



Effect of Work Environment, Discipline, and Leadership on Employee Performance at East Java Customs Office

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Abstract

Purpose: This study aimed to analyze the Influence of the Work Environment and Work Discipline on Employee Performance Through Leadership Style as an Intervening Variable at the Regional Office of the Directorate General of Customs and Excise of East Java.

Research Methodology: A total sampling technique was used involving 135 employees. The results show that work environment and work discipline have significant effects on employee performance, with p-values of 0.000.

Results: The results show that leadership style significantly affects employee performance. Work environment and work discipline also significantly affect leadership style. In addition, leadership style mediates the effects of work environment and work discipline on employee performance.

Conclusions: This study concludes that work environment, work discipline, and leadership style have positive and significant effects on employee performance. In addition, leadership style mediates the influence of work environment and work discipline on employee performance.

Limitations: This study is limited to employees at the Regional Office of the Directorate General of Customs and Excise of East Java I, so the findings may not fully represent other public sector institutions.

Contributions: This study contributes to human resource management literature by providing empirical evidence regarding the mediating role of leadership style in the relationship between work environment, work discipline, and employee performance in the public sector.

Keywords: *Leadership Style, Performance, Work Discipline, Work Environment*

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1. Introduction

In carrying out its duties, the Directorate General of Customs and Excise has vertical agencies spread throughout the territory of Indonesia. One of them is the Regional Office of the Directorate General of Customs and Excise of East Java I which is a Vertical Agency under the Directorate General of Customs and Excise, domiciled in Sidoarjo, with a working area covering part of East Java Province. With heavy duties and functions, employees are expected to perform well. The employees of the East Java I Directorate General of Customs and Excise Regional Office are State Civil Apparatus (*Aparatur Sipil Negara/ASN*). All employees must comply with applicable laws and codes of ethics. This means that violations committed by employees can be considered serious violations that can tarnish the good name of the East Java I Directorate General of Customs and Excise Regional Office (Kuswanti & Purnomo, 2023; Maulana et al.,

2025; Purnamasari & Riyadi, 2023).

The East Java I Directorate General of Customs and Excise Regional Office requires employee to provide good and high performance so that all work tasks and obligations are completed properly. Performance is the result of a person's productivity towards their work responsibilities in an organization where a person works (Agusinta et al., 2021; Keke et al., 2021). In determining goals and objectives, the first thing that needs to be considered is the vision and mission of the organization. The vision and mission are the starting points set by top management and the basis for everyone to work to contribute to achieving them (Rizqi & Sakinah, 2021; Satria, 2021). This has the consequence that every leader is obliged to pay serious attention to fostering, motivating, and directing all potential employees in their environment to create a work volume and load that is directed towards goals (Abenoja et al., 2025; Bantilan et al., 2024).

For this reason, the Regional Office of the Directorate General of Customs and Excise of East Java I creates a good working environment by always trying to provide adequate facilities. With the hope that employees of the Regional Office of the Directorate General of Customs and Excise of East Java I can work optimally and professionally. The working environment is the social, psychological, and physical life in a company that affects workers in performing their duties. Human life cannot be separated from various conditions of the surrounding environment, and there is a close relationship between humans and the environment (Alfian et al., 2024; Winarko & Purnomo, 2023). Conversely, an inadequate working environment can reduce performance and ultimately reduce employees' work discipline. Employee discipline is the first step that must be taken to achieve success and organizational goals. Although there is already an internal compliance unit at the Regional Office of the Directorate General of Customs and Excise of East Java I, which continuously supervises employees. However, there are still gaps that can be exploited by employees, including those related to work violations. The working hours at the Regional Office of the Directorate General of Customs and Excise of East Java I are from 07.30 to 18.00. 17.00 with flexi time for 30 minutes; when an employee is late for 30 minutes, the employee must replace the working hours according to the delay. This is sometimes misused by some employees; there are still employees who are late at work, but in fact the replacement of working hours is not used for work, but only used to replace the late time, which is detrimental to the organization. In addition, young employees (under 30 years old), who are still highly creative, especially in cyberspace, use the Internet inappropriately.

Based on the description above, this study aims to analyze the Influence of Work Environment and Work Discipline on Employee Performance Through Leadership Style as an Intervening Variable at the Regional Office of the Directorate General of Customs and Excise of East Java I.

