



# The Effect of Work Environment and Work Discipline on Employee Performance at PT Pegadaian, Bontoala Branch, Makassar

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|   | Abstract   |
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| <p><b>Keywords:</b><br/><i>Work Environment, Work Discipline, and Employee Performance.</i></p> <p><b>Conflict of Interest Statement:</b><br/>The authors state that this study was carried out free from any commercial or financial connections that might be seen as a potential conflict of interest.</p> <p>Copyright © 2023 POVREMA. All rights reserved.</p> | <p><b>Purpose:</b> This study aims to analyze the effect of the work environment and work discipline on employee performance at PT Pegadaian, Bontoala Branch, Makassar. The study also seeks to identify which variable has the most dominant influence on employee performance.</p> <p><b>Research Design and Methodology:</b> This research employs a quantitative approach using an associative research design to examine the relationships between independent variables (work environment and work discipline) and the dependent variable (employee performance). The population consists of all employees of PT Pegadaian, Bontoala Branch, Makassar, who were selected as respondents using a saturated sampling technique. Data were collected through questionnaires and analyzed using SPSS (Statistical Product and Service Solutions) version 26. The data analysis techniques included validity and reliability tests, multiple linear regression analysis, t-tests, F-tests, and the coefficient of determination.</p> <p><b>Findings and Discussion:</b> The results indicate that the work environment does not have a significant effect on employee performance. In contrast, work discipline has a positive and significant effect on employee performance. Simultaneously, the work environment and work discipline influence employee performance, with work discipline emerging as the most dominant factor affecting performance.</p> <p><b>Implications:</b> The findings imply that improving employee performance at PT Pegadaian, Bontoala Branch, Makassar, is more effectively achieved by strengthening work discipline rather than focusing solely on improving the work environment. Therefore, management is encouraged to prioritize policies and strategies that enhance employee discipline to achieve optimal performance outcomes.</p> |

## Introduction

Human resources play a pivotal and strategic role in determining the long-term success and sustainability of any organization, as they fundamentally shape productivity, operational efficiency, and the achievement of organizational objectives (Rulianti & Nurpribadi, 2025). Employees are not merely participants in operational processes; they are the core drivers of organizational performance,

translating organizational goals into measurable outcomes through their skills, effort, and commitment. Consequently, employee performance serves as a primary metric for evaluating the effectiveness with which organizational objectives are achieved. Empirical research consistently highlights that performance outcomes are influenced by a combination of contextual and individual factors, with the work environment and employee discipline being particularly significant (Simanjuntak & Manalu, 2024; Sunatar, 2025). Optimal performance is most likely to be achieved when employees operate in a supportive, structured, and resource-equipped environment while simultaneously demonstrating high levels of discipline, personal commitment, and self-regulation (Arizka & Sumartik, 2024; Jahroni & Darmawan, 2025). This underscores the imperative for organizations to manage not only operational and technical systems but also human factors that directly impact performance outcomes.

PT Pegadaian Bontoala Branch, Makassar, as a state-owned enterprise operating in the financial services sector, exemplifies a service-oriented organization where the quality and capability of human resources play a critical role in determining service effectiveness and overall organizational performance. Despite the inherent strengths of its workforce, several challenges have been observed within the organization, including incidents of employee tardiness and varying levels of work discipline among staff members. Such issues can impede the achievement of performance targets and reduce organizational effectiveness. Therefore, addressing these challenges requires a careful, empirical examination of the factors influencing employee performance in this specific organizational context (Sunatar, 2025). Understanding these dynamics allows management to implement targeted interventions that strengthen both the environmental and behavioral determinants of performance.

A conducive work environment is fundamental in facilitating employee effectiveness. When employees operate under conditions that provide comfort, safety, sufficient resources, and psychological well-being, they are more likely to be engaged, motivated, and productive. Empirical studies indicate that favorable working conditions including supportive infrastructure, efficient communication channels, and harmonious coworker relationships positively influence employee performance (Simanjuntak & Manalu, 2024; Rulianti & Nurpribadi, 2025). Conversely, unfavorable conditions, such as inadequate workspace, insufficient facilities, or poor interpersonal relationships, can reduce motivation, increase stress levels, and negatively affect performance outcomes (Sunatar, 2025). These findings highlight the organizational responsibility to ensure that the work environment is actively managed to support employees in performing their duties efficiently and effectively.

