

The Influence of Leadership and Working Environment on Employee Performance with Work Motivation as Intervening Variable: A Case Study of PT Sawit Mas Sejahtera Lahat

Nopen Ariyanti, Sri Rahayu, M. Fadhil Yamani

Universitas Muhammadiyah Palembang

Corresponding Author: nopenariyanti123@gmail.com
ayu_mir67@yahoo.com, fadilplg@gmail.com

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Abstract

This research aims to determine the influence of leadership and work environment on employee performance with work motivation as an intervening variable at PT Sawit Mas Sejahtera, Lahat Regency. The type of research is associative. Leadership, work environment, motivation, and performance are the variables used. The research sample consisted of 200 PT Sawit Mas Sejahtera employees, Lahat Regency, who were selected using cluster sampling. The data used is primary data with a questionnaire data collection method. Structural Equation Modeling (SEM) with the Lisrel application program is the data analysis technique. The research results show that (1) leadership has a positive and significant effect on employee work motivation, (2) the work environment has a positive and significant effect on employee work motivation, (3) leadership has a positive and significant effect on employee performance, (4) the work environment has an effect not significant on employee performance, (5) work motivation has a positive and significant effect on employee performance of PT Sawit Mas Sejahtera Lahat Regency.

Keywords: Leadership, Working Environment, Work Motivation, Employee Performance.

1. Introduction

The main goal of the Indonesian nation's national development is to develop the Indonesian people as a whole, both materially and spiritually. In this context, the role of humans in development is monumental and cannot be overlooked. Human resources are not just the object of development, but they must also be the subject of development. Human resource development and management are crucial in this journey, aiming to improve quality and make people productive and independent. This emphasis on human resource development should inspire and commit us to the progress of our nation, as it is through the development of our people that we can truly achieve national progress. The role of human resource development in national progress should inspire and commit us to the progress of our nation, as it is through the development of our people that we can truly achieve national progress.

Human resources, as a significant factor in an organization or company, hold a strategic position in the organization's hierarchy. Their role is not just important but integral to the achievement of company goals. As the company's goals face increasingly complex forms of

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competition, the performance of each individual or employee becomes a crucial factor in the company's success. This performance, in turn, impacts and is reflected in the company's overall performance, underscoring the value of each employee's contribution.

Company goals can only be realized with the active role of all company-owned human resources. Companies need enthusiastic human resources who can adapt to every technological change

and the work environment. As the company, leaders and employees own human resources and are expected to care, focus, and perform optimally in their duties and functions. Company leaders and employees are expected to be able to support the optimization of company performance and sustainability.

Employee performance is one of the determining factors for the success of a company or organization in achieving its goals. Company leaders must consider the performance of employees. According to Kasmir (2019), Employee performance is the result of work and work behavior achieved in completing the tasks and responsibilities within a certain period. From this definition, performance is the result of the work and work behavior of a person or group of people over a period, usually 1 (one) year. Performance can be measured by the ability to complete the tasks and responsibilities given.

PT Sawit Mas Sejahtera (SMS) is a company based on oil palm plantations. PT Sawit Mas Sejahtera was founded in Sungai Laru village, Kikim Tengah subdistrict, Lahat district in 2013. PT Sawit Mas Sejahtera is part of the PT SMART Tbk (Sinarmas Agro Resources and Technology) group under the parent company Golden Agri-Resources (GAR). GAR is part of a global leader in palm oil production, one of the largest palm oil plantation companies in the world. PT Sawit Mas Sejahtera (SMS) has a palm oil mill business unit (PKS Sungai Kikim) and an oil palm core plantation area. In Lahat Regency, PT SMS has a land area of $\pm 8,600$ hectares, with $\pm 5,600$ hectares used productively (planting area) and the remaining land used for factory areas and is still empty. At the Lahat Regency location, PT SMS has several employees and female employees in several areas, including Kikim Tengah, Kikim Timur, and Kikim Barat sub-districts. Sustainability is integral to PT SMS's business and is guided by GAR's Social and Environmental Policy (KSLG). KSLG is a roadmap shared with employees, farmers, suppliers, and customers to realize a sustainable palm oil industry.

Researchers have observed and identified specific problematic phenomena at PT Sawit Mas Sejahtera (SMS) that could hinder the company's performance. These include issues related to equipment availability, employee motivation, and leadership responsiveness. The success of a company is closely tied to its ability to optimize employee performance, and these identified issues may be impacting this.

Based on data, the performance of PT is as follows: Sawit Mas Sejahtera Lahat Regency is different from the company's targets and objectives; this can be seen from the number of targets and realized palm oil harvest results from 2018 - 2022, where each year it never reaches the target. In 2018, the realized palm oil harvest was 23,980,000 Kilograms of palm oil; in 2019, it increased to 25,473,000 Kilograms of palm oil; in 2020, it decreased again to 21,879,000; in 2021, it became 18,700,000; in 2022, it became 20,743,000. Increases and decreases occur every year, indicating the unstable condition of the company and the lack of potential for employees to increase their harvests. Conditions suggest that the company's goals have yet to be achieved optimally.

Researchers also discovered other phenomena related to tools and facilities that support employee work. Based on observations, it was found that more equipment needed to be available, such as CrewPress machines, which often experienced problems. The inadequate condition of some equipment would have an impact on employee performance. Employees need to be faster in processing Palm Oil Fresh Fruit Bunches (FFB) because the FFB processing takes up to 24 hours after the FFB is taken from the tree. It was also seen that some employees did not increase cooperation between employees; this was indicated by many employees working individually, such as in pre-nursery and main nursery work.

