance for types of fieldwork with high pressure and workload. With a different scope of work compared to other organizations, it makes the focus of the study more interesting to highlight.

In general, the structure of this paper is grouped into six parts. Section 1 presents the background, research gaps, and benefits of the study. Section 2 reviews the relevant literature. Section 3 informs the methodology used to process and analyze the data. Section 4 describes the empirical reports. Section 5 discusses the study findings with a comparison of past research. Section 6 justifies the results of the investigation for future research development and practical recommendations.

2. REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

2.1. Employee performance

According to Memon et al. (2023) and Veronika et al. (2024), employee performance is the level of achievement of responsibilities and tasks given to employees as measured by quantity and quality within a certain range. Likewise, Eliyana et al. (2019) responded that employees who have a great commitment to their work are employees who have high performance, as employees who actively participate in skill development, focus their energy on career development, do extra work, and minimize the tendency to leave their jobs. Specifically, employee performance in the maritime services industry in this study is punctuality in providing services, functions to facilitate PT Pertamina (Persero) routines in providing fuel distribution, providing maritime transportation for Pertamina Logistics, and related technical matters to help the parent company work.

Adopting Lundgren et al. (2021), the indicators measuring employee performance include: 1) analytical techniques, 2) personality, 3) communication skills, 4) creativity, and 5) integrity. Each indicator has a different definition. First, analytical techniques are intelligence in collecting, filtering information, and solving problems. Second, personality is interactions between employees which are reflected in behavior and politeness. Third, communication skills are communication techniques between employees. Fourth, creativity represents employee innovation in completing work. Fifth, integrity is seen as an employee's obligation to always uphold a code of ethics and moral principles at work.

2.2. Leadership style

Le Gentil (2024) observed that leadership style is a method that leaders apply when interacting with their staff. Behavior patterns are designed in such a way about influences staff to optimize their performance. In the end, the company's goals can be achieved ideally. One guideline for companies to create professional leadership that can support performance is a participative leadership style. The participative leadership style was chosen because it has not been widely highlighted by the studies mentioned above. Through this study, we want to explore how a participative leadership style can encourage employee performance. Other evidence indicates that leadership style actually reacts negatively to employee performance (Beauty & Aigbogun, 2022). Hasan et al. (2023) assumed that a leadership style that transforms based on organizational needs further boosts employee competence. Below, a temporary hypothesis is prepared as follows:

H1: Leadership style improves employee performance.

2.3. Discipline

Employee performance can be influenced by discipline (Waris, 2015). In other words, the more intense employees are in obeying company rules, the more employees are guaranteed to improve their

performance. Firmansyah et al. (2023) proved that consistent discipline can improve employee performance.

The approach implemented by the company with strict control over employees will trigger a good level of work discipline, so that it is projected to increase employee performance with the ultimate essence being the achievement of the company's mission. Simamora et al. (2023) confirmed that discipline plays a positive role in improving employee performance. Automatically, employee discipline is a crucial key to building positive performance.

Furthermore, Sutianingsih and Handayani (2021) verified that work discipline has an insignificant influence on employee performance. In line with that, Qalati et al. (2022) argued that complex disciplinary procedures will hinder employee performance. The differences in opinion from several existing studies provide an opportunity for this study to be dissected in more detail. So, in this research, we want to prove that discipline has an effect on employee performance. The proposal for the second hypothesis is written below:

H2: Discipline improves employee performance.

2.4. Work environment

Theoretically, the work environment is understood as a reciprocity or suitability between people and a dynamic environment (Armitage & Amar, 2021). This requires a match in needs-supplies or demandscapabilities. In this position, there is a combination of the environment being able to fulfill employee desires and employees having the abilities needed in the organization's work processes. In a broad construct, the work environment is formed because there are subjective and fair matches and incompatibilities that are connected to each other and this can change over time. Referring to the theoretical framework created by Badayai (2012) about employee work performance in the work environment, there are five factors in the workplace environment that can influence employee performance including: 1) space, 2) color and light, 3) air, 4) temperature, and 5) sound. Galanakis and Tsitouri (2022) divided three clusters related to psychology in the work environment, namely: 1) fatigue, 2) job demands, and 3) work involvement. In the 21st century, employee welfare, including health, is largely determined by happiness at work.

