

The Influence of Work Environment and Work Engagement on Employee Performance Mediated by Employee Well-Being

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ABSTRACT. This research aims to investigate the relationships between work environment, work engagement, employee well-being, and performance at PT. DBN. The study employs a quantitative approach using a descriptive research method. The population consists of employees from PT. DBN and a sample of 145 individuals were selected for analysis. Data analysis was conducted using the Smart PLS software version 3.0, utilizing a Partial Least Squares (PLS) test, which is a variant-based Structural Equation Modeling (SEM) approach. The research findings indicate that the work environment does not significantly affect employee performance at PT. DBN. However, a positive relationship exists between the work environment and employee well-being. Furthermore, work engagement has a positive impact on employee performance, and it also influences employee well-being positively. Employee well-being, in turn, demonstrates a significant influence on employee performance. Additionally, work engagement indirectly affects employee performance through the mediating role of employee well-being, as does the work environment. These findings contribute to a better understanding of the relationships between work environment, work engagement, employee well-being, and performance. They highlight the importance of creating a conducive work environment and promoting work engagement and well-being among employees to enhance overall organizational performance.

Keywords: *Work Environment, Work Engagement, Employee Performance, Employee Well Being*



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INTRODUCTION

Performance is a very important and interesting part because it proves very important benefits, an institution or company wants employees to work seriously according to their abilities to achieve good work results, without a good performance from all employees, success in achieving goals will be difficult to achieve (Manzoor et al., 2019). Performance basically includes a mental attitude and behavior that always has the view that the work carried out today must be of higher quality than the implementation of past work, for the time to come is of higher quality than today (Klaas, et al, 2021). In general, employee performance is a manifestation of work performed by employees which is usually used as a basis or reference for evaluating employees in an organization. Good performance is a step towards achieving organizational goals. Therefore, performance is also a determining means in achieving organizational goals so that efforts need to be made to improve employee performance (Islami et al., 2018).

In research conducted by Anitha (2014) found that work engagement has a significant effect on employee performance. Research Christian et al., (2011) also shows that the presence of high levels of employee engagement increases affective commitment, ongoing commitment,

psychological climate levels, and customer service. Since the impact of employee engagement on employee performance has already been demonstrated in previous studies, this research is intended to study the strength of the impact of employee engagement on employee performance. This finding is supported by a growing number of studies that arrive at a positive relationship between job involvement and job performance, organizational citizenship behavior, productivity, discretionary effort, and individual performance (Halbesleben, 2010).

Employee performance is influenced by other factors, including the work environment (Al-Omari & Okasheh, 2017). However, other research conducted by Riyadi (2019) shows that the work environment has no effect on employee performance. A critical question arises in dealing with the difference in research results, namely by using employee well-being as a mediating variable. The logic is that if the work environment is getting better, then the psychological state of employees will get better too and ultimately employee performance will increase. Thus, this study will explore how the employee well-being variable can explain the relationship between work environment and employee performance. Through data analysis, it is expected to prove that the influence of the work environment on employee performance can be mediated by their level of well-being.

The application of this model at PT DBN aims to help solve the problem of performance decline as in Table 1.

Table 1. Recapitulation of Employee Performance Appraisal 2019, 2020, 2021

No.	Assessment Aspect	Assessment	2019 Average	2020 Average	2021 Average
1	Technical aspects of work				
		Work effectiveness and efficiency	3,18	3,03	3,08
		Timeliness in completing tasks	3,24	3,09	3,14
		Ability to achieve company targets/standards	3,19	3,04	3,09
2	Non-Technical Aspects				
		Orderly Administration	3,22	3,07	3,12
		Initiative	3,21	3,06	3,11
		Cooperation and coordination between sections	3,4	3,25	3,3
3	Personality Aspect				
		Behavior	3,27	3,12	3,17
		Discipline			
		a. Attendance	3,25	3,1	3,15
		b. Tardiness & early departure	3,15	2,76	2,81
		Responsibility and Loyalty	3,3	3,15	3,2
		Obedience to superior work instructions	3,32	3,17	3,22
		Implementation of Daqu Method	3,1	3,03	3
		Total	38,85	36,89	37,41
		Average	3,24	3,07	3,12

Source: PT. DBN, 2022

Based on the table above, it shows that over the last three years from 2019-2020 there has been a decrease and increase in employee performance appraisals on technical aspects of work, non-technical aspects, and personality aspects. So with the recapitulation data on employee performance appraisals, it can be indicated that the performance of employees at PT. DBN is not

optimal due to a decrease in 2020 with an average of 3.07 from the previous year, namely 2019 with an average of 3.24. Although in 2021 there was an insignificant increase, namely 3.12.