One variable that can influence performance is work motivation. Researchers found a phenomenon at PT Sawit Mas Sejahtera in reviewing working conditions; there was a problem where employees had not had the opportunity to develop; this was indicated during the work period of employees in the Castration section (the process of removing young oil palm flowers), it had been going on for a long time at the same job, and they were bored. Employees feel that working conditions like this could be more conducive. On the one hand, employees feel less conducive and less conducive to the company's work environment and climate.

On the other hand, some employees expressed that they needed to be more motivated to show high performance. This is indicated by employees being indifferent to work pressure to anticipate the condition of oil palm plantations experiencing "cramping" or rarely/few fruits. On the other hand, during the harvesting process, employees feel ordinary and not enthusiastic. This shows the employee's low desire to excel, so employee work results tend to be mediocre and not optimal at all.

Employees often do not fully utilize their abilities and initiative at work, primarily due to a fear of job risks, lack of innovation, and workplace conflicts. Interviews with employees revealed that this lack of initiative is largely due to the perceived lack of recognition and appreciation from their superiors. This highlights the crucial role that recognition and appreciation play in motivating employees to perform at their best.

Regarding leadership, the condition of PT Sawit Mas Sejahtera is also faced with problems and obstacles. Company leaders are often slow to anticipate and ignore employee suggestions and complaints. For example, when employees suggest replacing harvest equipment, additional transportation equipment, or additional personnel in the field, the leadership ignores and anticipates these. This condition needs to improve communication and relationships between leaders and employees. Employees also revealed that leaders required help regarding the problem of limited personnel and work overload at harvest time. This indicates the leader's weakness in decision-making, so these incidents repeat themselves, and the leader needs to provide solutions and communicate to resolve these problems.

Apart from that, leaders tend not to be entirely successful in motivating their subordinates; this is indicated by the working conditions of employees in the field, for example, during pruning work (the process of cutting oil palm fronds that are not required periodically), employees are slow and lazy about pruning, even though they have been reminded and encouraged—enthusiasm by the garden leader/foreman. The real impact of company leaders needing to be able to control subordinates is that it is challenging to achieve employee performance on harvest targets, as previously stated. Leaders need help to control subordinates in the assigned work targets. Lack of good communication and monitoring of employees results in employees being less able to understand and focus on completing and performing work.

Apart from finding phenomena in performance variables, work motivation, and leadership that influence them, there are also phenomena in work environment variables. Based on observations, inadequate ironing can reduce employee motivation and performance, such as noise from old machines and poor lighting, smelly and humid air around palm oil waste, and hot and inadequate resting locations. Uncomfortable and uncondusive working environment conditions will affect employee motivation at work and result in decreased employee performance.

The noise from the machines at PT Sawit Mas Sejahtera disturbs the employees' hearing, which is disturbing while working. On the other hand, when employees work at night, uneven lighting in the work environment causes employees to experience limited vision and visual fatigue. The very unpleasant smell and dampness of palm oil waste affect employee health. This will have an impact on low employee motivation and performance. A comfortable and conducive work environment can motivate employees to improve the quality and quantity of their performance.

2. Literature Review

According to Kasmir (2019) and Afandi (2018), several factors influencing performance include motivation, leadership, job satisfaction, work environment, loyalty, work culture, and discipline. Among the factors that affect performance is work motivation. According to Sutrisno (2015), motivation is a factor that encourages a person to carry out a particular activity. Motivation is often interpreted as a factor that can strengthen the drive for a person's behavior. Motivation addresses the questions of how to direct the power and potential of subordinates, as well as a factor that enhances the drive so that employees want to work together productively and succeed in achieving and realizing the goals that have been determined.

Leadership is also a factor that influences employee performance. Leadership is an individual's ability to move, direct, and affect the mindset and way of working of each member of the organization (employee or employees) so that they act independently in their work, especially in realizing the results of decision-making for the benefit of accelerating the achievement of performance goals that have been established (Wahyudi, 2017). Leaders must be able to analyze and immediately make decisions regarding problems in their unit. Poor leadership can trigger various organizational issues, including decreased morale and work motivation, low productivity, lack of innovation and creativity, and failure to achieve organizational goals.

Leadership is also able to influence work motivation. According to Saydam and Kadarisman in Erri & Fajrin (2018), leadership is part of the factors affecting work motivation. Good leadership can help employees feel motivated to work harder to achieve prosperity. Conversely, poor leadership can hurt employee motivation. Unmotivated employees tend to produce lower-quality products or services. Therefore, every leader must have leadership abilities to motivate employees or subordinates. A comfortable work environment and conditions will support work enthusiasm.

The work environment is also a factor that influences employee performance. According to Afandi (2018), the work environment exists in the workers' environment. It can affect them in carrying out their duties, such as temperature, humidity, ventilation, lighting, noise, cleanliness of the workplace, and whether work equipment is adequate. An environmental condition is considered excellent or appropriate if humans can carry out their activities optimally, healthily, safely, and comfortably. The work environment can be summed up as an atmosphere where employees feel comfortable.