Shaikh (2022) explained that optimal employee performance can be seen in a good work environment, where there is a harmonious relationship between employees and company management. Besides that, with a conducive work environment, leaders are able to control employee performance (Maijiny, 2023). Substantively, it is diagnosed that the atmosphere in the work environment can influence employee performance (Zhenjing et al., 2022). Nadia and Fathurahman (2018) reported that a work environment with complete facilities and a good work atmosphere can bring employee performance in a positive direction. From other contexts, Shaari et al. (2022) actually showed that the physical work environment has no impact on employee performance. By comparing these different findings, it becomes the basis for elaborating the next hypothesis:

H3: Work environment improves employee performance.

3. RESEARCH METHODOLOGY

3.1. Informant

The data for this study comes from questionnaires given to respondents. Collecting questionnaire data via closed interviews. The approach to determining the sample is total population sampling. Technically, total population sampling is to collectively associate the entire population with the same characteristics. The sample collection period is four months (October 2023 to January 2024). The selected respondents were 591 employees from maritime services companies at PTK Shorebase Tanjung Batu which focus on the logistics services industry, especially oil and gas processing under PT Pertamina. The questionnaire list was created systematically based on each respondent's answer.

The answers are adjusted to the indicators of each variable. The assessment was compiled using a Likert scale consisting of five options. The score for the "completely agree" option is converted to "5", the "agree" option is converted to "4", the "moderate" option is converted to "3", the "disagree" option is converted to "2", and the "completely disagree" is converted to "1". All respondents have the right to perceive their choices according to the Likert scale.

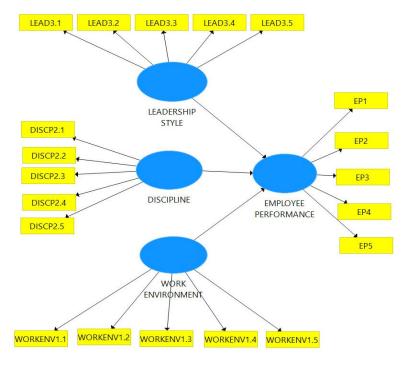
3.2. Variable attributes

Table 1 summarizes the variable components of this study which consists of two variables. The first is the dependent variable (*employee performance*) and the independent variable (*leadership style*, *discipline*, and *work environment*). These four variables have their own operational definitions.

Table 1. Variable format

Variables	Conceptual interpretation (references)	Code	Indicators (manivest)	
	The achievements shills and social manufactures	EP1	Analytical techniques	
Francisco	The achievements, skills, and work results demonstrated by an employee in carrying out	EP2	Personality	
Employee performance	his duties and responsibilities at work (Kundi	EP3	Communication skills	
performance	et al., 2021; López-Cabarcos et al., 2022).	EP4	Creativity	
	et al., 2021, Lopez-Cabarcos et al., 2022).	EP5	Integrity	
		LEAD1	Ability to build good cooperation and	
	A way for leaders to influence their		relationships	
Leadership style	subordinates to cooperate and work	LEAD2	Effective ability	
Leadership style	productively to achieve organizational goals (Benmira & Agboola, 2021)	LEAD3	Participatory leadership	
		LEAD4	Ability to delegate tasks or time	
		LEAD5	Ability to delegate tasks and authority	
	The level of compliance and obedience to	DISCP1	Compliance with regulations	
	applicable rules to be willing to accept	DISCP2	Responsibility at work	
Discipline	sanctions or punishment if they violate the rules set in the workplace (Nasir et al., 2020).	DISCP3	High level of vigilance	
		DISCP4	Timely attendance	
	the rules set in the workplace (rush et al., 2020).	DISCP5	Completing work on time	
	The overall equipment and materials	WORKENV1	Work structure	
	encountered, the surrounding environment	WORKENV2	Work responsibilities	
Work environment	where an employee works, and the organization	WORKENV3	Leader's attention and support	
	of employees both as individuals and in groups	WORKENV4	Teamwork	
	(Donley, 2021; Rasli Samudin et al., 2022).	WORKENV5	Smooth communication	

Figure 1. Conceptual scheme



As Figure 1 shows, the number of indicators for the four variables is twenty units. Each variable has the same indicator. In short, employee performance variables consist of: 1) analytical 2) personality techniques (EP1), 3) communication skills (EP3), 4) creativity (EP4), (EP5).The and 5) integrity indicators the leadership style variable are the ability to build good cooperation and relationships (LEAD1), effective ability (LEAD2), participatory leadership (LEAD3), ability to delegate tasks or time (LEAD4), and ability to delegate tasks and authority (*LEAD5*). Then, the discipline variable is supported by compliance with regulations (DISCP1), responsibility at work (DISCP2), high level of vigilance (DISCP3), timely attendance (DISCP4), and completing work on time (DISCP5). Finally, for the work environment variable, the indicators include work structure (WORKENV1), work responsibilities (WORKENV2), (WORKENV3), attention and support teamwork (WORKENV4), and smooth communication (WORKENV5).