2. Literature Review

2.1 Work Environment

Work environment refers to all physical, social, and psychological conditions surrounding employees when they perform their duties. A supportive work environment can create comfort, security, and motivation for employees, allowing them to complete their responsibilities more effectively (Eladira et al., 2024; Udodiugwu et al., 2024). In an organization, the work environment includes facilities, workplace atmosphere, relationships among employees, communication patterns, and the level of support provided by leaders and colleagues (Syafri et al., 2024). A good work environment can encourage employees to work more productively because they feel supported in carrying out their tasks. Conversely, an uncomfortable work environment may reduce concentration, increase work pressure, and negatively affect employee performance (Konjala & Wulansari, 2025). Therefore, organizations need to provide adequate facilities, maintain harmonious relationships, and create a positive work atmosphere to support employee productivity and organizational goals (Hairul et al., 2024).

2.2 Work Discipline

Work discipline is the attitude and behavior of employees in obeying organizational rules, procedures, and standards. Discipline reflects employees' responsibility, commitment, and consistency in carrying out their duties according to organizational expectations (Adil et al., 2025; Sanjaya et al., 2024). Employees with high discipline tend to comply with working hours, complete tasks on time, follow procedures, and maintain professional behavior in the workplace. In public sector organizations, work discipline is highly important because employees are expected to provide professional services and maintain institutional credibility (Fernando & Surjandari, 2022). Low discipline may lead to delays, inefficiency, and reduced work quality. Therefore, discipline must be supported by clear regulations, consistent supervision, fair sanctions, and leadership that can encourage employees to comply with organizational values and work standards (Ichdan, 2024; Kurbani et al., 2023).

2.3 Leadership Style

Leadership style refers to the way leaders influence, direct, guide, and motivate employees to achieve organizational goals. An effective leadership style can build trust, improve communication, and encourage employees to work with greater responsibility (Nugraheni et al., 2025). Leaders are also responsible for creating a clear work direction, solving problems, and ensuring that employees understand their roles and responsibilities. In organizational practice, leadership style can influence employee attitudes and work behavior (Hendrarso et al., 2025; Rachman et al., 2025). A leader who provides support, motivation, and clear guidance can improve employee morale and performance. On the other hand, ineffective leadership may cause confusion, low motivation, and weak coordination among employees. Therefore, leadership style is an important factor in shaping employee performance and strengthening the relationship between work environment, discipline, and organizational outcomes (Fahrizal et al., 2025).

2.4 Employee Performance

Employee performance refers to the results achieved by employees in carrying out their duties and responsibilities. Performance can be seen from work quality, quantity, timeliness, effectiveness, and the ability to meet organizational targets (Faeni et al., 2025; Parmenas, 2021). In an organization, employee performance becomes an important indicator of success because it reflects how well employees contribute to achieving institutional goals (Hanafiah et al., 2025; Lani et al., 2025). High employee performance is influenced by various factors, including a supportive work environment, strong discipline, and effective leadership (Nuraeni et al., 2022). Employees who work in a comfortable environment, follow organizational rules, and receive clear direction from leaders are more likely to produce better work outcomes (Parmenas, 2022). Therefore, improving employee performance requires an integrated approach that considers both individual behavior and organizational conditions (Hidayat, 2025; Manalu, 2025).

2.5 Leadership Style as an Intervening Variable

Leadership style can act as an intervening variable because it connects the influence of work environment and work discipline on employee performance. A good work environment may not directly improve performance if it is not supported by leadership that can guide and motivate employees (Satria, 2021; Tahir, 2023). Similarly, work discipline can become more effective when leaders consistently direct, supervise, and encourage employees to follow organizational rules (Supardi, 2023). As an intervening variable, leadership style strengthens the role of organizational conditions in shaping employee performance. Leaders can transform a supportive work environment and disciplined behavior into higher productivity by providing motivation, direction, and evaluation. Therefore, leadership style plays an important role in explaining how work environment and work discipline contribute to better employee performance (Nuraeni et al., 2022).

3. Methodology

This quantitative research used total sampling, resulting in a sample size of 135 employees. Path Analysis was performed using SEM AMOS (Ghozali, 2005).