Based on the description above, the researcher determines the title of this study, namely "The Effect of Work Environment and Work Engagement on Employee Performance mediated by Employee Well Being at PT. DBN". This research aims to investigate the relationships between work environment, work engagement, employee well-being, and performance at PT. DBN. The study employs a quantitative approach using a descriptive research method.

The link between work environment and employee performance

An employee-friendly work environment helps reduce absenteeism and improve employee performance. The work environment will make a good contribution to the internal or external environment. So that it also makes a positive contribution to the company. Employee performance, in general, employee performance can be interpreted as the result of work performed by employees and is often used as a basis for evaluating employees in an organization. Good performance is very important in achieving organizational goals, and therefore, performance is also a determining factor in achieving these goals. Therefore, efforts need to be made to improve employee performance (Islami et al., 2018). Several studies have been conducted by researchers regarding the effect of the work environment on employee performance. Al-Omari & Okasheh (2017) and Fithri et al., (2019) show that the work environment has an influence on employee performance. However, another study conducted by Riyadi (2019) found that the work environment has no influence on employee performance.

H1 : work environment influences employee performance

The link between work environment and employee well being

The work environment plays an important role in determining employee well-being. Factors such as the physical conditions of the work environment, organizational culture, management and colleagues, and the ability to achieve a balance between work and personal life affect employee well-being. Comfortable physical conditions such as good temperature, light and ventilation help reduce stress and fatigue. A positive and accepted organizational culture makes employees feel more comfortable and secure. Managers and coworkers who communicate well and treat employees with respect help increase motivation and productivity. The ability of employees to achieve work-life balance helps reduce stress and improve quality of life. Therefore, a positive work environment and support from management and coworkers are essential to improving employee well-being. Some articles that discuss the work environment with employee well-being are (Mihail & Kloutsiniotis, 2016; Scholarios et al., 2017). Most of these studies show a positive relationship between the work environment and employee well-being, that is, the better the social relationships, both in the work environment and in the employee's immediate environment, the better the level of employee well-being. Kossek et al., (2012) showed that the environment has an influence on employee well-being. This relationship is described as negative in one article (Van Den Bosch & Taris, 2014), where the work environment is not positively associated with the likelihood of starting and maintaining well-being.

H2 : work environment influences employee well being

The link between work engagement and employee performance

Work engagement is one of the human capital factors that can help an organization or company to achieve targets, if run regularly and well (Rustono & Fattah Akbary, 2015). According to O. Omolayo & K. Ajila (2012), each individual has different views and characteristics, which indirectly affect their level of work engagement. Research conducted by Anitha (2014) found that work engagement has a significant influence on employee performance. Studies conducted by Christian et al., (2011) and Yao et al., (2022) also support these findings,

showing that high levels of employee engagement contribute to improved job performance, task performance, organizational citizenship behavior, productivity, discretionary effort, affective commitment, continuance commitment, psychological climate levels, and customer service. As it has been proven in previous research, it is important to recognize the impact employee engagement has on their performance.

H3 : work engagement influences employee performance

The link between work engagement and employee well being

Work engagement and employee wellbeing have a close and interrelated relationship. Work engagement is an employee's level of energy, dedication, and commitment to their work. Employees who have high levels of work engagement are more likely to have good well-being, including better mental health and lower stress levels. High levels of work engagement can help increase employee motivation and give them a sense of purpose in their work. This can help reduce stress levels and improve overall well-being. Conversely, employees who have low levels of work engagement tend to be more prone to stress and have lower levels of well-being. The results of Shuck & Reio (2014) study revealed that high engagement group employees showed higher psychological well-being and personal achievement, while low engagement group employees showed higher emotional exhaustion and depersonalization. In addition, the results of Abun et al., (2020) and Prakash & Kashyap (2021) found that there is a correlation between workplace well-being and employee engagement.