A comfortable work environment will also encourage the strength of employee work motivation. A conducive and relaxed work environment can make employees feel relaxed and calm, thereby increasing employee work motivation. However, when the work environment is less conducive, it will make employees less comfortable, confident, and motivated. A relaxed work environment can stimulate employee enthusiasm for work.

The influence of leadership on work motivation. According to Sutrisno (2015), leadership moves others to achieve the expected results by leading, guiding, and influencing. Research conducted by Ade et al. (2020), titled: The Influence of Leadership on Employee Performance with Work Motivation as an Intervening Variable at PT. Gersindo Minang Plantation-Palm Oil Mill proves that leadership variables significantly affect work motivation variables. The observed phenomena, which include leadership needing to encourage work ethic and employees to carry out routine work at plantation work sites, such as pruning work, are significant in understanding the influence of leadership on work motivation. Leadership also needs help controlling subordinates and motivating them to optimize the achievement of work production targets assigned. Leaders are slow in making decisions, making employees less able to implement and focus on completing work.

The influence of the work environment on work motivation. According to Afandi (2018), the work environment exists in the workers' environment, which can influence their ability to carry out their duties. Meanwhile, Kasmir (2019) states that the work environment is the atmosphere or conditions around the work location. Research conducted by Aruminayagam & Morais (2020), reveals that the work environment positively affects work motivation (workers motivation). Phenomena include machine noise, poor lighting, smelly, damp air from palm oil waste, and hot and inadequate rest areas. Uncomfortable and unconducive working environment conditions will affect employee morale and decrease employee performance levels.

The influence of leadership on performance. According to Sutrisno (2015), Leadership is moving other people to achieve the expected results by leading, guiding, and influencing other people. Research conducted by Agung et al. (2018), entitled The Influence of Leadership and Work Environment on Job Satisfaction and Employee Performance in the Palm Oil Production Section of PT Perkebunan Nusantara V Kebun Sei Galuh, found that leadership has a significant effect on employee performance. Phenomena related to leadership include: company leadership could be more optimal (effective and efficient) in anticipating employee proposals and complaints, especially regarding the availability of adequate equipment. Leadership is also unable to make decisions on issues of limited personnel and work overload at harvest time. This indicates that leaders must be more optimal in communicating, making decisions, and controlling subordinates. If this happens repeatedly and is not corrected, it will affect employee performance.

The influence of the work environment on performance. According to Sutrisno (2015), the work environment is everything around the worker that can influence his performance in carrying out the assigned tasks.

Previous research conducted by Syahrul et al. (2019), with the research title: The Influence of the Work Environment on the Performance of Harvest Employees at PT Dewata Sawit Nusantara, revealed that the work environment positively affects employee performance. Phenomena related to the work environment decrease employee performance, including the presence of continuous hot and not cool air in the work area. Employees have hearing problems

caused by noise from machines in the work area. Limited vision and visual fatigue when working at night. Palm oil waste pollution, which is damp and unpleasant-smelling, causes discomfort and a lack of focus at work. A work environment that is not conducive disrupts concentration, resulting in difficulties in optimizing the quality and quantity of employee performance.

The influence of motivation on performance. According to Busro (2018), motivation is a drive from within an individual to carry out certain activities to achieve goals. Meanwhile, according to McClelland, translated by Suwanto (2020), motivation is a set of forces originating from within and outside a person that encourages work behavior by the intensity of the company's goals. Previous research conducted by Cahyadi, Lubis, and Lubis (2021), with the title: The Influence of Employee Work Satisfaction and Motivation on Work Ethic and the Implications for the Performance of Implementing Employees at the PTPN III Palm Oil Plantation and Factory, found that work motivation had a positive effect and significant impact on employee performance. The phenomena that occur are related to work motivation, including employees not having the opportunity to develop; the boredom of Kastrasi employees indicates this. Employees must be more motivated to anticipate the work climate when oil palm plantations stall, harvest, or lose FFB. Employees also expressed the need to be more motivated to perform well and excel at work. Employees also felt that there was no recognition and appreciation from the leadership. If this is allowed to continue without changes for the better, it will affect employee performance. It's clear that employee motivation plays a crucial role in achieving the company's goals.

3. Research Method

The object of this research is PT Sawit Mas Sejahtera (SMS). Address Jl. Lintas Sumatra, West Kikim District, Lahat Regency, South Sumatra. Lintas Sumatra, West Kikim District, Lahat Regency, South Sumatra. Indonesia. The variables involved consist of four variables, namely the independent variable (leadership and work environment), the dependent variable (performance), and the intervening variable (work motivation). This study is designed with a thorough research process. Employee performance indicators are goals, tools, suggestions, and cooperation. Indicators of work motivation are working conditions, work performance, and recognition from superiors. Leadership indicators are making decisions, motivating, and controlling subordinates. Working environment indicators are air, lighting, and sound. The population in this study were all employees who worked at PT. Sawit Mas Sejahtera, Lahat Regency. Sawit Mas Sejahtera, Lahat Regency. Namely, 397 people work in the field and the office. The Slovin formula, with an error rate of 5% or 0.05, was taken from 200 people and must be used to calculate the sample. After obtaining the total sample size, the next step will be calculating the sample proportion. Calculating proportions using the proportionate method obtained the sample proportions with the sample distribution. The sampling technique we will use is simple random sampling. The data analysis technique used in the research is structural equation modeling (SEM). SEM modeling is a development of path analysis. In the SEM method, the quality relationship between the independent (exogenous) and dependent (endogenous) variables is carried out thoroughly. When using SEM, direct and indirect quality relationships between variables can be detected, and the components that contribute to construct formation can also be determined, such as how much they contribute to each variable.