4. Results and Discussion

4.1 Results

Based on the results obtained from the reliability test of the research instrument, because the reliability coefficient value obtained was > 0.60 , it can be concluded that the instrument is declared reliable.

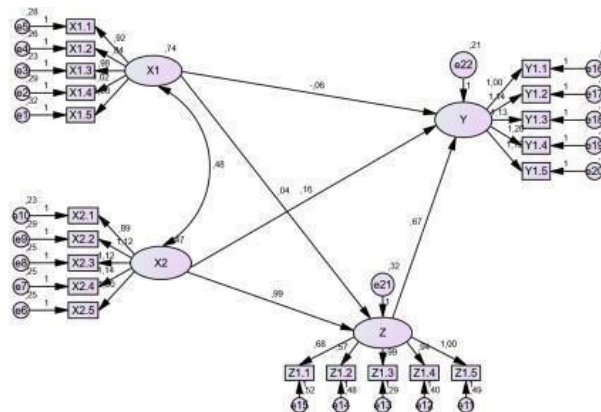


Figure 1. Structural Model

Figure 1 illustrates the structural relationship between work environment (X_1), work discipline (X_2), leadership style (Z), and employee performance (Y). The model shows that work environment and work discipline directly influence employee performance and leadership style. Furthermore, leadership style acts as an intervening variable that mediates the influence of work environment and work discipline on employee performance.

Based on the first assumption model test, the estimated regression weight value is 0.9556934, standard error is 0.1143521, critical ratio (t -table) is 4.4870395, and significance probability value (p -value) is $0.000 < 0.05$. Therefore, it can be concluded that the test results show that there is a positive and significant relationship between the Work Environment and performance. Thus, it can be said that the hypothesis of the Work Environment has a positive and significant influence on performance.

Based on the first assumption model test, the estimated regression weight value is 0.1570068, standard error is 0.1877382, critical ratio (t -table) is 3.8363071, and significance probability value (P -value) is $0.02 < 0.05$. Therefore, it can be concluded that the test results show that there is a positive and significant relationship between Work Discipline and performance. Thus it can be said that the hypothesis of Work Discipline has a positive and significant influence on performance, accepted.

Based on the test of the assumption model, the value of the estimated regression weights is 0.6675109, the standard error is 0.1243672, the critical ratio (t -table) is 5.3672591, and the significance value of probability (p -value) is $0.048 < 0.05$. Thus, it can be concluded that the test results show that there is a positive and significant relationship between Leadership Style and performance. Thus, it can be said that the hypothesis that leadership style has a positive and significant influence on performance is accepted.

Stating the Work Environment with an estimated regression weight value of 0.0387260, a standard error of 0.146643324, a critical ratio (*t*-table) of 2.2640831, and a significance probability value (*p*-value) of $0.000 \leq 0.05$. Thus it can be said that the test results show that there is a relationship between the work environment and leadership style is positive and significant. Thus, it can be said that the hypothesis of the work environment has a positive and significant influence on leadership style.

Work Discipline has an estimated regression weight value of 0.9894381, a standard error of 0.2051703, a critical ratio (*t*-table) of 4.8225211, and a significance value of probability (*p*-value) of $0.0000.05$. Thus it can be said that the test results show that there is a relationship between work discipline and leadership style was positive and significant. Thus, it can be said that the hypothesis that work discipline has a positive and significant influence on leadership style is accepted.

4.2 Discussion

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Based on the first assumption model test, the estimated regression weight value is 0.1570068, standard error is 0.1877382, critical ratio (*t*-table) is 3.8363071, and significance probability value (*p*-value) is $0.02 < 0.05$. Therefore, it can be concluded that the test results show that there is a positive and significant relationship between Work Discipline and performance. Thus it can be said that the hypothesis of Work Discipline has a positive and significant influence on performance, accepted.

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5. Conclusions

The work Environment has a positive and significant influence on performance. Work Discipline has a positive and significant influence on performance. Leadership style has a positive and significant influence on performance. The work environment has a positive and significant influence on leadership style. Work discipline has a positive and significant influence on leadership style.

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Author Contributions

DW contributed to conceptualization, methodology, and writing of the original draft. SS was responsible for data collection, formal analysis, supervision, and review, handled the literature review, validation, and project administration.

Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this study. This research was conducted independently, and no financial or personal relationships influenced the results or interpretation of the findings.

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