

Job Satisfaction Mediating Leadership, Work Environment, and Employee Well-Being on Employee Performance in Manufacturing

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Abstract

Company X, an Indonesian cardboard manufacturing company, has experienced increasing operational demands associated with business growth, highlighting the importance of effective human resource management strategies. This study examines the influence of leadership, work environment, and employee well-being on employee performance through job satisfaction as a mediating variable. A quantitative cross-sectional design was employed using saturated sampling involving 96 permanent employees of Company X. Data were collected through a structured questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results indicate that leadership, work environment, and employee well-being positively and significantly influence job satisfaction. Furthermore, leadership, work environment, employee well-being, and job satisfaction positively and significantly influence employee performance. Job satisfaction partially mediates the influence of leadership, work environment, and employee well-being on employee performance. Among the predictors of job satisfaction, work environment demonstrated the largest effect size. Theoretically, this study highlights job satisfaction as a psychological mechanism linking organizational conditions and employee well-being with performance outcomes. Practically, the findings suggest that organizations should integrate supportive leadership, favorable workplace conditions, and employee well-being initiatives to enhance job satisfaction and employee performance.

Keywords: Leadership, Work Environment, Employee Well-Being, Job Satisfaction, Employee Performance

DOI	: http://dx.doi.org/10.32503/jmk .
Article History	: Article received (March 27, 2026); revised (Aug 23, 2026); accepted (Aug 24, 2026)
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Introduction

In an increasingly competitive manufacturing environment, companies are required not only to maintain product quality and operational efficiency but also to sustain employee performance under growing production demands. Employee performance is particularly important in manufacturing organizations because the achievement of production targets, timeliness, output quantity, product quality, and teamwork depend substantially on employees' ability to perform their duties effectively and consistently. Company X, a cardboard manufacturing company in Indonesia, faces similar challenges. The company produces various types of cardboard packaging to meet partner requirements for organizing, protecting, and maintaining the quality of goods. Over the past three years, the number of Company X's partners increased by approximately 36%, from 50 partners in 2023 to 68 partners in 2025, while company revenue increased by approximately 52%, from 7,500 million in 2023 to 11,400 million in 2025. This growth has intensified operational demands and highlights the importance of effective human resource management practices in supporting employee performance (Indah et al., 2025).

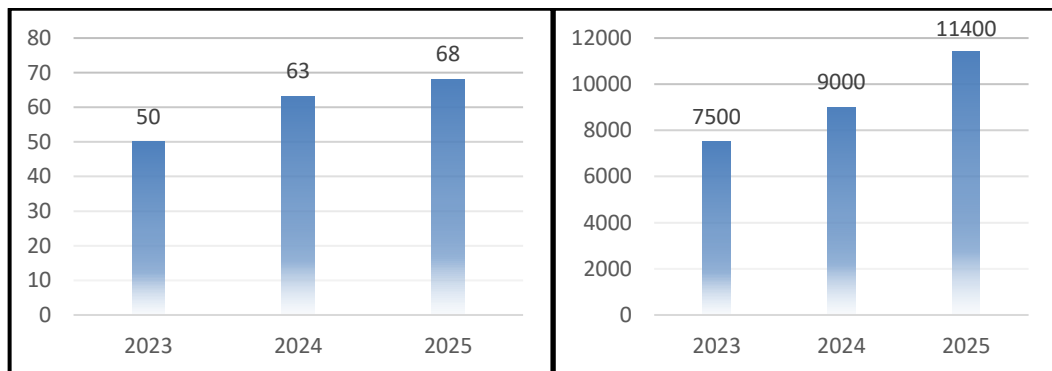


Figure 1. Number of Partners and Company Revenue (Millions)
(Source: Company data, processed, 2026)

The increase in business activity and operational requirements creates a need for employees to maintain work quality, quantity, timeliness, and effective teamwork. These performance dimensions are particularly relevant in manufacturing settings, where delays, production errors, or ineffective coordination may directly affect organizational output. In response, Company X has implemented several human resource practices to support employees, including appointing competent supervisors, adding shifts to meet production targets, maintaining suitable physical and social working conditions, and providing employee support programs. These practices indicate that leadership, work environment, and employee well-being represent important organizational and employee-related factors that may be associated with employees' work attitudes and performance.

Leadership is particularly relevant because supervisors are directly involved in coordinating employees and facilitating the achievement of operational targets. Effective leadership is reflected not merely in a particular leadership style but also in observable supervisory behaviors, including providing clear work direction and

role expectations, communicating relevant information, showing concern for employees, motivating and coaching employees, and involving employees in work-related decision-making. Such leadership behaviors may help employees understand their responsibilities, respond to production requirements, and maintain constructive working relationships. Effective leaders can also strengthen employee motivation, trust, communication, and team harmony, whereas inappropriate leadership practices may contribute to internal conflict, lower morale, and unfavorable work outcomes (Indahsari & Manafe, 2022). In manufacturing organizations, leadership effectiveness is also important for maintaining productivity and coordinating employees under operational demands (Taufik et al., 2022). Therefore, leadership at Company X is conceptualized in this study through direction and role clarity, communication and information sharing, support and employee concern, motivation and coaching, and participative decision-making.

The work environment also represents an important organizational condition associated with employees' experiences and effectiveness at work. The work environment consists of both physical and non-physical conditions surrounding employees while performing their duties. Physical conditions include lighting, workplace color, air circulation, and sound or noise, whereas non-physical conditions involve relationships among employees and relationships between employees and supervisors (Dipoatmodjo et al., 2021; Suwondo & Sutanto, 2015). At Company X, physical working conditions are maintained routinely, while non-physical aspects are supported through interactions among employees and management. The company also organizes employee gatherings and anniversary activities to strengthen interaction and team harmony. Supportive workplace conditions and constructive social relationships may enhance employees' comfort, satisfaction, intrinsic motivation, and work effectiveness (Marbun & Jufrizen, 2022; Dartey-Baah et al., 2025). These conditions demonstrate the relevance of both physical and interpersonal aspects of the work environment in supporting employees under increasing production demands (Hayati & Caniogo, 2025).

Employee well-being provides a broader perspective on employees' positive functioning within and beyond the workplace. Rather than being limited to compensation or welfare benefits, employee well-being encompasses employees' evaluations of their life, positive experiences within the workplace, and psychological functioning. Zheng et al. (2015) conceptualize employee well-being through three dimensions: life well-being, workplace well-being, and psychological well-being. Life well-being reflects positive evaluations of one's life in general, workplace well-being concerns positive experiences and functioning within the work context, and psychological well-being reflects positive psychological functioning and a sense of meaning and development. In the context of Company X, organizational practices such as wages in accordance with the regional minimum wage of Mojokerto Regency, allowances, performance bonuses, overtime compensation, health and employment protection through BPJS, and supportive workplace facilities may contribute to conditions that support employees' broader well-being. Organizational concern for employee well-being is important because positive well-being has been associated with more favorable employee attitudes and

performance outcomes (Afkarina et al., 2024; Martínez Falcó et al., 2025). Thus, examining employee well-being is relevant for understanding how employees experience and respond to increasing operational and production pressures.

Although leadership, work environment, and employee well-being may represent important organizational and employee-related resources, their influences on employee performance may not occur solely through direct paths. Employees also evaluate their work experiences, and these evaluations are reflected in job satisfaction. Job satisfaction refers to employees' affective and evaluative responses toward important aspects of their work, including supervision, the nature of work, working conditions, training opportunities, relationships with coworkers, and compensation. Employees who experience supportive leadership, favorable working conditions, and positive well-being may develop more favorable evaluations of their jobs. In turn, greater job satisfaction may contribute to stronger motivation, responsibility, and willingness to perform work effectively. Therefore, job satisfaction may serve as an important psychological mechanism through which leadership, work environment, and employee well-being influence employee performance (Abdullahi et al., 2025).