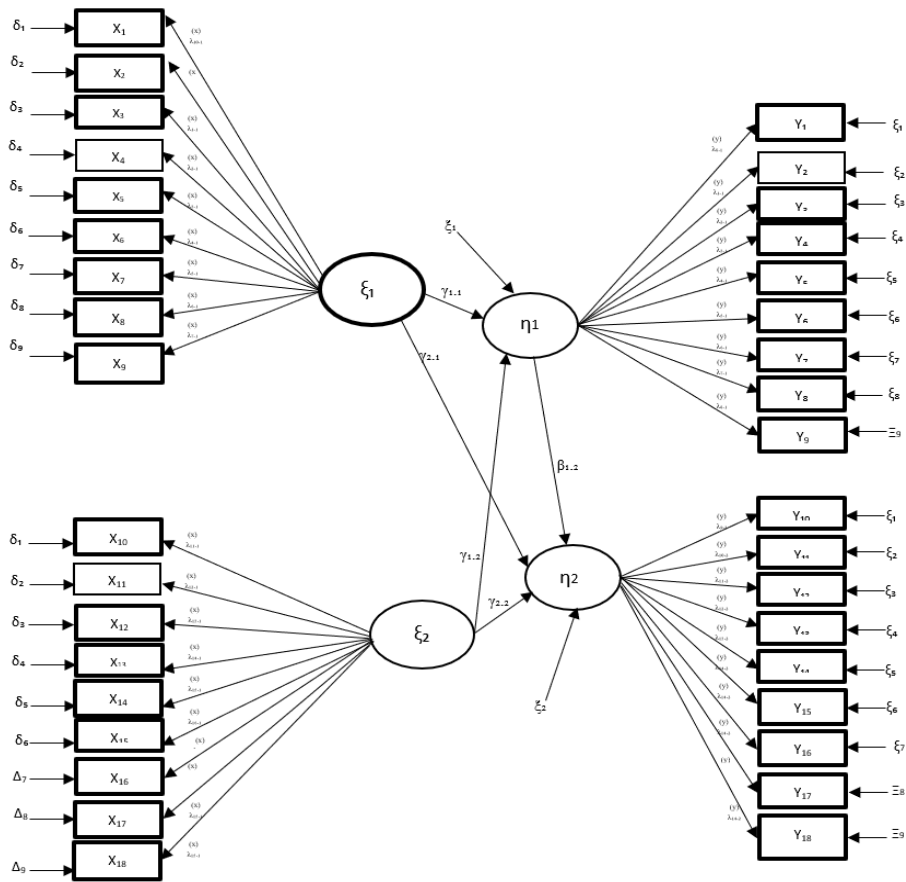


Figure 1. Structural Equation Modeling

- ξ_1 = (ksi_1); Exogen variable of leadership
 ξ_2 = (ksi_2); Exogen variable of working environment
 η_1 = (eta_1); Endogen variable of motivation
 η_2 = (eta_2); Endogen variable of performance
 γ = (gamma); direct effect of exogen on endogen
 ζ = (zeta); error
 β = (beta); direct effect of endogen on endogen
 δ = (delta); measurement error of exogen
 Φ = (Psi); covariance matrix
 ε = (epsilon); measurement error of exogen
 λ = (Lambda); endogen and exogen with its indicators
 X_1 to X_9 = indicators of leadership
 X_{10} to X_{18} = indicators of working environment
 Y_1 to Y_9 = indicators of motivation
 Y_{10} to Y_{18} = indicators of performance

4. Findings and Discussions

In this research, Confirmatory Factor Analysis testing was carried out on all constructs separately in the context of testing the measurement model by evaluating construct validity and construct reliability.