H4 : work engagement influences employee well being

The link between employee well being and employee performance

Employee well being is a state of physical health and psychological health that allows for better functioning in a dynamic environment, and relies heavily on a balance between physical, emotional, social and spiritual aspects (McGuire & McLaren, 2009). Employee well-being and employee performance have a close and interrelated relationship. Employees who have a good level of welfare tend to have a higher level of performance and are more productive than employees who have a low level of welfare. Good employee wellbeing can help improve employees' motivation, energy and concentration, all of which help improve their performance. Employees who have low stress levels and high energy levels tend to be more focused and productive at work. Conversely, employees who have low levels of well-being tend to be more prone to stress, less focused, and less productive at work. Employees who have low levels of well-being are also more prone to health problems, which can affect their performance. Research shows that employee well-being has an influence on employee performance (Kossek et al., 2012; Kundi et al., (2020); Haddon (2018).

H5 : employee well being influences employee performance

The link between work engagement and employee performance through employee well being.

Work engagement, employee performance, and employee well-being have an interrelated relationship and influence each other. Work engagement is a psychological state that accompanies the investment of behavior and personal energy in work, such as identification and commitment to work and organization. High work engagement can improve employee performance through increased motivation and individual performance. Meanwhile, employee well-being is the mental and physical well-being felt by individuals. Positive employee well-being can influence work engagement, thus strengthening the relationship between work engagement and employee performance. High work engagement and positive employee well-being increase individual motivation and performance, thereby strengthening their performance at work. In short, work engagement affects employee performance through employee well-being. High work engagement

and positive employee well-being strengthen individuals' motivation and performance, enhancing their performance at work. Employee well-being is a state of positive happiness and positive emotions that will make employees more enthusiastic in doing their tasks (Ahmed et al., 2018). Wood et al., (2012) study further provides evidence regarding the mediation of well-being, suggesting that the relationship between organizational practices and employee performance can be better managed through an emphasis on well-being. When employees can obtain resources to achieve their goals from high performance, they are likely to feel happier and foster their motivation to perform in the organization (Wright & Hobfoll, 2004). More importantly, positive psychology argues that happy people can nurture qualities that lead to greater satisfaction for themselves and provide constructive encouragement to those around them (Seligman & Csikszentmihalyi, 2000). The results of research by Huang et al., (2016) show that employee well-being positively mediates the influence between work engagement and employee performance.

H6 : work engagement influences employee performance through employee well being.

The link between work environment and employee performance through employee well being.

There are several studies that show a positive relationship between work environment and employee performance through employee well being. A good and satisfying work environment can affect employees' psychological well-being and health, thereby improving their performance. Employee well being plays an important role in influencing employee performance. Employees who feel healthy, have good energy and motivation, and feel they have good well-being in their lives will perform better in their jobs. Work environment has a big impact on employee wellbeing. Several work environment factors such as office design, illumination, ventilation, temperature, and others can affect employee health and well-being. A comfortable and satisfying work environment can help maintain employees' health and well-being, which in turn will affect their performance (Bakker et al., 2008). Research has shown that employees who are satisfied with their physical work environment have higher levels of job satisfaction, job performance and psychological well-being (Greenberger et al., 1989).

H7 : work environment influences employee performance through employee well being.

METHOD

This research uses a descriptive method with a quantitative approach. The population in this study were employees of PT DBN. According to the opinion of (Hair et al., 2018), the minimum sample taken in inferential statistical research using the Structural Equation Modeling (SEM) analysis method is 5 x the number of indicators used. The variables in this study are 2 exogenous variables and 1 intervening variable plus 1 endogenous variable, which has 29 indicators, so based on Haire's opinion above, a sample of 5 X 29 or equal to 145 is required, so based on the above calculations, the number of samples to be taken is 145 people.

Researchers used a questionnaire for data collection. In this study using data analysis methods using smart PLS software version 3.0 This Partial Least Square (PLS) test is a variant-based structural equation approach or Structural Equation Modeling (SEM). The formula for Partial Least Squares (PLS) regression can be represented as follows:

$$Y = c + \sum w_{jt}j + \epsilon$$

Where:

1. Y represents the dependent variable (e.g., employee performance or employee well-being).
2. c is the intercept term.

3. w_j represents the weights or loadings for the latent variables.
4. t_j represents the scores or values of the latent variables.
5. $\sum w_j t_j$ represents the sum of the products of the weights and scores for all latent variables.
6. ϵ represents the error term, representing the unexplained variation in the dependent variable.