Despite substantial research on leadership, work environment, employee well-being, job satisfaction, and employee performance, several gaps remain in the existing literature. First, previous studies have frequently examined these antecedents separately. For example, prior research has investigated how leadership influences job satisfaction (Adipra & Surya, 2025), how work environment influences employee performance (Marbun & Jufrizen, 2022), and how employee well-being influences employee performance (Afkarina et al., 2024). Such fragmented examinations provide useful evidence regarding individual influences but offer a more limited explanation of how several organizational and employee-related conditions operate simultaneously in shaping job satisfaction and employee performance.

Second, previous empirical findings indicate that the influence of organizational factors on job satisfaction and employee performance is not necessarily uniform across organizational settings. Some studies report positive and significant influences of leadership, work environment, and employee well-being on employee performance, whereas other studies emphasize the role of job satisfaction in explaining employee work outcomes (Indahsari & Manafe, 2022; Marbun & Jufrizen, 2022; Afkarina et al., 2024). These variations suggest that further attention should be given not only to how organizational factors influence employee performance but also to how job satisfaction functions as a mediating mechanism in explaining these influences.

Third, organizational context may influence these relationships. Manufacturing organizations operate under distinctive conditions characterized by production target pressure, standardized operational routines, overtime intensity, coordination requirements, and productivity-oriented systems (Wijethilake et al., 2023). Under such conditions, effective leadership and supportive work environments may become particularly important for maintaining employee productivity and organizational performance (Taufik et al., 2022; Andika & Abidin, 2024). Nevertheless, integrated empirical evidence examining leadership, work

environment, employee well-being, job satisfaction, and employee performance within the specific context of an Indonesian cardboard manufacturing organization remains limited.

The present study addresses these gaps by integrating leadership, work environment, and employee well-being within a single structural model and examining job satisfaction as a mediating mechanism that explains how these factors influence employee performance. The theoretical contribution of this study therefore lies not merely in combining several human resource variables, but in examining whether employees' evaluations of their jobs help explain how different organizational conditions and employee well-being influence performance. Specifically, leadership is conceptualized through supervisory behaviors involving direction and role clarity, communication and information sharing, employee support and concern, motivation and coaching, and participative decision-making. Work environment is conceptualized through physical and interpersonal workplace conditions, while employee well-being is conceptualized through life well-being, workplace well-being, and psychological well-being. This integrated conceptualization provides a more coherent basis for examining how organizational conditions and employees' positive functioning influence job satisfaction and performance.

The operational development of Company X provides a relevant setting for such an examination. The increase in business activity and operational requirements over the past three years has created greater operational demands for employees. Under these circumstances, maintaining employee performance may require not only operational efficiency but also supervisory behaviors that provide clarity and support, workplace conditions that facilitate employees' tasks, and conditions that promote positive employee well-being. Understanding how these factors influence job satisfaction may therefore provide useful evidence for Company X in developing human resource practices that support employees under increasing operational demands.

Accordingly, this study aims to examine the influence of leadership, work environment, and employee well-being on job satisfaction and employee performance at Company X and, specifically, to examine the mediating role of job satisfaction in the influence of leadership, work environment, and employee well-being on employee performance. The findings are intended to provide empirical evidence within the specific organizational context of Company X. Although the results may provide insights relevant to organizations facing comparable operational and human resource conditions, broader generalization to other manufacturing companies or industries should be made cautiously and requires further empirical examination across different organizational settings.

Conceptual Framework and Hypotheses

The conceptual framework positions leadership, work environment, and employee well-being as exogenous constructs that influence employee performance, both directly and indirectly through job satisfaction as a mediating construct. The framework emphasizes job satisfaction as a potential mechanism through which these organizational and employee-related factors influence employee performance within the organizational context of Company X. This framework is designed to provide a more integrated explanation of how organizational conditions and employees' positive work experiences contribute to

performance outcomes under increasing operational demands.

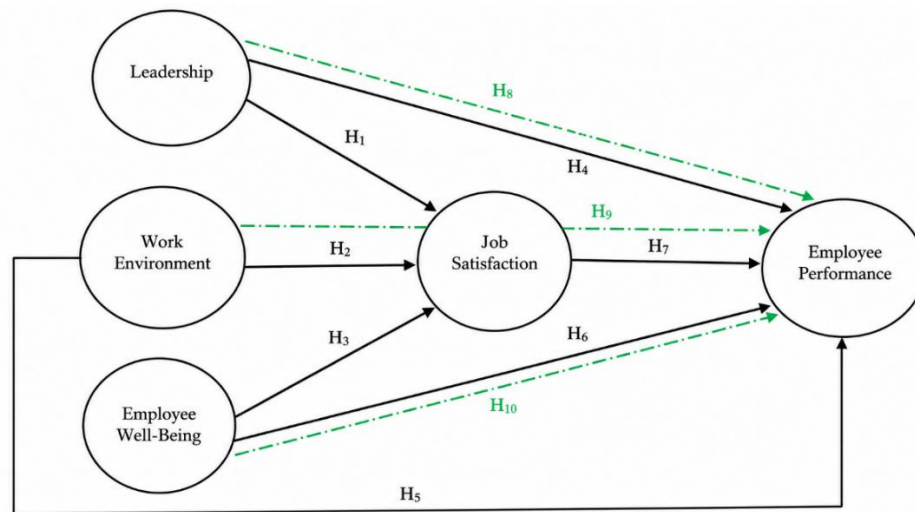


Figure 2. Conceptual Framework
(Source: Processed by the researchers, 2026)

The Influence of Leadership on Job Satisfaction

Leadership plays an important role in shaping employees' attitudes, motivation, and evaluations of their work. According to Social Exchange Theory, employees who receive support, guidance, and fair treatment from their leaders tend to reciprocate by developing more positive attitudes toward their jobs. Supportive leadership may strengthen employees' trust, involvement, and appreciation toward their work, thereby increasing job satisfaction. Previous studies have demonstrated that effective leadership positively influences job satisfaction. Nida et al. (2024) found that effective leadership improves employee job satisfaction by fostering positive work relationships and supportive interactions. Similarly, Adipra & Surya (2025) emphasized that leadership quality influences employees' satisfaction within the workplace. Based on these theoretical arguments and empirical findings, the following hypothesis is proposed:

H1: Leadership significantly influences job satisfaction.

The Influence of Work Environment on Job Satisfaction

Employees' perceptions of workplace conditions may influence how they evaluate their jobs and develop positive work attitudes. According to Herzberg's Two-Factor Theory, working conditions and interpersonal relationships represent hygiene factors that may reduce dissatisfaction when adequately managed. Employees who perceive their work environment as comfortable and socially supportive are therefore more likely to develop favorable evaluations of their jobs. Previous studies have reported that work environment positively influences job satisfaction. Andika & Abidin (2024) found that supportive workplace conditions positively influence employee job satisfaction, while Dartey-Baah et al. (2025) highlighted the importance of positive social interactions and organizational support in shaping favorable employee attitudes. Based on these theoretical arguments and empirical findings, the following hypothesis is proposed:

H2: Work environment significantly influences job satisfaction.

The Influence of Employee Well-Being on Job Satisfaction

Employee well-being reflects employees' positive functioning across personal, workplace, and psychological domains. Employees who experience higher levels of well-being are more likely to develop favorable evaluations of their work because positive experiences may enhance feelings of comfort, fulfillment, and meaning. From the perspective of Organizational Support Theory, organizational conditions that support employee well-being may strengthen employees' perceptions that the organization values and cares about them, contributing to more favorable job attitudes. Wardani et al. (2024) reported that employee well-being positively influences job satisfaction. Similarly, Martínez Falcó et al. (2025) emphasized the role of employee well-being in shaping positive employee attitudes within organizations. Based on these theoretical arguments and empirical findings, the following hypothesis is proposed:

H3: Employee well-being significantly influences job satisfaction.