In addition to environmental factors, work discipline constitutes a fundamental determinant of employee performance. Work discipline reflects an individual's sense of responsibility, adherence to organizational rules, and commitment to fulfilling assigned tasks. Evidence from previous studies demonstrates that employees exhibiting high levels of discipline consistently complete tasks on time, comply with company regulations, and carry out their responsibilities with reliability and professionalism, ultimately enhancing both individual and organizational performance (Jahroni & Darmawan, 2025; Arizka & Sumartik, 2024). Therefore, work discipline is widely regarded as a critical factor in ensuring optimal employee performance and achieving organizational objectives.

Based on these considerations, the present study aims to analyze the influence of the work environment and work discipline on employee performance at PT Pegadaian Bontoala Branch, Makassar. The findings are expected to provide meaningful insights for management, enabling the development of organizational policies and human resource practices that enhance employee performance through the promotion of both supportive work environments and disciplined work behavior. By understanding these interrelated factors, organizations can implement targeted strategies that not only improve immediate performance outcomes but also contribute to the long-term development and sustainability of their workforce. Furthermore, this research underscores the importance of integrating behavioral management with environmental support, demonstrating that sustainable performance enhancement is achieved when employees are both well-supported and well-disciplined. Such a holistic approach ensures that organizational objectives are met while fostering a work culture that emphasizes responsibility, consistency, and continuous professional growth.

By examining the interplay between the work environment and work discipline, this study aims to provide actionable insights for management to enhance employee performance. Understanding these factors allows organizations to implement targeted strategies that not only improve immediate work outcomes but also foster long-term workforce development and organizational sustainability. Moreover, the findings underscore the importance of integrating behavioral management with environmental support, showing that optimal and sustainable performance is achieved when employees are both well-supported in their work environment and disciplined in their responsibilities. Such a comprehensive approach ensures that organizational objectives are consistently met while cultivating a workplace culture characterized by accountability, consistency, and continuous professional growth.

## **Literature Review**

The work environment has been widely recognized in research as a significant contextual factor that influences employee performance. A supportive, comfortable, and well-organized work setting can provide employees with physical and psychological stability that enhances productivity, motivation, and job satisfaction. Sedarmayanti (2017) defines the work environment as encompassing all facilities and infrastructure surrounding employees that may affect the execution of their tasks, either directly or indirectly. A work environment that is safe, calm, and structured enables employees to feel secure, which in turn allows them to perform their duties more effectively and with greater efficiency. Recent empirical studies support this theoretical perspective, noting that work environment can positively influence performance outcomes. For example, research on organizational settings including BMT Madani in Sidoarjo found that the work environment, alongside work discipline and leadership, significantly affects employee performance (Agustini & Sari, 2023). Other studies also report that comfortable and well-equipped working conditions enhance employee motivation and performance, though the magnitude of this effect may vary across sectors and contexts.

While the work environment creates foundational conditions, work discipline emerges as a critical behavioral factor that directly influences performance. Work discipline reflects an individual's compliance with organizational rules, norms, and expectations. According to Hasibuan (2019), discipline represents an individual's awareness and willingness to comply with all company regulations and prevailing social norms. Employees with higher levels of work discipline are more likely to exhibit responsibility, consistency, and reliability in carrying out job duties, which ultimately contributes to improved performance outcomes. Empirical studies corroborate this view: research from retail and service sectors indicates that work discipline has a significant effect on employee performance, often exerting a stronger influence than environmental factors when assessed simultaneously (Aulya Januarika *et al.*, 2024; Aprilyani *et al.*, 2024). These findings highlight the importance of personal commitment and rule-abiding behavior in achieving optimal performance.