4. RESULTS

4.1. Respondent profile

Table 2 indicates that the majority of employees working in maritime services sector companies at PTK Shorebase Tanjung Batu are male, amounting to 304 employees (51.4%) compared to female, i.e., 287 employees (48.6%). In general, the current employee age is classified as the millennial generation, dominated by 279 employees (47.2%) aged 30-40 years old, while 186 employees (31.5%) are over 40 years old, and 126 employees (21.3%) are less than 30 years old. More than half of the company's employees have an educational background as college graduates, of which 346 employees (58.5%) have bachelor's certificates, 177 employees (29.9%) have diploma certificates, and 23 employees (3.9%) have master's degrees. The remaining 45 employees (7.6%) have a high school graduate educational background. The level of education is very valuable in determining the success of a company's operational management.

Table 2. Identity of informant

Categories	Items	Frequency	Percentage (%)
-	Man	304	51.4
Gender	Female	287	48.6
	Total	591	100
	<_30 years old	126	21.3
Ago	30-40 years old	279	47.2
Age	≥40 years old	186	31.5
	Total	591	100
	High school (SMA)	45	7.6
	Diploma	177	29.9
Last education	Bachelor	346	58.5
	Masters	23	3.9
	Total	591	100
Division	Human resource development (HRD)	90	15.2
	General manager	173	29.3
	Officer	328	55.5
	Total	591	100
	1-5 years	165	27.9
Moulting time	5-10 years	242	40.9
Working time	≥10 years	184	31.1
	Total	591	100
	< IDR 5,000,000	258	43.7
	IDR 5,000,000-IDR 7,500,000	98	16.6
Income per month	IDR 7,500,000-IDR 10,000,000	179	30.3
_	≥IDR 10,000,000	56	9.5
	Total	591	100

Note: $\mathit{SMA}-\mathit{sekolah}$ menengah atas (Indinesian high school).

Formally, there are 328 employees (55.5%) working in the HRD sector, while 173 employees (29.3%) are in the general manager division, and 90 employees (15.2%) work in the HRD sector. Talking about work experience, it is largely determined by the duration of work. In this case, as many as 242 employees (40.9%) with a working period of 5-10 years, 184 employees (31.1%) with a working period of more than 10 years, and only 165 employees (27.9%) who work for 1-5 years at a maritime services sector company at PTK Shorebase Tanjung Batu. Of the 591 employees, 258 employees (43.7%) receive monthly wages of less than IDR 5,000,000. On the one hand, 179 employees (30.3%) receive wages of IDR 7,500,000-IDR 10,000,000 per month, 98 employees (16.6%) receive wages per month in the interval of IDR 5,000,000-IDR 7,500,000, and a small portion or 56 employees (9.5%) who earn salaries above IDR 10,000,000 per month. The nominal wages exclude work bonuses, allowances, and health facilities.

4.2. Outer model

The score on the outer loadings shows the strength of the indicator variation that can be explained by the latent variable. If a loading indicator is invalid because its value is below the criteria (< 0.5), it must be dropped and the model estimated again. Specifically in this study, researchers used another step by removing reflective indicators from the measurement, when the loading value (λ) was smaller than 0.4. This scenario is the basis for this study to continue with further steps or vice versa by looking at the outer loading achievements. There are two indicators of the leadership style variable with an outer loading score below 0.5, namely LEAD4 (0.444) and *LEAD5* (0.458). Statistically, eighteen other indicators obtained an outer loading score of more than 0.5 (> 0.5), where the highest was EP4 (0.901) and LEAD3 (0.536) as the smallest indicator compared to the others. To follow up on an outer loading score that is below standard, a scale of 0.4 is worthy of continuing with hypothesis testing. used. In this way, the leadership style variable is The scores on outer loading are listed in Table 3.