The Influence of Leadership on Employee Performance

Leadership is an important organizational factor associated with employees' ability to achieve expected performance outcomes. Path-Goal Theory explains that leaders support employee performance by clarifying work goals, providing appropriate guidance, reducing obstacles, and facilitating employees' efforts to achieve expected outcomes. Effective leadership may improve employees' coordination, motivation, and commitment to work. Previous studies have reported that leadership positively influences employee performance. Bohalima (2024) found that effective leadership significantly influences employee performance through stronger coordination and motivation. In addition, Taufik et al. (2022) highlighted the importance of leadership effectiveness in maintaining productivity within manufacturing organizations. Based on these theoretical arguments and empirical findings, the following hypothesis is proposed:

H4: Leadership significantly influences employee performance.

The Influence of Work Environment on Employee Performance

The work environment may influence employees' ability to perform their duties effectively by supporting comfort, coordination, and teamwork. Human Relations Theory emphasizes the importance of supportive workplace conditions and social relationships in shaping employee morale and work behavior. Employees who experience favorable workplace conditions may be better positioned to maintain effective performance. Previous studies have reported that work environment positively influences employee performance. Anggraini et al. (2024) found that supportive workplace conditions positively influence employee performance, while Marbun & Jufrizen (2022) reported that employees working in conducive environments tend to demonstrate higher productivity and work effectiveness. Based on these explanations, the following hypothesis is proposed:

H5: Work environment significantly influences employee performance.

The Influence of Employee Well-Being on Employee Performance

Employee well-being may influence employee performance by supporting employees' psychological condition, motivation, and ability to respond effectively

to work demands. From the perspective of Organizational Support Theory, employees who perceive that their well-being is supported may develop more positive work attitudes and behaviors in response to organizational care and support. Previous research has reported that employee well-being positively influences employee performance. Afkarina et al. (2024) found that higher employee well-being contributes to more favorable employee performance outcomes. Based on these arguments, the following hypothesis is proposed:

H6: Employee well-being significantly influences employee performance.

The Influence of Job Satisfaction on Employee Performance

Job satisfaction reflects employees' affective and evaluative responses toward important aspects of their work. Employees who evaluate their work experiences positively are more likely to demonstrate commitment, responsibility, and positive work behaviors that support effective performance. According to the Happy-Productive Worker Theory, satisfied employees tend to exhibit favorable work behaviors and higher productivity. Therefore, job satisfaction may contribute to improved performance by strengthening employees' commitment and willingness to perform their responsibilities effectively. Previous studies have consistently reported that job satisfaction positively influences employee performance. Pratiwi & Rizky (2024) found that employees with higher levels of job satisfaction tend to achieve better work performance. Based on these theoretical arguments and empirical findings, the following hypothesis is proposed:

H7: Job satisfaction significantly influences employee performance.

The Mediating Role of Job Satisfaction in the Influence of Leadership on Employee Performance

Leadership may contribute to employee performance by shaping employees' perceptions and experiences of their work. Supportive leadership practices, such as providing guidance, recognition, and constructive feedback, may strengthen employees' job satisfaction, which subsequently encourages more positive work behaviors and performance outcomes. Therefore, job satisfaction may serve as an underlying mechanism that explains how leadership contributes to employee performance. Previous studies have highlighted the mediating role of job satisfaction in the relationship between leadership and employee performance. Adipra & Surya (2025) found that leadership indirectly influences employee performance through job satisfaction. Based on these theoretical arguments and empirical findings, the following hypothesis is proposed:

H8: Job satisfaction mediates the influence of leadership on employee performance.

The Mediating Role of Job Satisfaction in the Influence of Work Environment on Employee Performance

A supportive work environment may enhance employee performance by creating conditions that encourage positive work experiences and favorable job evaluations. Physical workplace conditions and interpersonal relationships can influence employees' satisfaction with their jobs, which may subsequently contribute to improved performance. In this context, job satisfaction represents a psychological pathway through which workplace conditions affect employee

performance. Previous research has indicated that job satisfaction plays an important mediating role between work environment and employee performance. Ayunasrah et al. (2022) found that supportive working conditions were associated with higher job satisfaction, which in turn contributed to more favorable employee performance outcomes. Based on these arguments, the following hypothesis is proposed:

H9: Job satisfaction mediates the influence of work environment on employee performance.

The Mediating Role of Job Satisfaction in the Influence of Employee Well-Being on Employee Performance

Employee well-being may support employee performance by fostering positive psychological conditions and favorable attitudes toward work. Employees who experience higher levels of well-being may develop stronger job satisfaction because they perceive greater fulfillment, meaning, and positive experiences in their work context. Consequently, job satisfaction may explain part of the mechanism through which employee well-being contributes to employee performance. Ruleti (2020) reported that employee well-being influences employee performance through increased job satisfaction. This finding suggests that favorable employee conditions may enhance performance partly because they contribute to more positive evaluations and experiences at work. Based on these arguments, the following hypothesis is proposed:

H10: Job satisfaction mediates the influence of employee well-being on employee performance.

Methodology

This study employed a quantitative research design grounded in the positivist paradigm, which emphasizes objective measurement and statistical analysis to examine hypothesized relationships among variables. An associative research approach was adopted to investigate the direct and indirect relationships among leadership, work environment, employee well-being, job satisfaction, and employee performance within the organizational context of Company X. The research framework was developed to examine the mediating role of job satisfaction in the relationships between organizational factors and employee performance at Company X, a cardboard manufacturing company in Indonesia.

The population of this study consisted of all permanent employees of Company X. As of December 31, 2025, the company employed 96 permanent employees. Permanent employees were selected as the target population because they possess sufficient organizational experience and direct involvement in the company's operational activities, enabling them to provide relevant perceptions regarding leadership practices, work environment conditions, employee well-being, job satisfaction, and employee performance.

This study applied a non-probability sampling technique using a saturated sampling approach. According to Ningrum (2016), when the population size is fewer than 100 individuals, all members of a relatively small population may be included as research respondents. Accordingly, the final sample consisted of all 96 permanent employees of Company X. The saturated sampling approach ensured comprehensive coverage of the defined research population within the

organizational setting examined in this study.

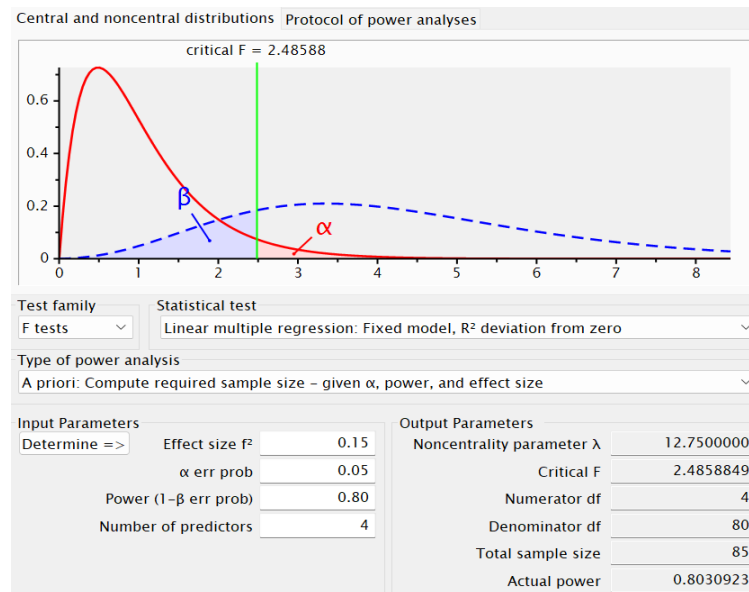


Figure 3. G*Power Sample Size Calculation
(Source: Processed by the researchers, 2026)

Although this study employed saturated sampling by including all 96 permanent employees of Company X, a statistical power analysis was additionally conducted using G*Power 3.1.9.7 to assess the adequacy of the available sample size for the proposed structural model. The analysis used a linear multiple regression fixed model with an effect size of $f^2 = 0.15$, a significance level of 0.05, statistical power of 0.80, and four predictors, corresponding to the maximum number of predictors directed toward an endogenous construct in the model. The G*Power analysis indicated a minimum required sample size of 85 respondents. Therefore, the final sample of 96 respondents exceeded the minimum requirement and was considered adequate for the subsequent PLS-SEM analysis (Hair et al., 2022).