In the context of your statements, assuming that there are two latent variables: Work Environment (WE) and Work Engagement (WE), the formula can be modified as follows:

$$Y = c + w_1 t_1 + w_2 t_2 + \epsilon$$

Where:

1. Y represents the dependent variable (e.g., employee performance or employee well-being).
2. c is the intercept term.
3. w_1 and w_2 are the weights or loadings for the latent variables Work Environment and Work Engagement, respectively.
4. t_1 and t_2 are the scores or values of the latent variables Work Environment and Work Engagement, respectively.
5. ϵ represents the error term, representing the unexplained variation in the dependent variable.

The PLS algorithm aims to find the optimal weights (w_1 and w_2) and scores (t_1 and t_2) that maximize the covariance between the latent variables and the dependent variable.

In this study, there are three types of variables, namely Work Environment and Work Engagement as independent / independent variables (X), Employee Performance as dependent / dependent variable (Y) and Employee Well-being as a mediating variable (Z).

The operationalization of variables in this study are.

Table 2. Variable Operationalization

Variable	Indicator	Scale
<i>Work Environment</i> Sumber : (Aryanto & Fransiska, 2012).	<ol style="list-style-type: none"> 1) Building 2) Machinery 3) Supporting Facilities 4) Administration 5) Material Access 	Ordinal
<i>Work Engagement</i> Sumber: (Kanungo, 1982).	<ol style="list-style-type: none"> 1) Work Concentration (the level of concentration of employees in doing work) 2) Work Evaluation (the level of employees in evaluating the results of their work) 3) Work Identification (the level of employees in identifying the results of their work) 	Ordinal
<i>Employee Performance</i> Sumber : (Lazer, & Wikstrom, 1977)	<ol style="list-style-type: none"> 1) Technical ability (the level at which employees can manage and implement technical skills into their work) 2) Conceptual ability (the level at which employees can manage and implement conceptual abilities into their work) 3) Interpersonal relationship skills (the level at which employees can manage and implement interpersonal relationship skills into their work) 	Ordinal
<i>Employee Well Being</i> Sumber : (Zheng, et al, 2015:627)	<ol style="list-style-type: none"> 1) <i>Life well being (LWB) (the level of well-being of employees in their lives)</i> 2) <i>Workplace well being (WWB) (the level of well-being of employees in their field of work)</i> 3) <i>Psychological well being (PW/B) (the level of employee well-being in aspects of his personality)</i> 	Ordinal

Source : processed by researchers, 2023

RESULT AND DISCUSSION

Result

- Convergent Validity

According to Hair et al., (2018) in measuring convergent validity, a suitable assessment used is an assessment with the AVE (Average Variance Extracted) standard. In addition, the average value of validity analysis (AVE) in each variable must be higher than 0.5 in order to have a stable validity value.

Table 3. Convergent Validity Results (Outer Loadings)

	<i>Employee Performance</i>	<i>Employee Well Being</i>	<i>Work Engagement</i>	<i>Work Environment</i>
X1.2				0.768
X1.3				0.803
X1.4				0.855
X1.5				0.859
X2.1			0.899	
X2.2			0.851	
X2.3			0.892	
Y.1	0.841			
Y.2	0.788			
Y.3	0.787			
Y.4	0.781			
Y.5	0.845			
Y.6	0.789			
Y.7	0.786			
Y.8	0.802			
Y.9	0.888			
Z.1		-0.154		
Z.10		0.875		
Z.11		0.818		
Z.12		0.696		
Z.2		-0.177		
Z.3		0.782		
Z.4		0.808		
Z.5		0.801		
Z.6		0.860		
Z.7		0.790		
Z.8		0.762		
Z.9		0.829		
X1.1				0.749

Source : processed by researchers, 2023

From the table above, it can be seen that the results of the outer loadings of convergent validity show a value > 0.5. This means that there are indicators that have not met the convergent validity requirements, namely Z.1 and Z.2. Based on the table contains the results of the convergent validity test. Cells with the results of black numbers indicate valid data, while those in red indicate invalid data. If there are invalid data results, retesting is carried out by removing problematic indicators. This retest is carried out with the aim of knowing whether the indicator should be removed or can be retained. The results of the convergent validity and reliability tests can be seen as follows:

Table 4. Final Convergent Validity (Outer Loadings) Results

	Employee Performance	Employee Well Being	Work Engagement	Work Environment
X1.2				0.768
X1.3				0.802
X1.4				0.855
X1.5				0.859
X2.1			0.899	
X2.2			0.851	
X2.3			0.892	
Y.1	0.841			
Y.2	0.789			
Y.3	0.786			
Y.4	0.781			
Y.5	0.845			
Y.6	0.789			
Y.7	0.786			
Y.8	0.802			
Y.9	0.888			
Z.10		0.880		
Z.11		0.820		
Z.12		0.704		
Z.3		0.786		
Z.4		0.807		
Z.5		0.799		
Z.6		0.858		
Z.7		0.787		
Z.8		0.761		
Z.9		0.833		
X1.1				0.749

Source : processed by researchers, 2023

Based on the table after retesting by removing several invalid indicators, the new loading factors value is obtained. The results of this data show that all remaining indicators are valid.