Table	3.	Outer	loadings

Indicators	Employee performance	Leadership style	Discipline	Work environment
EP1	0.638		-	
EP2	0.848			
EP3	0.872			
EP4	0.901			
EP5	0.855			
LEAD1		0.859		
LEAD2		0.601		
LEAD3		0.536		
LEAD4		0.444		
LEAD5		0.458		
DISCP1			0.602	
DISCP2			0.772	
DISCP3			0.843	
DISCP4			0.841	
DISCP5			0.809	
WORKENV1				0.548
WORKENV2				0.577
WORKENV3				0.612
WORKENV4				0.741
WORKENV5				0.831

In this session, test the discriminant validity of the displayed data using the Fornell-Lacker criteria. Proportionally, a variable is classified as valid if the root value of the average variance extracted (AVE) is greater than the correlation score between constructs. The value stated in AVE describes the diversity of manifest variables or the amount of variance possessed by the latent construct. Thus, the higher the diversity of manifest variables contained in the latent construct, the greater the representation of the manifest variables in the latent construct. The threshold set for the AVE root is 0.5 (> 0.5). For composite reliability measurements, it is tested with Cronbach's alpha and all values must be above 0.7 while a minimum standard of 0.6 (> 0.6) for the Cronbach's alpha score. Thus, this study applies a standard of 0.7 as the basis for determining reliable values. Table 4 contains validity and reliability calculations.

From Table 4 below, we review the existence of causality between the construct of employee performance and the employee performance variable, where the AVE root score is 0.828. Interestingly, there is a relationship between the construct of *employee performance* and the discipline variable (0.632). Also, the construct of leadership style on employee performance variables, leadership style variables, and discipline variables has good discriminant validity, where the AVE root scores for the three are 0.758, 0.599, and 0.529. Then, the construct of discipline has a strong AVE root for the *discipline* variable reaching 0.779. There is a positive connection between the construct of the work environment and the variables of employee performance (0.545), leadership style discipline (0.705), and environmental (0.674).performance (0.670).

Table 4. Discriminant validity and composite reliability

Construct	Employee performance	Leadership style	Discipline	Work environment	Cronbach's alpha
Employee performance	0.828		0.632		0.834
Leadership style	0.758	0.599	0.529		0.882
Discipline			0.779		0.716
Work environment	0.545	0.674	0.705	0.670	0.741

In calculating composite reliability, Cronbach's alpha score shows that all variables (*employee performance*, *leadership style*, *discipline*, and *environmental performance*) are above standard and are concluded to be reliable. Specifically, the position of the *leadership style* variable is the most superior compared to the others with a Cronbach's alpha achievement of 0.882. Meanwhile, the *discipline* variable with the smallest Cronbach's alpha score reached 0.716. The results of validity and reliability testing calculations meet the requirements, so they can be continued at the inner model stage.

4.3. Inner model

The function of the inner model is to estimate the relationship between latent constructs based on path parameters and their significance levels. Figure 2 shows the model that was recalculated using randomly created sample data. This step is a further improvement or refinement of the outer model. All latent constructs show a relationship in a positive direction with all variable paths.

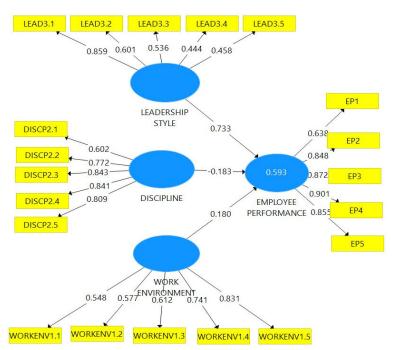


Figure 2. Inner model in partial least squares regression (PLS)

Table 5 contains the R-square (R^2) and R^2 adjusted scores. Three categories in the R^2 value from highest to lowest are as follows: 1) 0.67 (good), 2) 0.33 (moderate), and 3) 0.19 (weak). It was recorded that the R^2 value reached 0.593, which indicates that the regression model has a fairly strong goodness-fit trend. Employee performance at maritime services companies in PTK Shorebase

Tanjung Batu is determined by *leadership style*, *discipline* and *work environment* by 59.3%. There are still 40.7% residual factors or other variables outside the model. Likewise, the R² Adjusted value reached 58.3% which was articulated as the contribution of *leadership style*, *discipline* and *work environment* in building *employee performance*.

Table 5. R-square and R-square adjusted

Model	R^2	R² ª djusted	
Employee performance	0.593	0.583	

Referring to a probability degree of 5%, there is a positive relationship between *leadership style* and *work environment* on *employee performance* (Table 6). This is shown by the coefficients achieved in the original sample of both of them being 0.733 and 0.180. Even though the *work environment* level is above 0.5 (p < 0.147), it can improve *employee performance*. However, significant causality between

leadership styles is proven by a probability level below 0.5 (p > 0.000). Unfortunately, this is not followed by the influence of discipline on *employee* performance which is proven to be negative. With a probability that is smaller than the provisions (p > 0.028) or has a significant effect on performance, but the relationship is negative because the coefficient in the original sample shows -0.183.