Data were collected directly from respondents through an online questionnaire distributed via Google Forms to all permanent employees of Company X. The questionnaire was designed to capture employees' perceptions of leadership, work environment, employee well-being, job satisfaction, and employee performance. Prior to the main survey, the questionnaire was reviewed by two academics with expertise in human resource management and organizational behavior to assess the relevance, clarity, and representativeness of each measurement item. Minor wording revisions were subsequently made to improve readability and ensure consistency with the organizational context of Company X. Respondents were informed about the purpose of the study, assured that their responses would remain confidential and be used solely for academic purposes, and participated voluntarily. The final questionnaire was distributed electronically and respondents were allowed to complete it during the designated research period. Data collection was conducted over four weeks. A total of 96 questionnaires were distributed, all of which were returned and deemed usable for analysis, resulting in a response rate of 100%.

Ethical considerations were carefully observed throughout the research process. Participation in the study was entirely voluntary, and respondents were informed about the objectives of the research prior to completing the questionnaire. Informed consent was obtained electronically at the beginning of the survey, and respondents were assured that their participation was anonymous and confidential. No personally identifiable information was collected, and the data were used solely for academic research purposes. Participants were also informed of their right to withdraw from the survey at any stage without any consequences.

The measurement scale employed in this study was a five-point Likert scale used to assess respondents' attitudes, opinions, and perceptions toward each statement item. The scale ranged from 1 to 5, where 1 represented "strongly disagree," 2 represented "disagree," 3 represented "neutral," 4 represented "agree," and 5 represented "strongly agree." The use of the Likert scale was considered appropriate because it enables the systematic and quantitative measurement of latent constructs associated with organizational behavior and employee perceptions.

Table 1. Research Constructs and Measurement Items

Variable	Question Items	Reference
Leadership (L)	L1: My supervisor provides clear direction regarding the tasks and responsibilities that I must perform. L2: My supervisor communicates relevant work-related information clearly and appropriately. L3: My supervisor shows concern for employees and provides support when they experience work-related difficulties. L4: My supervisor provides motivation, guidance, and coaching to help employees improve their work performance. L5: My supervisor considers employees' opinions and involves them in decisions related to their work.	Taufik et al. (2022)
Work Environment (WE)	WE1: The lighting in my workplace is adequate to support the effective completion of my work. WE2: The use of colors in my workplace creates a comfortable working atmosphere. WE3: The air circulation in my workplace provides sufficient comfort while I am working. WE4: The level of noise in my workplace does not interfere with my concentration and work activities. WE5: I have positive and cooperative relationships with my coworkers. WE6: There are positive and supportive relationships between employees and supervisors in my workplace.	Dipoatmodjo et al. (2021); Suwondo & Sutanto (2015)
Employee Well-Being (EW)	EW1: Overall, I am satisfied with the quality of my life. EW2: I experience positive feelings and satisfaction in my workplace. EW3: I feel that my life and work provide me with meaning, personal development, and positive psychological functioning.	Zheng et al. (2015)
Job Satisfaction (JS)	JS1: I am satisfied with the supervision and guidance provided by my supervisor. JS2: I am satisfied with the nature and characteristics of the work that I perform. JS3: I am satisfied with the working conditions provided by the company. JS4: I am satisfied with the training and development opportunities	Juliartini & Purba (2024)

Variable	Question Items	Reference
Employee Performance (EP)	provided by the company.	Juniantara & Riana (2015); Moron et al. (2023)
	JS5: I am satisfied with my relationships and cooperation with coworkers.	
	JS6: I am satisfied with the compensation and payment I receive for my work.	
	EP1: I am able to complete my work according to the quality standards established by the company.	
	EP2: I am able to achieve the expected quantity of work within the required period.	
Employee Performance (EP)	EP3: I am able to complete my work according to the established deadlines.	(2023)
	EP4: I am able to cooperate effectively with coworkers in completing work tasks.	

Source: Processed by the researchers (2026)

Employee well-being was operationalized using three adapted items based on the conceptual dimensions proposed by Zheng et al. (2015), namely life well-being, workplace well-being, and psychological well-being. The original measurement concept was adapted to the organizational context of Company X by adjusting the wording of the indicators to reflect employees' perceptions of their personal life satisfaction, workplace experiences, and psychological functioning. Therefore, the measurement maintained the original conceptual meaning while ensuring contextual relevance for employees in a manufacturing setting.

Prior to the PLS-SEM analysis, descriptive statistics were used to summarize the demographic characteristics of the respondents. Common method bias (CMB) was assessed because all constructs were measured using self-reported questionnaire data collected from the same respondents. Procedural remedies were applied by ensuring respondent anonymity, confidentiality, voluntary participation, and clear questionnaire wording. Statistically, CMB was assessed using Harman's single-factor test to determine whether a single factor accounted for the majority of the total variance, with a first-factor variance below 50% indicating that CMB was unlikely to be a serious concern. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS version 3.0. All constructs in the PLS-SEM model were specified as reflective measurement constructs, with the observed indicators treated as manifestations of their respective latent constructs. The analysis was conducted in three stages, namely the evaluation of the measurement model (outer model), the structural model (inner model), and hypothesis testing. The measurement model evaluation was performed through convergent validity, discriminant validity, and reliability testing. Convergent validity was assessed using outer loadings and Average Variance Extracted (AVE), with outer loading values above 0.70 and AVE values above 0.50 indicating adequate convergent validity. Discriminant validity was evaluated using cross-loadings, the Fornell-Larcker criterion, and the Heterotrait-Monotrait Ratio (HTMT). In the cross-loading assessment, each indicator was required to have the highest loading value on its associated construct compared with other constructs. In the Fornell-Larcker criterion, the square root of the AVE for each construct had to exceed its correlations with other constructs. Meanwhile, HTMT values below 0.90 indicated satisfactory discriminant validity. Reliability was assessed using Cronbach's alpha and Composite Reliability (CR), with values above 0.70

indicating adequate internal consistency. After the measurement model fulfilled the required criteria, the structural model was evaluated using the coefficient of determination (R^2), predictive relevance (Q^2), effect size (f^2), collinearity assessment using the Variance Inflation Factor (VIF), and the Standardized Root Mean Square Residual (SRMR). R^2 was used to assess the explanatory power of the endogenous constructs, while Predictive relevance (Q^2) was assessed using the blindfolding procedure based on construct cross-validated redundancy, with Q^2 values greater than zero indicating predictive relevance. Effect size (f^2) was used to assess the magnitude of the incremental contribution of each predictor construct to its respective endogenous construct, with values of approximately 0.02, 0.15, and 0.35 interpreted as small, medium, and large effects, respectively. Structural collinearity was assessed using VIF values, with values below 5 indicating the absence of critical collinearity problems among the predictor constructs. SRMR was used as an additional indicator of approximate model fit, with values below 0.08 indicating acceptable model fit (Susila, 2023). Hypothesis testing was conducted using a bootstrapping procedure with 5,000 bootstrap subsamples and a two-tailed significance test, following Hair et al. (2022). The significance of the structural relationships was assessed using path coefficients, t-statistics, p-values, and 95% bootstrap confidence intervals. A relationship was considered statistically significant when the p-value was below 0.05 and the confidence interval did not include zero. Specific indirect effects were subsequently examined through bootstrapping to assess the mediating role of job satisfaction.