Employee performance itself is conceptualized as the measurable results achieved by individuals in fulfilling their assigned responsibilities, reflecting both the quality and quantity of work performed. Mangkunegara (2016) defines performance as the outcome of work in terms of both quality and quantity, in accordance with the responsibilities assigned to the employee. This definition underscores the dual nature of performance evaluation: it is not only the output that matters, but also how well the tasks are carried out relative to standards and expectations. Recent literature supports this framework, with several studies confirming that performance is a multifaceted construct influenced by both individual behavioral factors (such as discipline) and environmental conditions (such as workplace facilities and relationships). For instance, research on employee performance in manufacturing and service organizations demonstrates that both work discipline and work environment contribute to variations in performance, with discipline often having a stronger direct effect.

Collectively, the literature suggests that a conducive work environment combined with strong work discipline acts as a driving force for achieving optimal employee performance. While a supportive

work environment provides the necessary conditions for task execution, disciplined behavior ensures that employees consistently adhere to performance standards and organizational expectations. Understanding the interplay between these variables is essential for human resources practices aimed at performance improvement, forming the conceptual foundation of the present study.

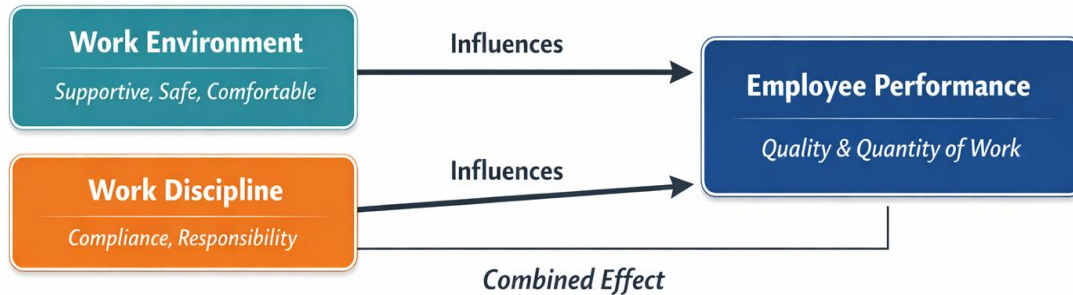


Figure 1. Conceptual Framework of the Study

The figure illustrates the conceptual framework of this study, showing the relationship between the independent variables, *Work Environment* and *Work Discipline*, and the dependent variable, *Employee Performance*. Both work environment and work discipline are hypothesized to directly influence employee performance, while their combined effect is expected to further enhance performance outcomes. The framework highlights that, although both factors contribute, work discipline is often the more dominant determinant of employee performance.

## Research Design and Methodology

### *Research Approach and Design*

This study employs a quantitative research approach with an associative research design. The quantitative approach is used to analyze data statistically and objectively, while the associative design aims to examine the relationships between independent variables and the dependent variable, namely the influence of the work environment and work discipline on employee performance.

### *Population and Sample*

The population of this study consists of all employees of PT Pegadaian Bontoala Branch, Makassar, totaling 41 employees. Due to the limited size of the population, a saturated sampling technique was applied, in which all members of the population were selected as research respondents. This sampling method ensures that the sample fully represents the population.

### *Research Instrument Technique*

The research instrument used in this study was a questionnaire. The Likert scale employed in the questionnaire allows respondents to express their level of agreement or disagreement with each statement, enabling the conversion of qualitative perceptions into quantitative data suitable for statistical analysis.

### *Data Analysis Technique*

Data analysis was conducted using SPSS (Statistical Product and Service Solutions) version 26. Several statistical techniques were applied, including validity testing to assess the accuracy of the research instrument and reliability testing to ensure the consistency of the measurement results. Multiple linear regression analysis was used to determine the effect of the work environment and work discipline on employee performance. Hypothesis testing was carried out using t-tests to examine partial effects and F-tests to evaluate the simultaneous effects of the independent variables on the dependent variable. In addition, the coefficient of determination was used to measure the extent to which the independent variables explain variations in employee performance.