Table 5. Average Variance Extracted Results

Variable	AVE	Critical Value	Description
<i>Work environment</i>	0.653	> 0.5	Valid
<i>Work engagement</i>	0.776	> 0.5	Valid
<i>Employee well being</i>	0.648	> 0.5	Valid
<i>Employee Performance</i>	0.661	> 0.5	Valid

Source : processed by researchers, 2023

From the table above, it can be seen that the Average Variance Extracted (AVE) results show a value > 0.5, which means that the value of all variables is valid (Hair et al., 2018).

Table 6. Discriminant Validity Results (Fornell-Larcker)

	<i>Employee Performance</i>	<i>Employee Well Being</i>	<i>Work Engagement</i>	<i>Work Environment</i>
<i>Employee Performance</i>	0.813			
<i>Employee Well Being</i>	0.916	0.805		
<i>Work Engagement</i>	0.841	0.762	0.881	
<i>Work Environment</i>	0.805	0.761	0.843	0.808

Source : processed by researchers, 2023

From the table above, it can be seen that the Discriminant Validity (Fornell-Larcker) results show that the Fornell-Larcker value of the Employee well being variable (0.916) is higher than the value on the variables below. Likewise, the value of the Work engagement variable (0.841) is higher than the value below and the Work environment variable (0.805) is higher than the value beside it. While the value of the Employee Performance variable (0.813) is higher than the value below. This means that the value of Discriminant Validity has been achieved using the Fornell-Larcker assumption.

Reliability Test

- Cronbach's Alpha Test

Hair et al., (2014) state that the Cronbach's alpha value must be greater than > 0.6.

Table 7. Cronbach's Alpha Test Results

Variable	Cronbach's Alpha	Critical Value	Description
<i>Work environment</i>	0.867	> 0.6	Valid
<i>Work engagement</i>	0.855	> 0.6	Valid
<i>Employee well being</i>	0.939	> 0.6	Valid
<i>Employee Performance</i>	0.935	> 0.6	Valid

Source : processed by researchers, 2023

From the table above, it can be seen that all results in the Cronbach's alpha test are declared valid because they reach a value greater than > 0.6, which means that the value is reliable. So that the data is suitable for the next stage.

- Composite Reliability Test

According to Hair et al., (2018) explains that the standard value or minimum value of composite reliability testing in this study is acceptable and said to be consistently reliable if it provides a value of 0.6 or greater > 0.7.

Table 8. Composite Reliability Results

Variable	Composite Reliability
<i>Work environment</i>	0.904
<i>Work engagement</i>	0.912
<i>Employee well being</i>	0.948
<i>Employee Performance</i>	0.946

Source : processed by researchers, 2023

From the table above, it can be seen that all results in the composite reliability test value have reached greater than 0.7. This means that the value is reliable.

Inner Model

Coefficient of Determination (R2)

Hair et al., (2018) explain that through the Partial Least Square (PLS) method, the R2 value is divided into 3 groups, namely:

- R2 value of 0.7 = large (strong / substantial)
- R2 value of 0.5 = medium (medium / moderate)
- R2 value of 0.25 = small (weak / weak)

Table 9. R2 Square Results

	R-square
<i>Employee well being</i>	0.629
<i>Employee Performance</i>	0.889

Source : processed by researchers, 2023

In the table above, it is known that the R2 value for the effect of Employee Performance is 0.889. This means that the ability of the independent variables, namely Work environment and Work engagement in explaining the Employee Performance variable is 88.9%, which means that it provides a strong/substantial influence and the remaining 11.1% is determined by other variables outside those discussed in this study. While the effect of the mediating variable value for the effect of Employee well being is 62.9%. This means that the ability of the independent variables, namely Work environment and Work engagement in explaining the Employee well being variable is 62.9%, which means that it has a strong/substantial influence and the rest, namely 37.1%, is determined by other variables outside those discussed in this study.