Result and Discussion

Result

Demographic Characteristics of Respondents

This study involved 96 permanent employees of Company X operating in the manufacturing sector. The demographic characteristics of respondents were analyzed based on gender, length of service, and age to describe the composition of the research sample. The results are presented in Table 2.

Table 2. Respondent Demographic Characteristics

Respondent Criteria	Frequency	Percentage
Gender		
Male	59	61.46%
Female	37	38.54%
Length of Service		
< 4 Years	31	32.29%
4–6 Years	23	23.96%
7–9 Years	27	28.13%
10–12 Years	10	10.42%
> 12 Years	5	5.21%
Age		
20–25 Years	17	17.71%
26–30 Years	23	23.96%
31–35 Years	21	21.88%
36–40 Years	15	15.63%
41–45 Years	11	11.46%
> 45 Years	9	9.38%

Source: Processed Research Data, 2026

As presented in Table 2, the respondents consisted of employees with diverse demographic characteristics in terms of gender, organizational tenure, and age. The majority of respondents were male (61.46%), with the largest proportion having less than four years of service (32.29%) and being within the 26–30 years age category (23.96%). Overall, the demographic composition indicates that the sample represents employees with varying levels of work experience and age within Company X.

Common Method Bias Assessment

The potential influence of common method bias was assessed using Harman's single-factor test. The assessment examined the proportion of total variance explained by the first unrotated factor. The results are presented in Table 3.

Table 3. Common Method Bias

Assessment	Result	Threshold	Interpretation
Variance explained by the first factor	45.718%	< 50%	CMB is unlikely to be a serious concern

Source: Processed Research Data, 2026

As presented in Table 3, the first factor explained 45.718% of the total variance, which was below the recommended threshold of 50%. Therefore, common method bias was unlikely to be a serious concern in this study, and the data were considered appropriate for subsequent PLS-SEM analysis.

Inferential Analysis

The inferential analysis was conducted using PLS-SEM to test the proposed hypotheses and assess the structural relationships among the study variables. The results of the PLS-SEM analysis are presented in the following figure, which illustrates the path coefficients and the structural relationships within the proposed model.

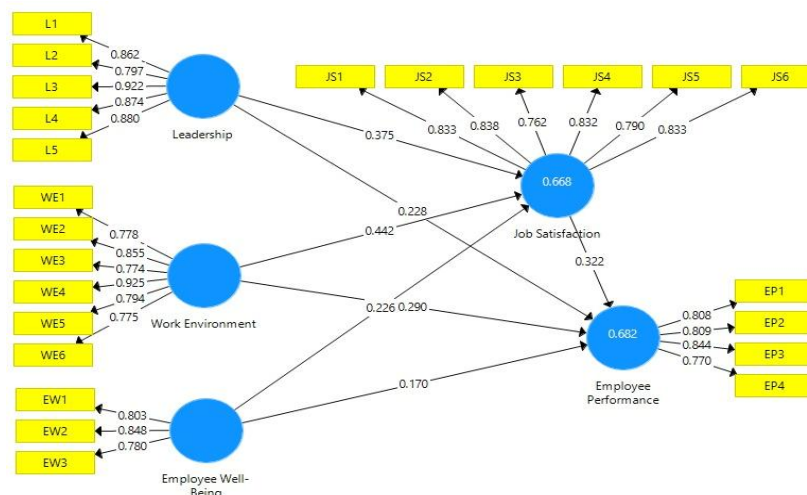


Figure 4. SEM Model Estimation Results
(Source: Processed Research Data, 2026)

Measurement Model Evaluation (Outer Model)

The measurement model was assessed to evaluate the validity and reliability of the constructs, including convergent validity, discriminant validity, and internal consistency reliability.

Convergent Validity

Convergent validity was assessed by examining the outer loading and AVE values. In accordance with the criteria specified in the methodology, outer loading values above 0.70 and AVE values above 0.50 were considered to indicate adequate convergent validity. The results of the convergent validity assessment are presented in Table 4.

Table 4. Outer Loading and AVE Values

Variable	Indicator	Outer Loading	AVE	Convergent Validity
Leadership	L1	0.862	0.753	Accepted
	L2	0.797		Accepted
	L3	0.922		Accepted
	L4	0.874		Accepted
	L5	0.880		Accepted
Work Environment	WE1	0.778	0.670	Accepted
	WE2	0.855		Accepted
	WE3	0.774		Accepted
	WE4	0.925		Accepted
	WE5	0.794		Accepted
	WE6	0.775		Accepted
Employee Well-Being	EW1	0.803	0.658	Accepted
	EW2	0.848		Accepted
	EW3	0.780		Accepted
Job Satisfaction	JS1	0.833	0.664	Accepted
	JS2	0.838		Accepted
	JS3	0.762		Accepted
	JS4	0.832		Accepted
	JS5	0.790		Accepted
	JS6	0.833		Accepted
Employee Performance	EP1	0.808	0.653	Accepted
	EP2	0.809		Accepted
	EP3	0.844		Accepted
	EP4	0.770		Accepted

Source: Processed Research Data, 2026

As shown in Table 4, all measurement indicators had outer loading values above 0.70, ranging from 0.762 to 0.925. The AVE values ranged from 0.653 to 0.753, with all constructs exceeding the recommended threshold of 0.50. These results indicate satisfactory convergent validity across all constructs.

Discriminant Validity

Discriminant validity was assessed to determine whether each construct in the research model was empirically distinct from the other constructs. Consistent with the criteria specified in the methodology, discriminant validity was evaluated using three complementary approaches: cross-loadings, the Fornell–Larcker criterion, and the HTMT. The cross-loading assessment was conducted by comparing the loading values of each indicator across all constructs. The results of the cross-

loading assessment are presented in Table 5. As shown in Table 5, each indicator demonstrated the highest loading value on its corresponding construct compared with the other constructs. These results confirm that the indicators were more strongly associated with their intended constructs, supporting discriminant validity based on the cross-loading criterion.

Table 5. Cross-Loading Values

Indicator	Leadership	Employee Well-Being	Work Environment	Job Satisfaction	Employee Performance
L1	0.862	0.488	0.216	0.532	0.515
L2	0.797	0.262	0.126	0.376	0.389
L3	0.922	0.495	0.238	0.539	0.512
L4	0.874	0.425	0.212	0.588	0.558
L5	0.880	0.497	0.271	0.535	0.517
WE1	0.124	0.364	0.778	0.487	0.540
WE2	0.216	0.459	0.855	0.557	0.537
WE3	0.343	0.401	0.774	0.559	0.519
WE4	0.222	0.502	0.925	0.612	0.647
WE5	0.154	0.488	0.794	0.546	0.521
WE6	0.157	0.529	0.775	0.476	0.433
EW1	0.455	0.803	0.386	0.565	0.529
EW2	0.353	0.848	0.478	0.526	0.511
EW3	0.424	0.780	0.490	0.520	0.566
JS1	0.425	0.520	0.550	0.833	0.593
JS2	0.442	0.556	0.526	0.838	0.614
JS3	0.444	0.525	0.518	0.762	0.539
JS4	0.617	0.591	0.592	0.832	0.698
JS5	0.459	0.508	0.449	0.790	0.567
JS6	0.523	0.536	0.584	0.833	0.701
EP1	0.431	0.541	0.483	0.528	0.808
EP2	0.455	0.557	0.601	0.626	0.809
EP3	0.464	0.582	0.522	0.670	0.844
EP4	0.524	0.456	0.506	0.637	0.770

Source: Processed Research Data, 2026

Discriminant validity was further evaluated using the Fornell–Larcker criterion by comparing the square root of AVE values with the correlations among constructs. The results of the Fornell–Larcker assessment are presented in Table 6.