## **Findings and Discussion**

### *Findings*

The analysis of the data indicates that the work environment does not have a significant effect on employee performance at PT Pegadaian Bontoala Branch, Makassar. This finding suggests that variations in the physical, social, and infrastructural aspects of the work environment, as perceived by employees, do not appear to create statistically meaningful differences in how employees perform their duties. In other words, while employees may experience differences in comfort, space, or facility quality, these factors alone are not sufficient to influence their performance outcomes in a measurable way.

In contrast, work discipline has a positive and significant effect on employee performance. Employees who demonstrate higher levels of discipline including punctuality, consistent adherence to company regulations, and reliability in completing assigned tasks tend to achieve superior performance results. This finding highlights the crucial role of individual behavioral factors, suggesting that employee commitment, responsibility, and self-regulation are key drivers of performance effectiveness. Disciplined employees are better able to meet deadlines, follow organizational standards, and maintain consistent quality in their work, which directly contributes to improved overall performance.

When analyzed simultaneously, both the work environment and work discipline show a significant combined effect on employee performance. However, among the two variables, work discipline emerges as the more dominant determinant. This indicates that while environmental conditions provide a necessary backdrop for work, it is the personal behavioral factors, particularly discipline, that exert a stronger and more direct influence on employee outcomes. Overall, these findings suggest that organizational efforts to enhance performance should prioritize the cultivation of discipline among employees while maintaining a supportive work environment to complement these behavioral factors.

### *Discussion*

The results of this study indicate that the work environment does not significantly influence employee performance at PT Pegadaian Bontoala Branch, Makassar. This finding is consistent with prior research by Ardianto and Sutanto (2023), who also reported that the work environment did not have a significant direct impact on employee performance in their study context, despite the expectation that physical and social conditions should support productivity. While a supportive work environment can theoretically enhance comfort and reduce stress, these conditions may already be sufficiently met in the current organizational setting, resulting in limited additional impact on performance.

In contrast, work discipline was found to have a positive and statistically significant effect on employee performance. This aligns with findings from Putra, Agustina, and Aziz (2025), who demonstrated that disciplined behaviors – such as timeliness, adherence to organizational rules, and consistent task execution – are strongly associated with improved employee performance outcomes. Similarly, Sumiati and Ariadi (2024) found that work discipline significantly predicted performance in a public service context, further underscoring the critical role of individual behavioral factors in driving performance.

Although this study did not find a significant partial effect of the work environment, many other studies report that when combined with other variables such as motivation, satisfaction, or organizational culture – the work environment can still contribute positively to performance. For example, research by Jahroni and Darmawan (2025) showed that the work environment, along with work discipline and motivation, plays a significant role in shaping employee performance outcomes. Additionally, research at the Social Services Office of Medan City found that the work environment had a significant positive effect on performance when analyzed alongside work discipline, highlighting that contextual factors may vary in importance depending on organizational dynamics.

The simultaneous analysis in this study confirmed that the combination of the work environment and work discipline influences employee performance, although discipline remains the more dominant

factor. This reinforces the broader literature suggesting that individual-level determinants such as discipline and commitment often exert stronger effects on performance than environmental conditions alone, especially in settings where baseline environmental conditions are already acceptable. Studies by Sahrul Ramadhan and Afriani (2024) similarly show that a good work environment, combined with disciplined work behavior, tends to enhance overall performance outcomes, albeit with varying degrees of influence for each factor.

In summary, this discussion highlights that work discipline is a central driver of employee performance in the context of PT Pegadaian Bontoala Branch, Makassar, while the work environment plays a supportive but secondary role. Organizational interventions aimed at performance improvement should therefore prioritize enhancing disciplined work behavior through clear expectations, consistent enforcement of policies, and continuous performance feedback, while still maintaining a supportive work environment.

## Conclusion

The study concludes that the work environment does not significantly affect employee performance at PT Pegadaian Bontoala Branch, Makassar, while work discipline has a positive and significant impact. Simultaneously, both variables influence performance, with work discipline being the dominant factor. Therefore, enhancing employee performance should prioritize strengthening work discipline through clear rules, consistent monitoring, and continuous feedback, alongside maintaining a supportive work environment.

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