Hypothesis Testing

Hypothesis testing in this study aims to determine whether the hypothesis that has been made can be accepted or rejected. This test can be seen from the t-statistics and p-values contained in the path analysis between variables through the bootstrapping method. The results of hypothesis testing in this study can be seen in the figure below.

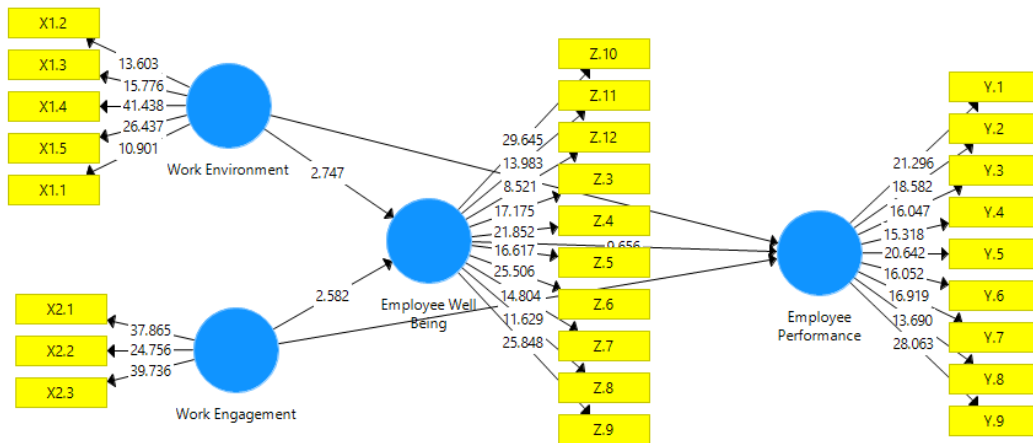


Figure 1. Bootstrapping Results

Table 10. Bootstrapping Results

Variable	T Statistics (O/STDEV)	P Values	Description
work environment -> employee well being	2.747	0.006	Accepted
work environment -> employee performance	0.851	0.395	Rejected
work engagement -> employee well being	2.582	0.010	Accepted
work engagement -> employee performance	5.202	0.000	Accepted
employee well being -> employee performance	9.656	0.000	Accepted

Source : processed by researchers, 2023

Table 11. Specific Indirect Testing

Variable Relationship	p-values	Conclusion	Mediation Status (Mediation)
Work environment → Employee well being → Employee Performance	0.008	Significant	
Work engagement → Employee well being → Employee Performance	0.012	Significant	

Source : processed by researchers, 2023

From the table, the seven hypotheses can be interpreted as follows:

- 1) The first hypothesis is that there is no influence between the work environment on employee performance because the test results of the p-values are 0.395, which means that the value is above 0.05 so it has insignificant results.
- 2) The second hypothesis is that there is an influence between the work environment on employee well being because the test results of the p-values are 0.006, which means that the value is below 0.05 so it has significant results.
- 3) The third hypothesis is that there is an influence between work engagement on employee performance because the test results of the p-values are 0.000, which means that the value is below 0.05 so it has significant results.

- 4) The fourth hypothesis is that there is an influence between work engagement on employee well being because the test results of the p-values are 0.010, which means that the value is below 0.05 so that it has significant results.
- 5) The fifth hypothesis is that there is an influence between employee well being on employee performance because the test results of the p-values are 0.000, which means that the value is below 0.05 so it has significant results.
- 6) The sixth hypothesis is that there is an influence between work environment on employee performance through employee well being because the test results of the p-values are 0.008, which means that the value is below 0.05 so it has significant results.
- 7) The seventh hypothesis is that there is an influence between work engagement on employee performance through employee well being because the test results of the p-values are 0.006, which means that the value is below 0.012 so that it has significant results.

Discussion

1. Work environment does not have a significant influence on Employee Performance at PT DBN.

In the H1 test results which show that the work environment is rejected against Employee Performance on PT. DBN employees. This is because many respondents gave a neutral assessment of several aspects of the work environment at PT DBN. In terms of building facilities, they feel not too satisfied and not fully impressed. As there are deficiencies or inadequacies that affect their satisfaction. Furthermore, the machinery and equipment in the workplace also did not receive a positive assessment, as respondents felt that it was not fully adequate or efficient. This is because problems with the quality, availability or maintenance of machinery and equipment contribute to their perceptions. In addition, support facilities such as toilets, dining areas, and the like were also considered inadequate by respondents. Although there were no serious issues, they considered that upgrades or improvements were needed to meet the expected standards. Lastly, the management of trade unions in the workplace also received a neutral rating, with respondents feeling that the management did not reach the expected standard. Lack of communication, participation or protection of workers' rights may be a factor influencing their perception. This is in line with the results of other research conducted by Riyadi (2019) showing the results that the work environment has no effect on employee performance.