Table 6. Path hypothesis testing

Linkages	Original sample	Sample mean	Standard deviation	t-statistics	Prob.
Leadership style → Employee performance	0.733	0.729	0.087	8.401	0.000
Discipline → Employee performance	-0.183	-0.169	0.082	2.216	0.028
Work environment → Employee performance	0.180	0.193	0.123	1.460	0.147

In general, the study results found that when the leadership style and work environment become more conducive, employee performance also increases. This is contrary to other findings, where poor discipline further reduces employee performance. The H1 and H3 proposed at the beginning regarding leadership style and work environment improving employee performance have been accepted. Contradictoryly, the H2 which states that discipline improves employee performance is

actually rejected. In the objects investigated, there are dynamics of *discipline* that trigger a decline in *employee performance*. Concretely, the level of *discipline* is not always measured by quantity (such as proof of attendance), but can also be seen by the quality of completing tasks. As an illustration, when a company targets a job to be completed within a certain time, employees can do it according to the job description in their respective fields with work procedures determined based on time flexibility.

5. DISCUSSION

5.1. The link between leadership style on employee performance

Testing the H1 proves that leadership style has a positive effect on employee performance. This signals that the leadership style in the company is a vital part of encouraging employee performance. Nowadays, quality in work also needs to pay attention to employee comfort through innovative and creative ideas, so that work completion times are effective. Those who have talent, potential and broad insight can fully channel it by forming a team. Employees like the example above will be an inspiration for other colleagues who are not optimal in completing tasks to work better. Apart from that, empowering new information technology (IT) tools, can help employees continue to improve weaknesses in operating the job desk. Contextually, equity justice in the workplace is a mediator in the relationship between leadership style and managers' work performance (Shah et al., 2016).

Currently, there are variously debated findings about the significant and reverse effects of leadership style on performance. This is proven by the paper revealed by Al-Khazaleh et al. (2022), where there is a Laissez-faire leadership style that is transactional in nature and does not have a significant impact on performance at the center of the Jordan Water Authority. In case studies in the public sector such as in the Executive Branch of the State of Minas Gerais (Brazil), team performance was directly influenced by leadership style. A transformational leadership style is more suitable for reducing the gap between followers and leaders (Jorge Dias & Borges, 2017). From a different landscape, Karacsony (2021) views that there is a correlation between leadership style and employee performance in the majority of organizations in Hungary. So far, an effective leadership style is a unique way of integrating the organization with employees in achieving the vision. Ironically, in the case of the United Arab Emirates (UAE), some companies that display transactional and charismatic leadership actually have a negative organizational performance, because they are unable to provide freedom and opportunities for employees to achieve organizational goals (Al Khajeh, 2018). Research developed by Ohemeng et al. (2018) concluded that the relational bureaucratic leadership style has positive implications for employee performance in public service governance in Ghana. In an experiment involving different banking institutions in the UAE, Agarwal (2020) assessed whether there was a causality between leadership and employee performance. As a result, a democratic leadership style has helped the banking industry to achieve its goals, including ensuring improved employee performance.

5.2. The link between discipline on employee performance

Testing the second hypothesis concludes that discipline has a negative effect on employee performance. It can be interpreted that a level of discipline that is not balanced with responsibility increasingly weakens employees from focusing on their work. Besides that, a low level of discipline also

reduces sensitivity in serving tasks. One of the most rational reasons underlying the level of discipline having a negative impact on employee performance is attitude. Attitudes that are not followed by good capital awareness greatly affect productivity. Based on the experience of this study, discipline that depends on compliance with regulations, responsibility at work, alertness, attendance, and completing work on time does not seem to be carried out by some employees. The existence of inequality understanding these four aspects triggers a decline in performance. In fact, an optimal level of discipline will affect the balance between behavior in the organization and work productivity.

Various studies report that there is a negative or positive relationship between employee discipline and performance. For example, in Bogor City, strong discipline has become a tradition that has taken root and has a simultaneous impact on the performance of civil servants at the Regional Secretariat (Maryani et al., 2021). In another scope, Dharma et al. (2023) show that job satisfaction is able to mediate the relationship between discipline and employee performance at PT. Bank Nagari, West Sumatra. Uniquely, career ambition acts as a mediator in the relationship between the level of discipline and employee performance. In the context of the performance behavior of academics from a large university in Vietnam, Bui et al. (2021) explain that ideological developments among employee groups, which are reflected by career ambitions in the workplace, can determine discipline to support more impressive performance. Good practice is demonstrated by the moderating role of synergistic organizational commitment in influencing career adaptability and employee performance in various companies in India. A survey conducted by Chouhan (2023) shows the fact that employee performance is positively influenced by career adaptability and high organizational commitment.