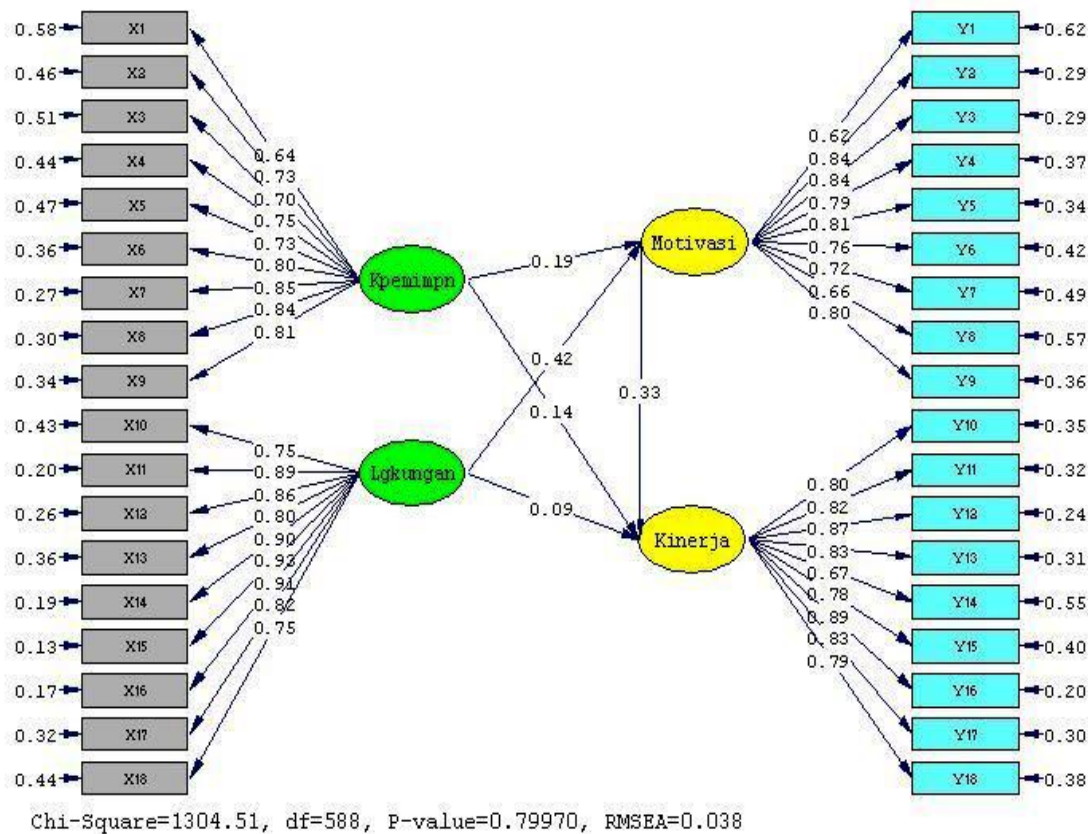


Figure 2. Confirmatory Factor Analysis

As illustrated in the figure above, all loading factor variables have values more significant than the error value. This outcome from the CFA (Confirmatory Factor Analysis) testing at this initial stage meets the required standards and sets a promising tone for the next testing stage. It instills a sense of optimism about the research's progress and its potential for significant findings. Further, based on the figure above, the construct validity test of the instrument for each variable is more significant than 0.05, and the overall AVE value is greater than 0.50. The results show that all variable indicators have passed the validity test because they have met the requirements, namely a loading factor value of ≥ 0.05 , so that the instrument is declared valid and can be used as a valid measuring tool in subsequent analysis.

Table 1. Reliability Result

No	Variables	Indicators	Standard Loading Factor	Measurement Error	Standard Loading Factor	CR
1	Performance	Y10	0.80	0.35	0.64	0.95
		Y11	0.82	0.32	0.67	
		Y12	0.87	0.24	0.76	
		Y13	0.83	0.31	0.69	
		Y14	0.67	0.55	0.45	
		Y15	0.78	0.40	0.61	
		Y16	0.89	0.20	0.79	
		Y17	0.83	0.30	0.69	
		Y18	0.79	0.38	0.62	
		Sigma	7.28	3.05	5.92	

		Sigma^2	53.00			
2	Work Motivation	Y1	0.62	0,62	0.38	0.94
		Y2	0.84	0.29	0.71	
		Y3	0.84	0.29	0.71	
		Y4	0.79	0.37	0.62	
		Y5	0.81	0.34	0.66	
		Y6	0.76	0.42	0.58	
		Y7	0.72	0.49	0.52	
		Y8	0.66	0.57	0.44	
		Y9	0.80	0.36	0.64	
	Sigma		6.84	3.13	5.25	
Sigma^2		46,79				
3	Leadership	X1	0.64	0.58	0.41	0.93
		X2	0.73	0.46	0.53	
		X3	0.70	0.51	0.49	
		X4	0.75	0.44	0.56	
		X5	0.73	0.47	0.53	
		X6	0.80	0.36	0.64	
		X7	0.85	0.27	0.72	
		X8	0.84	0.30	0.71	
		X9	0.81	0.34	0.66	
	Sigma		6.85	3.73	5.25	
Sigma^2		46.92				
4	Work Environment	X10	0.75	0.43	0.56	0,96
		X11	0.89	0.20	0.79	
		X12	0.86	0.26	0.74	
		X13	0.80	0.36	0.64	
		X14	0.90	0.19	0.81	
		X15	0.93	0.13	0.86	
		X16	0.91	0.17	0.83	
		X17	0.82	0.32	0.67	
		X18	0.75	0.44	0.56	
	Sigma		7.61	2.50	6.47	
Sigma^2		57.91				

Based on the table above, it is evident that the CR value calculation results are >0.70. This solidifies the conclusion that all constructs in the full model loading factor for the performance, work motivation, leadership, and work environment variables in this research are not just acceptable but reliable. This assurance of reliability adds to the robustness of our research.

Table 2. Goodness of Fit Result

Goodness Of Fit Index	Cut Of Value	Result	Model Evaluation
P-Value	≥0,05	0.79	<i>Good Fit</i>
RMSEA	≤ 0,1	0,038	<i>Good Fit</i>
GFI	≥0,90	0,73	<i>Fit</i>
NNFI	≥0,90	0,96	<i>Good Fit</i>
SRMR	≤ 0,1	0,067	<i>Good Fit</i>
IFI	≥0,90	0,97	<i>Good Fit</i>
CFI	≥0,90	0,97	<i>Good Fit</i>
RFI	≥0,90	0,92	<i>Good Fit</i>
NFI	≥0,90	0,93	<i>Good Fit</i>

Based on the table above, the model is good because the overall Goodness of fit index criteria are included in the good fit category, especially the p-value, which is greater than 0.05, and the RMSEA value, which is less than 0.05. Therefore, no model modifications need to be made.