Table 6. Fornell–Larcker Criterion Values

Variable	Leadership	Job Satisfaction	Employee Well-Being	Employee Performance	Work Environment
Leadership	0.868				
Job Satisfaction	0.601	0.815			
Employee Well-Being	0.508	0.663	0.811		
Employee Performance	0.580	0.764	0.662	0.808	
Work Environment	0.250	0.662	0.557	0.655	0.819

Source: Processed Research Data, 2026

As presented in Table 6, the square root of AVE values for all constructs exceeded their corresponding inter-construct correlations, confirming satisfactory discriminant validity based on the Fornell–Larcker criterion.

The final assessment of discriminant validity was conducted using the HTMT criterion. Values below the threshold of 0.90 indicate acceptable discriminant validity. The results of the HTMT assessment are presented in Table 7.

Table 7. HTMT Ratio Values

Variable	Leadership	Job Satisfaction	Employee Well-Being	Employee Performance
Job Satisfaction	0.646			
Employee Well-Being	0.604	0.811		
Employee Performance	0.660	0.879	0.846	
Work Environment	0.268	0.730	0.686	0.755

Source: Processed Research Data, 2026

The highest HTMT value was observed between job satisfaction and employee performance at 0.879, followed by employee well-being and employee performance at 0.846. Although these values indicate relatively strong associations between the respective constructs, they remained below the recommended threshold of 0.90. Therefore, the HTMT results did not indicate substantial discriminant validity concerns. Taken together, the cross-loading, Fornell–Larcker, and HTMT assessments consistently support satisfactory discriminant validity of the measurement model.

Reliability Assessment

Reliability was assessed to evaluate the internal consistency of the indicators in measuring their respective latent constructs. In PLS-SEM, internal consistency reliability was examined using Cronbach's alpha and Composite Reliability (CR). In accordance with the criteria specified in the methodology, values above 0.70 for both Cronbach's alpha and Composite Reliability were considered to indicate adequate internal consistency reliability. The results of the reliability assessment are presented in Table 8.

Table 8. Cronbach's Alpha and Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability
Leadership	0.918	0.938
Work Environment	0.900	0.924
Employee Well-Being	0.739	0.852
Employee Performance	0.823	0.883
Job Satisfaction	0.899	0.922

Source: Processed Research Data, 2026

As shown in Table 8, Cronbach's alpha values ranged from 0.739 to 0.918, while Composite Reliability values ranged from 0.852 to 0.938. All values exceeded the recommended threshold of 0.70, confirming satisfactory internal consistency reliability across all constructs.

Structural Model Evaluation (Inner Model)

Following the satisfactory evaluation of the measurement model in terms of convergent validity, discriminant validity, and internal consistency reliability, the analysis proceeded to the evaluation of the structural model. Consistent with the analytical procedures specified in the methodology, the structural model was assessed using the coefficient of determination (R^2), predictive relevance (Q^2), effect size (f^2), structural collinearity based on the VIF, and the SRMR. These assessments were conducted to evaluate the explanatory power, predictive relevance, practical effect magnitude, collinearity conditions, and approximate fit of the proposed structural model.

The coefficient of determination (R^2) was examined to assess the proportion of variance in the endogenous constructs explained collectively by their respective predictor constructs. The results of the R^2 assessment are presented in Table 9.

Table 9. Coefficient of Determination (R^2)

Variable	R-Square
Job Satisfaction	0.668
Employee Performance	0.682

Source: Processed Research Data, 2026

As shown in Table 9, job satisfaction had an R^2 value of 0.668, indicating that leadership, work environment, and employee well-being jointly explained 66.8% of the variance in job satisfaction. The remaining 33.2% of the variance was associated with factors outside the proposed model. Employee performance had an R^2 value of 0.682, indicating that leadership, work environment, employee well-being, and job satisfaction collectively explained 68.2% of the variance in employee performance, while the remaining 31.8% was associated with other factors not included in the model.

Predictive relevance was assessed using the Stone–Geisser Q^2 criterion through the blindfolding procedure. In accordance with the criterion specified in the methodology, Q^2 values greater than zero indicate that the structural model possesses predictive relevance for the respective endogenous constructs. The results of the construct cross-validated redundancy assessment are presented in Table 10.

Table 10. Predictive Relevance (Q^2)

Endogenous Construct	SSO	SSE	Q^2
Job Satisfaction	576.000	329.806	0.427
Employee Performance	384.000	219.380	0.429

Source: Processed Research Data, 2026

As presented in Table 10, the Q^2 value for Job Satisfaction was 0.427, while Employee Performance had a Q^2 value of 0.429. Both values were greater than zero, indicating that the structural model demonstrated predictive relevance for both endogenous constructs.

Effect size (f^2) was assessed to determine the magnitude of the incremental contribution of each predictor construct to the explanatory power of its respective endogenous construct. In accordance with the criteria specified in the methodology,

f^2 values of approximately 0.02, 0.15, and 0.35 were interpreted as small, medium, and large effects, respectively. The results are presented in Table 11.

Table 11. Effect Size (f^2)

Variable	Job Satisfaction	Employee Performance
Leadership	0.314	0.092
Employee Well-Being	0.084	0.046
Work Environment	0.406	0.130
Job Satisfaction	-	0.108

Source: Processed Research Data, 2026

As shown in Table 11, work environment demonstrated the largest effect size on job satisfaction ($f^2 = 0.406$), followed by leadership ($f^2 = 0.314$), while employee well-being showed a smaller effect ($f^2 = 0.084$). For employee performance, all predictor constructs demonstrated small effect sizes, with work environment showing the largest contribution ($f^2 = 0.130$). These results indicate that the practical contribution of individual predictors differed across endogenous constructs.

Structural collinearity was assessed using the Variance Inflation Factor (VIF) to determine whether critical collinearity existed among the predictor constructs. In accordance with the criterion specified in the methodology, VIF values below 5 indicate the absence of critical collinearity problems. The results are presented in Table 12.

Table 12. Structural Collinearity Assessment (VIF)

Variable	Job Satisfaction	Employee Performance
Leadership	1.352	1.776
Employee Well-Being	1.836	1.990
Work Environment	1.452	2.042
Job Satisfaction	-	3.014

Source: Processed Research Data, 2026

As shown in Table 12, all VIF values were below the threshold of 5, indicating that critical collinearity problems were not present among the predictor constructs.

The approximate fit of the structural model was additionally assessed using the SRMR. The analysis produced an SRMR value of 0.076, which was below the recommended threshold of 0.08. This result indicates an acceptable level of approximate model fit and suggests that the discrepancy between the empirical and model-implied correlation matrices remained within the acceptable criterion. Taken together, the R^2 , Q^2 , f^2 , VIF, and SRMR assessments provide support for the explanatory adequacy, predictive relevance, acceptable collinearity conditions, and approximate fit of the proposed structural model.

Hypothesis Testing Results

Following the evaluation of the measurement and structural models, hypothesis testing was conducted to examine the proposed direct and indirect effects among the study constructs. Hypothesis testing was performed using bootstrapping with 5,000 subsamples at a 5% significance level. Statistical

significance was determined based on the path coefficient (β), t-statistic, p-value, and 95% bootstrap confidence interval, with effects considered significant when p-values were below 0.05 and confidence intervals excluded zero. The analysis was conducted in two stages: direct effects (H1–H7) and indirect effects assessing the mediating role of job satisfaction (H8–H10).