2. Work environment has a significant and significant influence on employee well being at PT DBN.

In the H2 test results which show that the acceptance of work environment has a direct and significant effect on employee well being at PT. DBN, the work environment plays an important role in determining employee well-being. Factors such as the physical condition of the work environment, organizational culture, management and coworkers, and the ability to achieve a balance between work and personal life affect employee well-being. Comfortable physical conditions such as good temperature, light, and ventilation help reduce stress and fatigue. A positive and accepted organizational culture makes employees feel more comfortable and secure. Managers and coworkers who communicate well and treat employees with respect help increase motivation and productivity. The ability of employees to achieve work-life balance helps reduce stress and improve quality of life. Therefore, a positive work environment and support from management and coworkers are essential to improving employee well-being. Some articles that discuss the work environment with employee well-being are (Mihail & Kloutsiniotis, 2016; Scholarios et al., 2017). Most of these studies show a positive relationship between the work environment and employee well-being, that is, the better the social relationships, both in the

work environment and in the employee's immediate environment, the better the level of employee well-being. Kossek et al., (2012) showed that the environment has an influence on employee well-being. This relationship is described as negative in one article (Van Den Bosch & Taris, 2014), where the work environment is not positively associated with the likelihood of starting and maintaining well-being.

3. Work engagement has a significant and positive influence on Employee Performance at PT DBN.

In the results of testing H3 which shows that the acceptance of work engagement on Employee Performance at PT. DBN employees. In the context of PT DBN, employees who are actively involved and have a high level of work engagement tend to show better performance. They are more energized, focused, and dedicated to their tasks and responsibilities. This can have a positive impact on the achievement of organizational goals, productivity, and overall work outcomes. Work engagement is one of the human capital factors that can help an organization or company to achieve targets, if run regularly and well (Rustono & Fattah Akbary, 2015). O. Omolayo & K. Ajila (2012), explained that each individual has different views and characteristics, so that indirectly the level of work engagement in employees will also differ. Theoretical support for the relationship between work engagement and employee performance can be found in previous research. In a study conducted by Anitha (2014), it was found that work engagement has a significant effect on employee performance. Research by Christian et al., (2011) and Yao et al., (2022) also shows that the presence of high levels of employee engagement improves job performance, task performance, and organizational citizenship behavior, productivity, discretionary effort, affective commitment, continuance commitment, psychological climate levels, and customer service. Because the impact of employee engagement on employee performance has been shown in previous studies.

4. Work engagement has a significant and positive influence on employee well being at PT DBN.

In the H4 test results which show that the acceptance of work engagement has a significant and positive effect on employee well being at PT DBN, work engagement and employee well-being have a close and interrelated relationship. Work engagement is the level of energy, dedication, and commitment of employees to their work. Employees who have high levels of work engagement tend to have better well-being, including better mental health and lower stress levels. High levels of work engagement can help increase employee motivation and give them a sense of purpose in their work. This can help reduce stress levels and improve overall well-being. Conversely, employees who have low levels of work engagement tend to be more prone to stress and have lower levels of well-being. The results of Shuck & Reio (2014) study revealed that high engagement group employees showed higher psychological well-being and personal achievement, while low engagement group employees showed higher emotional exhaustion and depersonalization. In addition, the results of Abun et al., (2020) and Prakash & Kashyap (2021) found that there is a correlation between workplace well-being and employee work engagement.