The Influence of Leadership on Work Motivation of PT Sawit Mas Sejahtera (SMS) Employees. Our research has revealed a significant and positive influence of leadership on the work motivation of PT Sawit Mas Sejahtera (SMS) employees. The test results, conducted using the Lisrel application, demonstrate T-values of $2.75 > 1.96$, unequivocally confirming the impact of leadership on work motivation. The results of this research are based on the theory of Saydam and Kadarisman in Erri & Fajrin (2018), who say that leadership is one of the factors influencing work motivation. To achieve company goals, there needs to be a factor that employees must have, namely work enthusiasm. Work enthusiasm arises and grows within employees due to motivation from the leadership, both inner and outer motivation. Therefore, motivating leaders is an obligation that must be carried out to develop and create work enthusiasm in employees. Employee success depends on the motivation and policies provided by the leadership. In this research, we specifically focused on transformational and transactional leadership styles. The results of this research are in line with research conducted by Ade, Rahardjo, and Arik (2020), which used the Structural Equation Modeling (SEM)-Partial Least Square (PLS) analysis method. The results of their research state that leadership has a positive and significant effect on work motivation. Fachru, Teguh, and Muller T (2023) also carried out other research in the same direction using Path Analysis-Advanced Regression. The results of their study stated that leadership affected work morale, which was mediated by motivation. Even though there are inconsistencies in the analytical methods used, the results of the two studies consistently explore the target of the specific research object studied, namely oil palm plantation companies. Based on the results of respondents' answers show that leadership influences work motivation and the following findings were obtained: a) Some employees have yet to fully receive encouragement from the leadership, either directly or in routine company meetings; b) There is a tendency for employees to be less enthusiastic about listening and heeding the leadership's directions during meetings or in the garden; c) Leaders tend to be less able to appreciate the success of employees' work. These findings have practical implications for the behavior of PT SMS employees, who may feel disengaged from the leadership's directions, lack work enthusiasm, and perceive a lack of appreciation for their work. In response, the leadership of PT SMS should consider and develop the ability to provide effective direction to employees. The leadership is expected to be a figure who protects employees, starting by encouraging them when they are in trouble. Furthermore, it is necessary to develop ways of appreciating employees and metrics used to measure good work. These actions will empower employees and guide them towards greater work motivation.

The Influence of the Work Environment on the Work Motivation of PT Sawit Mas Sejahtera (SMS) Employees. Our research has confirmed a promising finding: the work environment exerts a positive and significant influence on the work motivation of PT Sawit Mas Sejahtera (SMS) employees. The test results, conducted using the lisrel application, showed T-values of $5.30 > 1.96$, indicating a clear and positive effect of the work environment on work motivation. According to Saydam and Kadarisman in Erri and Fajrin (2018), external factors originating from outside employees can also influence motivation, namely the work environment. Employees' lives will not be separated from various environmental conditions around them; there is a very close relationship between employees and the environment. In this case, employees will always try to adapt to multiple environmental conditions around them.

Likewise, when employees do work, they must be kept from the various conditions around the place where the employee works. A comfortable and conducive work environment can influence employees to be more motivated to improve the quality and quantity of their performance. A pleasant and healthy work environment is crucial for employees' performance. The results of this research align with research conducted by Aruminayagam and Morais (2020), which used the variable correlation analysis method (correlation of variables). The results of their research state that there is a positive and significant influence between the work environment and work motivation. Azman and Isa (2022) also conducted similar research using multiple regression analysis methods. The results of their study stated that the work environment affected work demotivation. Even though there were inconsistencies in the analytical method used, there is consistency in the exploration of the target of the specific research object studied, namely oil palm plantation companies. Based on the results of respondents' answers that the work environment influences work motivation, the following findings were obtained: a) some office employees still need excellent working conditions and adequate air ventilation; b) There are still some office employees who do not have peace at work; c) There are still some office employees who need better workspace lighting. The practical implications or consequences of these findings reflect the behavior of PT SMS employees who tend to be less motivated due to inadequate working environment conditions, the lack of coolness in the office space, insufficient air ventilation, and insufficient lighting, which creates discomfort at work. In this regard, PT SMS should be able to consider and develop the creation of a comfortable and conducive working environment. PT SMS is expected to improve and pay attention to the quality of the workspace, including the quality of the Air Conditioner (AC), air ventilation, lighting, and exposure to sunlight. In addition, You need to pay attention to calmness at work and room design that allows employees not to hear the hustle and bustle outside the office. The physical environment is closely related to the workplace or activities of each employee. Therefore, the physical environment influences the morale and emotions of employees. As a result, employees are increasingly motivated and enthusiastic about improving performance by having a comfortable and conducive physical work environment.