Direct Effects

The direct-effect analysis examined the influence of leadership, work environment, and employee well-being on job satisfaction, as well as their direct influences on employee performance. The influence of job satisfaction on employee performance was also evaluated. The results are presented in Table 13.

Table 13. Direct Effect Hypothesis Testing

Hypothesis	Structural Relationship	β	t-statistic	p-value	95% CI	Decision
H1	Leadership → Job Satisfaction	0.375	6.030	< 0.001	[0.254, 0.501]	Supported
H2	Work Environment → Job Satisfaction	0.442	7.072	< 0.001	[0.323, 0.564]	Supported
H3	Employee Well-Being → Job Satisfaction	0.226	2.629	0.009	[0.056, 0.373]	Supported
H4	Leadership → Employee Performance	0.228	2.674	0.008	[0.037, 0.376]	Supported
H5	Work Environment → Employee Performance	0.290	3.275	0.001	[0.122, 0.479]	Supported
H6	Employee Well-Being → Employee Performance	0.170	2.016	0.044	[0.019, 0.338]	Supported
H7	Job Satisfaction → Employee Performance	0.322	3.007	0.003	[0.116, 0.540]	Supported

Source: Processed Research Data, 2026

Table 13 shows that all direct-effect hypotheses (H1–H7) were supported. Leadership, work environment, and employee well-being significantly influenced job satisfaction, while leadership, work environment, employee well-being, and job satisfaction significantly influenced employee performance.

Mediation Effects

The mediating role of job satisfaction was examined through specific indirect effects using the bootstrapping procedure. The mediation analysis evaluated whether job satisfaction mediated the relationships between leadership, work environment, and employee well-being with employee performance. The results of the mediation analysis are presented in Table 14. Table 14 indicates that all mediation hypotheses (H8–H10) were supported. Job satisfaction partially mediated the relationships between leadership, work environment, and employee well-being with employee performance, as both direct and indirect effects remained significant.

Table 14. Specific Indirect Effects and Mediation Results

Hypothesis	Indirect Relationship	β	t-statistic	P-value	95% CI	Decision	Mediation
H8	Leadership → Job Satisfaction → Employee Performance	0.121	2.413	0.016	[0.039, 0.232]	Supported	Partial
H9	Work Environment → Job Satisfaction → Employee Performance	0.143	2.478	0.014	[0.046, 0.276]	Supported	Partial
H10	Employee Well-Being → Job Satisfaction → Employee Performance	0.073	2.161	0.031	[0.015, 0.138]	Supported	Partial

Source: Processed Research Data, 2026

Discussion

The Influence of Leadership on Job Satisfaction

Leadership influences employee job satisfaction through the quality of supervisory interactions experienced in daily work activities. The result suggests that employees' perceptions of their jobs are shaped not only by formal organizational systems but also by how supervisors communicate expectations, provide support, offer guidance, and facilitate employee involvement in work-related decisions. Therefore, leadership effectiveness is reflected in the ability of supervisors to create constructive workplace experiences that encourage positive employee evaluations. This interpretation is consistent with Social Exchange Theory, which explains that employees tend to respond to supportive and fair treatment from leaders by developing more favorable attitudes toward their work (Rajâa & Mekkaoui, 2025). Previous studies by Nida et al. (2024) and Adipra & Surya (2025) similarly emphasized that effective leadership contributes to positive employee attitudes. In the context of Company X, supportive supervisory practices may become increasingly important because operational demands require clear role expectations, effective coordination, and constructive relationships between supervisors and employees. From a practical HRM perspective, leadership development should remain a strategic priority at Company X. Strengthening supervisors' abilities in communication, coaching, and constructive problem-solving may help maintain positive employee experiences. However, leadership should be viewed as part of a broader organizational system, as employee satisfaction is also influenced by workplace conditions and employee-related factors.

The Influence of Work Environment on Job Satisfaction

The work environment contributes to employees' job satisfaction by shaping their daily experiences within the organization. Employees evaluate their work not only based on assigned responsibilities but also through the physical and interpersonal conditions surrounding their activities. Therefore, workplace conditions represent an important organizational context that influences how

employees perceive and experience their jobs. This interpretation is consistent with Herzberg's Two-Factor Theory, which highlights that workplace conditions and interpersonal relationships represent important contextual elements affecting employee satisfaction (Hasan & Mishra, 2025). In this study, the work environment reflects both physical aspects and social interactions within the workplace. Previous studies by Andika & Abidin (2024) and Dartey-Baah et al. (2025) also emphasized that supportive workplace conditions and positive relationships contribute to more favorable employee attitudes. The practical implication for Company X is that maintaining an appropriate physical environment while strengthening interpersonal relationships should become an important HRM consideration. Workplace improvement initiatives should therefore address not only physical conditions such as comfort and suitability of the workplace but also social aspects, including cooperation and constructive relationships between employees and supervisors. Such an integrated approach may support sustainable employee satisfaction.

The Influence of Employee Well-Being on Job Satisfaction

Employee well-being represents an important condition that shapes employees' overall life evaluations, workplace experiences, and psychological functioning. Employees with better overall well-being tend to develop more positive evaluations of their jobs because job satisfaction is influenced not only by workplace experiences but also by broader personal and psychological conditions. The relationship between employee well-being and job satisfaction can be understood through the perspective of Organizational Support Theory, which suggests that employees who experience organizational concern and supportive conditions are more likely to develop positive work attitudes (Jun et al., 2025). This interpretation is also supported by Wardani et al. (2024) and Martínez Falcó et al. (2025), who highlighted the importance of employee well-being in promoting positive employee attitudes and organizational outcomes. Considering the organizational context of Company X, this finding emphasizes that employee well-being should be integrated into broader HRM practices rather than treated as an isolated initiative. Supporting employees' psychological functioning, workplace experiences, and overall life well-being may contribute to sustaining job satisfaction. However, employee well-being operates within a wider organizational system, where leadership practices and workplace conditions collectively influence employees' overall work experiences.

The Influence of Leadership on Employee Performance

Leadership contributes to employee performance by shaping how employees understand expectations, coordinate responsibilities, and overcome challenges in completing organizational tasks. Effective leaders create conditions that enable employees to perform through clear communication, appropriate guidance, constructive feedback, and continuous support. Therefore, leadership represents not only a managerial function but also an organizational capability that facilitates employee effectiveness. This interpretation is consistent with Path-Goal Theory, which emphasizes that leaders influence employee performance by providing direction, support, and assistance in overcoming obstacles that may hinder goal achievement (Zhong et al., 2025). Previous studies by Bohalima (2024) and Taufik et al. (2022) also highlighted the importance of leadership in improving employee

performance and productivity. In the context of Company X, supervisory behaviors such as communication, coaching, and employee support provide important mechanisms that help employees align their activities with organizational expectations. From an HRM perspective, leadership development should focus not only on achieving operational targets but also on strengthening supervisors' ability to support employees during work processes. However, improving employee performance requires a comprehensive approach because leadership interacts with other organizational factors, including workplace conditions, employee well-being, and job satisfaction.