5. Employee well being has a positive and significant influence on Employee Performance at PT DBN.

In the H5 test results which show that the acceptance of Employee well being on Employee Performance at PT DBN. Employee well being is a state of physical health and psychological health that allows to function better in a dynamic environment, and is highly dependent on the balance between physical, emotional, social and spiritual aspects (McGuire & McLaren, 2009). Employee well-being and employee performance have a close and interrelated relationship. Employees who have a good level of welfare tend to have a higher level of performance and are more productive than employees who have a low level of welfare. Good employee wellbeing can help improve employees' motivation, energy and concentration, all of

which help improve their performance. Employees who have low stress levels and high energy levels tend to be more focused and productive at work. Conversely, employees who have low levels of well-being tend to be more prone to stress, less focused, and less productive at work. Employees who have low levels of well-being are also more prone to health problems, which can affect their performance. This finding is in line with previous studies conducted by Kossek et al., (2012); Kundi et al., (2020); Haddon (2018), which show that employee well-being affects their performance. These studies highlight that providing welfare to employees can provide motivation for them to improve their performance. Company efforts to maintain and improve employees' physical and psychological conditions can have a positive impact on work performance.

6. Work engagement has a significant and positive influence on Employee Performance through employee well being at PT DBN.

In the H6 test results which show that the acceptance of work engagement on employee performance through employee well being at PT. DBN. Based on research conducted at PT DBN, it was found that work engagement has a significant influence on employee performance through employee well-being. The results of this study indicate that high work engagement contributes to employee well-being, which in turn improves their performance. In the context of PT DBN, employees who are actively engaged and have high levels of work engagement tend to feel higher well-being. High work engagement motivates employees to feel satisfied with their work, overcome emotional exhaustion, and feel connected to the goals and values of the organization. As a result, more well-being employees tend to show better performance.

The results of this study are in line with the results of Huang et al., (2016) research showing that employee well-being positively mediates the influence between work engagement and employee performance. Wood et al., (2012) study further provides evidence regarding well-being mediation, suggesting that the relationship between organizational practices and employee performance can be better managed through an emphasis on well-being. When employees can obtain resources to achieve their goals from high performance, they are likely to feel happier and foster their motivation to perform in the organization (Wright & Hobfoll, 2004). More importantly, positive psychology argues that happy people can nurture qualities that lead to greater satisfaction for themselves and provide constructive encouragement to those around them (Seligman & Csikszentmihalyi, 2000).

7. Work environment has a significant and positive influence on employee performance through employee well being at PT DBN.

In the H7 test results which show that the acceptance of the work environment on employee performance through employee well being at PT. DBN. Based on research conducted at PT DBN, it was found that the work environment has a significant influence on employee performance through employee well-being. A good and satisfying work environment can affect employees' psychological well-being and health, thereby improving their performance. Employee well being plays an important role in influencing employee performance. Employees who feel healthy, have good energy and motivation, and feel they have good well-being in their lives will perform better in their jobs. Work environment has a big impact on employee wellbeing. Several work environment factors such as office design, illumination, ventilation, temperature, and others can affect employee health and well-being. A comfortable and satisfying work environment can help maintain employees' health and well-being, which in turn will affect their performance (Bakker et al., 2008). Research has shown that employees who are satisfied with their physical work environment have higher levels of job satisfaction, job performance and psychological well-being (Greenberger et al., 1989).

CONCLUSION

The research findings have provided valuable insights into the relationships between work environment, work engagement, employee well-being, and employee performance at PT. DBN. The results of the study support the hypothesis that the work environment significantly influences employee well-being. This suggests that factors such as building facilities, machinery and equipment, support facilities, and trade union management play a crucial role in determining employees' overall well-being. Furthermore, the research findings support the hypothesis that work engagement has a significant and positive impact on employee performance. Engaged employees who are energized, focused, and dedicated tend to exhibit better performance and contribute to the achievement of organizational goals. The study also confirms that work engagement positively influences employee well-being, indicating that employees who are actively engaged in their work experience higher levels of well-being, including better mental health and lower stress levels. Additionally, the research demonstrates the significant influence of employee well-being on employee performance. Employees with higher levels of well-being are more likely to be motivated, focused, and productive in their work. The study highlights the importance of promoting employee well-being to enhance overall performance within the organization. Although the research findings provide valuable insights, there are certain limitations to consider. The study was conducted within the specific context of PT. DBN, and the results may not be generalizable to other organizations or industries. Additionally, the cross-sectional nature of the study limits the establishment of causal relationships between variables. Future research could explore alternative measures and methodologies to address these limitations and further enhance our understanding of the relationships between work environment, work engagement, employee well-being, and performance. Overall, this research contributes to existing knowledge by shedding light on the importance of the work environment, work engagement, and employee well-being in driving employee performance at PT. DBN. Organizations can benefit from these findings by implementing strategies that enhance the work environment, foster work engagement, and prioritize employee well-being to optimize performance outcomes.

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