The Influence of Leadership on the Performance of PT Sawit Mas Sejahtera (SMS) Employees. The test results unequivocally demonstrate the significant role of leadership in shaping the performance of PT Sawit Mas Sejahtera (SMS) employees. With T-values of $2.01 > 1.96$, it is clear that leadership plays a crucial role in influencing and improving employee performance. The results of this research are based on the theory that, according to Kasmir (2019), leadership influences employee performance. Leadership plays an important, critical role in improving employee performance. This targets individuals and organizations, requiring leadership to manage and improve employee performance capabilities. Company leaders become controllers in an organization to regulate and control dynamics within the company organization. Dynamics in organizations must be distinct from the role and methods of leadership in resolving organizational problems. The company's leadership determines employees' synergy and effectiveness in carrying out their duties and improving employee performance. The results of this research align with research conducted by Agung, et al. (2018), which states that leadership has a positive and significant influence on employee performance. However, this research is not different from research conducted by Ade, Kusdi, and Arik (2020), who stated that leadership has a positive but insignificant effect on employee performance. Even though there are inconsistencies in the results of the two studies, there is consistency in the exploration of the target of the specific research object studied, namely oil palm plantation companies.

Based on the results of respondents' answers, it is evident that leadership significantly influences performance. The following key findings were obtained: a. There are still employees who state that leaders often do not involve subordinates in decision-making; b. There are still employees who state that the leadership does not fully have good decision-making abilities in the field; c. There are still employees who state that the leadership is not fully able to control subordinates through their respective roles and tasks and work together at work. The practical implications or consequences of these findings reflect the behavior of PT SMS employees who think that leadership does not involve employees in decision-making, is less able to make decisions in the field, and is less able to delegate roles and work together with employees. Regarding this matter, the leadership of PT SMS should consider and develop a transformational leadership pattern based on concern for employees and prioritize the involvement of the leader's approach with his subordinates. Increasing leader skills, including improving strategic thinking, decision-making techniques, and implementing risk management. Apart from that, there is also a need to improve and develop transactional leadership patterns that can delegate roles and tasks to each employee accurately and carefully. Through the content of a work agreement that is commensurate, a commensurate exchange or transaction will also be obtained, mutually beneficial and providing a variety of appreciation between leaders and employees.

The Influence of the Work Environment on the Performance of PT Sawit Mas Sejahtera (SMS) Employees. Based on the test results, the work environment has a positive but not significant effect on the performance of PT Sawit Mas Sejahtera (SMS) employees. The test results showed a t-value of $1.23 < 1.96$, so it can be concluded that the work environment has no significant effect on performance. The results of this research are based on the theory that, according to Kasmir (2019), one of the factors that influences employee performance is the work environment. However, in this study, the magnitude of the influence of the resulting work environment was not significant on performance. This condition is likely caused by elements in the indicators other than those included in the research. This means that in this case, the researcher only took three indicators because, according to the researcher, these indicators were the most represented or were by the phenomena and facts when making observations. However, the results obtained by researchers from questionnaires that have been distributed and processed still need to state that work environment variables significantly affect performance. There are work environment indicators that are not included in this research, which can support the results of a significant favorable influence between work environment variables and performance. The results of this research align with research conducted by Aji and Irwan (2022), which states that the work environment has a positive but not significant effect on performance. However, this research differs from that conducted by Syahrul et al. (2019), which states that the work environment has a positive and significant effect on performance. Even though there are inconsistencies in the results of the two studies, there is consistency in the exploration of the target of the specific research object studied, namely oil palm plantation companies. Based on the results of respondents' answers, it shows that the work environment influences performance, and the following findings were obtained: a. Some field/garden area employees still need help finding the garden area damp and smelly, disrupting work implementation; b. employees in the field/garden area still need better lighting at night; c. There are still employees in the field/garden area who feel there is noise while working. The practical implications or consequences of these findings reflect work disruption to the work environment of PT SMS field/plantation area employees, thereby hampering employee performance. Field/garden area employees are exposed to working conditions with humid and smelly air and

poor lighting when they have to work at night. Apart from that, noise at work can also be a nuisance while working. In this regard, PT SMS should consider developing a work environment that supports employee productivity and performance. With better technology, PT SMS can eradicate pollution from palm oil processing waste, thereby minimizing humid and smelly air. PT SMS can also provide sufficient lighting in the garden area for employees who work at night. Additionally, increasing factory machine maintenance and earplugs (hearing protection devices) will reduce noise for field employees in the palm oil processing factory area.

The Influence of Work Motivation on the Performance of PT Sawit Mas Sejahtera (SMS) Employees. The test results, obtained through a comprehensive research methodology, underscore the crucial role of work motivation in shaping the performance of PT Sawit Mas Sejahtera (SMS) employees. The result revealed t-values of $3.80 > 1.96$, indicating a significant influence of work motivation on performance. According to Kasmir (2019), the results of this research are based on the theory that one factor influencing employee performance is work motivation. Work motivation is a psychological encouragement to employees to determine the direction of their behavior, the level of effort, and the level of persistence or resilience in facing an obstacle or problem at work. The strength of an employee's work motivation to work/performance is directly reflected in how far his efforts work hard to produce better performance to achieve company goals. Therefore, work motivation plays a vital role in ensuring that employees remain active and provide the best performance for the company. This research's results align with Ridho et al. (2022), which states that work motivation has a positive and significant effect on performance. However, this research needs to align with research conducted by Latief, Zati, and Mariana (2018), which states that work motivation has a positive but insignificant effect on performance. Even though there are inconsistencies in the results of the two studies, there is consistency in the exploration of the target of the specific research object studied, namely oil palm plantation companies. Based on the results of respondents' answers, it shows that motivation influences performance, and the following findings were obtained: a. Some employees still do not feel they need a table and are comfortable with the working climate at PT SMS; b. There still needs to be employees with the tenacity to work optimally; c. There are still employees who state that the leadership at PT SMS is not entirely proud and happy with the results of the employees' work. The practical implications of these findings are significant. They reflect the behavior of PT SMS employees who tend to lack work enthusiasm due to a less comfortable work environment. Employees also lack the tenacity to work optimally and feel a lack of leadership appreciation for their work results. In response, PT SMS can consider and develop safe and comfortable working conditions, create patterns of measuring and recognizing employee performance, and increase leadership attention and recognition to improve employee performance.