The Influence of Work Environment on Employee Performance

A supportive work environment provides employees with conditions that facilitate effective task completion. The workplace influences employee performance through both physical aspects and interpersonal relationships, which affect employees' concentration, coordination, and ability to maintain work quality. Therefore, the work environment should be viewed as an organizational resource that supports employees in performing their responsibilities. This interpretation is aligned with Human Relations Theory, which emphasizes the importance of social relationships and supportive workplace conditions in shaping employee attitudes and behaviors. Furthermore, the Job Demands–Resources perspective explains that workplace resources can assist employees in managing job demands and maintaining effective performance (Chuang et al., 2025). Previous studies by Anggraini et al. (2024) and Marbun & Jufrizen (2022) similarly emphasized the contribution of favorable workplace conditions to employee performance. Within the organizational setting of Company X, maintaining workplace comfort, appropriate physical conditions, and constructive relationships among employees and supervisors represents an important operational and HRM consideration. A supportive work environment may strengthen coordination and teamwork, which are essential components of effective organizational performance. Therefore, workplace improvement should be approached as part of an integrated organizational strategy rather than as an isolated initiative.

The Influence of Employee Well-Being on Employee Performance

Employee well-being contributes to performance by supporting employees' overall life well-being, psychological conditions, positive workplace experiences, and ability to maintain effective work behaviors. Employees who experience better overall well-being may have greater capacity to remain engaged, responsible, and consistent in completing their tasks. This relationship can be interpreted through Organizational Support Theory, which suggests that employees who experience organizational concern and supportive work conditions are more likely to develop positive attitudes and respond through constructive behaviors (Zou et al., 2025). This interpretation is also consistent with Afkarina et al. (2024), who highlighted the relationship between employee well-being and employee performance. For Company X, supporting employee well-being should be considered as part of a broader HRM strategy. Initiatives related to psychological support, positive workplace experiences, and overall employee welfare may contribute to maintaining employee effectiveness. However, employee well-being should not be viewed as an independent solution for improving performance; rather, it should be

integrated with supportive leadership and favorable workplace conditions to create sustainable organizational outcomes.

The Influence of Job Satisfaction on Employee Performance

Job satisfaction represents an important psychological condition that influences how employees respond to their work responsibilities. Positive evaluations of work experiences may encourage employees to demonstrate stronger commitment, motivation, and willingness to contribute to organizational objectives. This interpretation is consistent with the Happy-Productive Worker Theory, which explains that employees with positive work experiences are more likely to demonstrate constructive attitudes and improved performance behaviors (Arhin et al., 2025). In this study, job satisfaction reflects employees' evaluations of important work aspects, including supervision, job characteristics, working conditions, development opportunities, relationships with colleagues, and compensation. Previous research by Pratiwi & Rizky (2024) also emphasized the importance of job satisfaction in supporting employee performance. Considering the context of Company X, maintaining positive employee experiences should be integrated into performance management practices. Strengthening job satisfaction requires continuous improvement in organizational practices related to leadership, workplace conditions, and employee development. This integrated approach is essential because employee performance is shaped by multiple interconnected organizational factors.

The Mediating Role of Job Satisfaction in the Influence of Leadership on Employee Performance

Job satisfaction functions as an important psychological mechanism that connects leadership practices with employee performance. This mediating role indicates that leadership affects performance not only through direct managerial actions but also through employees' internal evaluations of their work experiences. When employees perceive leadership practices positively, they are more likely to develop favorable job attitudes that support constructive performance behaviors. This mechanism is consistent with Social Exchange Theory, which explains that supportive, fair, and constructive interactions between leaders and employees may encourage employees to respond through positive attitudes and behaviors (Ahn et al., 2025). Previous studies by Adipra & Surya (2025) and Nida et al. (2024) also emphasized the importance of leadership and job satisfaction in shaping employee outcomes. The present study extends this understanding by highlighting that leadership effectiveness is not limited to direct influence on performance but also operates through employees' perceptions of their work experiences. The practical implication for Company X is that leadership practices should combine operational direction with supportive interpersonal relationships. Supervisors who are able to provide guidance, communicate effectively, and create positive work experiences may strengthen both employee satisfaction and performance. Therefore, leadership development should consider not only task achievement but also the psychological experiences created through daily supervisor–employee interactions.

The Mediating Role of Job Satisfaction in the Influence of Work Environment on Employee Performance

Job satisfaction serves as an important pathway through which the work environment contributes to employee performance. This relationship suggests that workplace conditions influence performance not only by facilitating employees in completing their tasks but also by shaping how employees perceive and evaluate their jobs. A supportive work environment may create positive experiences that encourage employees to maintain effective work behaviors. This mechanism is consistent with the Job Demands–Resources Model, which explains that organizational resources can support employees in managing work demands and developing positive work experiences (Dhaneesh et al., 2025). Previous studies by Ayunasrah et al. (2022) and Marbun & Jufrizen (2022) also emphasized the role of job satisfaction in connecting workplace conditions with employee outcomes. The present study provides additional insight by showing that the value of the work environment extends beyond immediate workplace support, as it also contributes through employees' psychological evaluations of their work. The practical implication for Company X is that workplace management should be considered both an operational and HRM priority. Improvements in physical workplace conditions and interpersonal relationships may contribute to performance by creating more positive and satisfying work experiences. Therefore, the workplace should be managed not only as a production setting but also as an organizational environment that shapes employee attitudes and behaviors.

The Mediating Role of Job Satisfaction in the Influence of Employee Well-Being on Employee Performance

Job satisfaction represents a psychological pathway linking employee well-being with employee performance. This relationship indicates that employee well-being contributes to performance not only through employees' overall life well-being, psychological conditions, and workplace experiences but also through their perceptions and evaluations of their work. Employees who experience greater well-being are more likely to develop positive job attitudes, which may encourage effective work behaviors. This interpretation can be understood through Organizational Support Theory, which suggests that employees who experience organizational concern and supportive work conditions are more likely to develop positive evaluations of their work and respond through constructive behaviors (Mistry & Horpynich, 2026). Previous research by Ruleti (2020) and Afkarina et al. (2024) also highlighted the relationship between employee well-being, job satisfaction, and employee performance. The current study contributes to this perspective by emphasizing job satisfaction as a mechanism through which employee well-being is translated into organizational outcomes. In the organizational context of Company X, supporting employee well-being should be integrated into a broader HRM framework that considers both employee experiences and organizational effectiveness. Initiatives that promote psychological support, positive workplace experiences, and overall employee welfare may strengthen job satisfaction and subsequently contribute to performance outcomes. Therefore, employee well-being should not be treated merely as an employee benefit but as an important component of sustainable human resource management.

Conclusion

This study concludes that leadership, work environment, and employee well-being positively influence job satisfaction, while leadership, work environment, employee well-being, and job satisfaction also positively influence employee performance within the organizational context of Company X. Among the factors influencing job satisfaction, the work environment demonstrated the largest effect size contribution, followed by leadership, whereas employee well-being contributed more modestly. The mediation findings further indicate that job satisfaction partially mediates the influence of leadership, work environment, and employee well-being on employee performance. These findings suggest that employee performance is influenced not only by organizational conditions and employee well-being directly, but also by employees' evaluations of their work experiences. Theoretically, the study supports the integrated framework developed in this research and reinforces the role of job satisfaction as a common mediating mechanism linking supervisory practices, workplace conditions, and employee well-being with employee performance.

From a practical perspective, Company X is encouraged to adopt an integrated HRM approach that simultaneously strengthens leadership practices, maintains favorable physical and interpersonal workplace conditions, supports employee well-being, and sustains job satisfaction. Particular attention should be given to clear supervisory direction, effective communication, coaching, constructive workplace relationships, and broader employee well-being across life, workplace, and psychological domains. These practices are expected to be more meaningful when implemented as complementary strategies rather than as isolated interventions. Nevertheless, the findings should be interpreted within the context of a single cardboard manufacturing company using a cross-sectional and self-reported research design. Future studies are therefore encouraged to examine similar influences across different organizational settings, employ longitudinal or time-lagged designs, use multiple data sources, and consider additional contextual or psychological variables to broaden the understanding of employee performance.

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