5.3. The link between work environment on employee performance

From testing the H3, it was reported that the work environment had a positive effect on employee performance. A work environment centered on a conducive atmosphere can provide a sense of security and enable employees to work more optimally. For HR, enthusiasm for work also depends on the environment in an organization. Some studies show that there is a positive relevance of the work environment to performance, but some of them also find a negative relationship. Borgia et al. (2022) tested the effect of work-life balance formed by the work environment on the work performance of some commercial bank employees in Italy. Empirical evaluations testify that maintaining a healthy work environment will create systematic employee work performance. In a similar location, precisely in an Italian steel factory, sustainable employee performance was influenced by the work environment (Previtali et al., 2022). With a workplace environment that demands achievement, health and workability, it is able to drive performance strategically.

The impact of the work environment on the performance of council administrators from various departments in North Kuching City was researched by Athirah Saidi et al. (2019). Support from supervisors can ensure administrators' productivity to avoid unnecessary stress that could potentially affect their work performance. Al Jardali et al. (2023) examined that the work environment was not related to the individual performance of employees in public higher education institutions in Lebanon. Also, no direct relationship was found between either the external or internal work environment on organizational performance and constructed job characteristics. Other evidence in emerging markets such as Vietnam is discussed by Nguyen et al. (2022), who concluded that organizational identification plays a vital role in proenvironmental behavior on the performance perceived by staff working at luxury hotels in Ho Chi Minh City. Organizational participation in mobilizing employee awareness of the environment will be beneficial in improving their perceptions and behavior towards performance. The organization also helps make properties more environmentally friendly to ensure work productivity.

6. CONCLUSION

This study reviews the relationship between leadership style, discipline and work environment on employee performance. The focus was addressed to 591 employees at maritime services industrial companies located at PTK Shorebase Tanjung Batu. Using PLS, we found that leadership style and work environment can improve employee performance. Meanwhile, discipline actually reduces employee performance. Participative leadership is a leadership style desired by employees, where leaders are willing to delegate tasks and authority clearly. Likewise, by giving time to determine tasks, the leadership at this company has fostered good cooperation and communication with employees. With good organizational management capabilities, it becomes attractive for employees to optimize performance. Leadership characteristics are currently as positive by them because they can bridge the aspirations of employees in two directions in achieving organizational goals and values.

Other results revealed that discipline is an internal problem being faced by the company. Efforts to maintain employee performance by focusing on strict discipline actually become an obstacle. In general, most employees do not arrive at the company on time, so their awareness of complying with company regulations according to

applicable norms is still minimal. Even though each division's work is done well, it takes a long time. Apart from that, the desire to make changes is also often marginalized because of the relatively weak level of vigilance to maintain performance. This is different in the work environment, where with good teamwork, employee involvement in completing work increases. Fellow employees have large work responsibilities which are supported by a clear work structure as a basis for maximizing performance. Another support is smooth, intense communication starting from leaders to employees and between employees themselves. Basically, employees want good communication, reminding them of their work location far from their office center.

Topics surrounding HR management, especially those related to leadership style, discipline and work environment on employee performance, have been widely reviewed over the past decade. However, there is something new that this study offers, especially for larger organizations such companies in the maritime services industry. Besides that, to the researcher's knowledge, there is no paper that discusses the relationship of the three variables to employee performance using PLS with the same object and different locations. Moreover, the specific contribution of this study is important to enrich and advance knowledge of HR management in the workplace by evaluating the performance of all employees based on leadership style, discipline and work environment. Indeed, we recognize that there are still current weaknesses that need to be considered. Due to the limitations of existing studies, the direction of future research development could consider including other components that are more varied or outside the variables that influence performance.

Company management is advised to make practical changes, such as revitalizing discipline. The level of discipline is not only highlighted by attention to attendance, but also by the transformation of regulations that make it easier for employees to work flexibly. This study provides valuable momentum that leads to improvements in employee mindsets to comply with the mechanisms implemented by the company. To maintain optimal performance, contemporary and long-term ideas are also needed to anticipate discipline that is often ignored by employees.

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