The Influence of Leadership on the Performance of PT Sawit Mas Sejahtera (SMS) Employees with Work Motivation as an Intervening Variable. Based on the test results, the direct effect of leadership on performance is 0.19, while the indirect effect of leadership on performance with work motivation as an intervening variable is 0.06, resulting in a total impact of 0.25. This means that work motivation strengthens the influence of leadership on performance. In this case, the leadership variable needs to be supported by the intervening variable, work motivation, which, supported by the synergy of work motivation, will strengthen the influence of leadership on performance. This statement is based on the results of distributing questionnaires and responses to statement items, which show that leadership influences

performance through the intervening variable of work motivation. The results of the questionnaire statement from the work motivation variable were dominated by respondents' answers of disagreeing, strongly disagreeing, and neutral; however, of the 200 respondents, there were some who agreed and strongly agreed.

The Influence of the Work Environment on the Performance of PT Sawit Mas Sejahtera (SMS) Employees with Work Motivation as an Intervening Variable. Based on the test results, the direct influence of the work environment on performance is 0.42, while the indirect influence of the work environment on performance with work motivation as an intervening variable is 0.14, resulting in a total effect of 0.56. This means that work motivation strengthens the influence of the work environment on performance. In this case, the work environment variable needs to be supported by the intervening variable, which, supported by the synergy of work motivation, will strengthen the influence of the work environment on performance. This statement is based on the results of distributing questionnaires and responses to statement items, which show that the work environment influences performance through the intervening variable of work motivation. The results of the questionnaire statement from the work motivation variable are dominated by respondents' answers of disagreeing, strongly disagreeing, and neutral; however, out of 200 respondents, some agreed and strongly agreed.

5. Conclusions

It can be concluded that: 1. Leadership has a positive and significant influence on the work motivation of PT Sawit Mas Sejahtera (SMS) employees; 2. The work environment, a key factor in shaping the work culture at PT Sawit Mas Sejahtera (SMS), significantly influences the work motivation of its employees, highlighting the management team's responsibility to create a conducive and inspiring work environment; 3. Leadership positively and significantly influences the performance of PT Sawit Mas Sejahtera (SMS) employees; 4. The work environment has a positive but insignificant influence on the performance of PT Sawit Mas Sejahtera (SMS) employees; 5. Work motivation, when nurtured and enhanced, exerts a positive and significant influence on the performance of PT Sawit Mas Sejahtera (SMS) employees, inspiring the leadership team to prioritize and improve employee motivation.

To increase leadership motivation, the leadership of PT Sawit Mas Sejahtera (SMS) is advised to develop the ability to provide adequate direction to employees. Leaders are also advised to become figures who protect employees. This attitude can be started by encouraging those who are in it. It is also necessary to develop specific ways of rewarding employees, such as bonuses, promotions, or recognition, and the metrics used to measure good work, which could include meeting targets, innovative solutions, or exceptional teamwork. To improve the working environment for motivation, the company PT Sawit Mas Sejahtera (SMS) is advised to develop a climate that creates comfortable and conducive working conditions. PT SMS is also advised to improve and pay attention to the quality of the workspace, including the quality of the Air Conditioner (AC), air ventilation, lighting, and exposure to sunlight. Apart from that, it is necessary to pay attention to calmness at work, a room design that allows employees not to hear the hustle and bustle going on outside—office space. The physical environment is closely related to the workplace or activities of each employee. To improve leadership towards employee performance, the leadership of PT Sawit Mas Sejahtera (SMS) is advised to develop a transformational leadership pattern based on concern for employees. It prioritizes the involvement of the leader's approach with his subordinates. PT SMS leadership is also advised to improve leaders' skills, including strategic thinking, decision-making techniques, and

implementing risk management. Apart from that, there is also a need to improve and develop transactional leadership patterns that can delegate roles and tasks to each employee accurately and carefully. This will lead to a commensurate work agreement, which is a fair and balanced exchange or transaction: mutual benefit and various appreciations between leaders and employees. To improve the work environment for employee performance, the company PT Sawit Mas Sejahtera (SMS) is advised to develop a work environment that supports employee performance and productivity. PT SMS is also recommended to eradicate specific types of pollution from palm oil processing waste, such as air and water pollution, with better technology, thereby minimizing humid and smelly air. PT SMS can also provide sufficient lighting in the garden area for employees who work at night. Apart from that, it is necessary to increase maintenance on factory machines and provide earplugs (hearing protection devices) to reduce noise for field employees in the palm oil processing factory area. To increase work motivation on employee performance. PT Sawit Mas Sejahtera (SMS) is advised to develop safe and comfortable working conditions for employees. PT SMS is also advised to create a pattern of measuring and recognizing employee performance that supports work performance, thereby encouraging and prioritizing the needs of employees to work optimally. In addition, PT SMS leaders can increase reciprocal attention and appropriate and fair employee recognition. For the work he achieved.

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