
WHAT CAN EFFECT EMPLOYEE PERFORMANCE, AN EMPIRICAL STUDY RETAIL JEWELLERY COMPANY IN NORTH JAKARTA, INDONESIA

Chintya Fransisca¹, Danial Thaib²

Bunda Mulia University, Indonesia

*e-mail: frnsschn@gmail.com¹, danithaib@gmail.com²

KEYWORDS:

work motivation; work environment; job satisfaction, job performance

ABSTRACT

This study aims to analyze the effect of work motivation and work environment on employee performance with job satisfaction as a mediating variable among Adelle Jewellery employees in North Jakarta. This research employs a quantitative approach using a survey method, involving 100 employees as the sample. Data collection was conducted through questionnaires measured using a Likert scale. The collected data was then analyzed using the Partial Least Square-Structural Equation Modeling (PLS-SEM) method. The results show that work motivation and work environment have a significant impact on employee performance. Additionally, job satisfaction was found to partially mediate the effect of work motivation and work environment on employee performance. This means that enhancing work motivation and creating a conducive work environment can increase job satisfaction, which in turn, improves employee performance. This research provides important insights for Adelle Jewellery's management in understanding the factors that influence employee performance. The practical implications of these findings highlight the importance of management focusing on improving work motivation and creating a supportive work environment to enhance employee satisfaction and performance. The study also suggests the need for further research to explore other factors that may influence employee performance and to test similar models in different industries and contexts.

INTRODUCTION

Employee performance is a critical factor in determining the success and competitiveness of an organization, particularly in the retail sector, where customer interaction and satisfaction are paramount (Khan, 2020). Retail companies, especially in the jewellery industry, rely heavily on their employees to provide exceptional service, maintain product knowledge, and uphold the company's reputation (Li, 2021). In this context, understanding the factors that influence employee performance is essential for ensuring that these companies can thrive in an increasingly competitive market.

Previous studies have identified several key factors that impact employee performance, including work motivation, work environment, and job satisfaction (Rafiei, 2019; Shahzadi, 2021). These factors are often interrelated and can significantly influence an employee's ability to perform effectively. For example, a positive work environment can enhance employee motivation, which in turn improves performance (Bakker, 2018). Similarly, job satisfaction is a crucial mediating variable that links work motivation and environment to performance outcomes (Judge, 2017).

In Indonesia, the retail sector has experienced significant growth, driven by increasing consumer demand and a growing middle class (Wibisono, 2020). However, this growth also brings challenges, particularly in managing human resources to maintain high levels of employee performance. Despite the importance of this issue, there is a paucity of research focusing on the retail jewellery sector in Indonesia, particularly in understanding the specific factors that influence employee performance in this context.

The number of labor force in Table 1.1 based on the National Labor Force Survey (Sakernas)

obtained from BPS (2024) is 149.38 million people. The population working in February 2024 was 142.18 million people, an increase of 3.55 million people from February 2023 and the rest were unemployed.

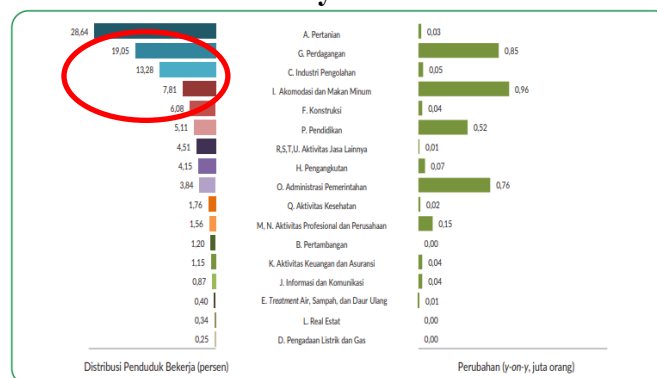
**Figure 1 Working Age Population and Labor Force
Feb 2022 – 2024**

Status Keadaan Ketenagakerjaan	Februari 2022 (juta orang)	Februari 2023 (juta orang)	Februari 2024 (juta orang)	Perubahan Feb 2022–Feb 2023 (juta orang)	Perubahan Feb 2023–Feb 2024 (juta orang)
(1)	(2)	(3)	(4)	(5)	(6)
Penduduk Usia Kerja (PUK)	208,54	211,59	214,00	3,05	2,41
Angkatan Kerja	144,01	146,62	149,38	2,61	2,76
- Bekerja	135,61	138,13	142,18	3,02	3,55
- Pengangguran	8,40	7,99	7,20	-0,41	-0,79
Bukan Angkatan Kerja	64,53	64,97	64,62	0,44	-0,35
Tingkat Partisipasi Angkatan Kerja (TPAK)	69,06	69,30	69,80	0,24	0,50
- Laki-Laki	83,65	83,98	84,02	0,33	0,04
- Perempuan	54,27	54,42	55,41	0,15	0,99

Source: BPS (2024)

According to data obtained from BPS (2024), the composition of the working population by business field can show the structure of the workforce in the job market. Based on the results published by Sakernas February 2024 in Figure 1.1, the three business fields that absorb the most labor are Agriculture, Forestry and Fisheries at 28.64%; Wholesale and Retail Trade, Repair and Maintenance of Cars and Motorcycles by 19.05%; and the Processing Industry by 13.28%. On the other hand, there are three business fields that have not experienced changes in labor absorption, namely Mining and Quarrying; Procurement of Electricity, Gas, Steam/Hot Water, and Cold Air; and Real Estate.

**Figure 2 Distribution and Change of Working Population by Business Field,
February 2024**



Source: BPS (2024)

Figure 3 Standard Classification of Business Fields (KBLI) 2020

C	Industri Pengolahan
32	Industri pengolahan lainnya
321	Industri barang perhiasan dan barang berharga
TURUNAN	
32111	Industri Permata
32112	Industri Barang Perhiasan Dari Logam Mulia Untuk Keperluan Pribadi
32113	Industri Barang Perhiasan Dari Logam Mulia Bukan Untuk Keperluan Pribadi
32114	Industri Barang Dari Logam Mulia Untuk Keperluan Teknik Dan Atau Laboratorium
32115	Industri Perhiasan Mutiara
32119	Industri Barang Lainnya Dari Logam Mulia

Source: OSS Ministry of Investment/BKPM (2020)

Based on the Standard Classification of Indonesia's Business Fields (2020) in Figure 3 which was inaugurated by the Ministry of Investment or BKPM (Investment Coordinating Board), the jewelry industry is included in the classification of the Processing Industry which is the third largest absorber of labor in Indonesia. This industry includes the production of pearl jewelry, the production of precious and semi-precious stones of formations, the working of industrial quality stones and the synthesis or reconstruction of precious or semi-precious stones, the working of diamonds, the jewelry industry of precious metals or of metals based on precious metals or semi-precious metals or of other materials, etc.

There are several companies that are in the jewelry business in Indonesia, one of which is Adelle Jewellery. Adelle Jewellery is a diamond *jewelry retail* company under the auspices of PT. Mitra Manunggal Mahardika. Established in 2013 and already has 11 physical stores in several major cities in Indonesia. Adelle Jewellery is a member of the Association of Indonesia Gold and Gem Entrepreneurs (APEPI) which is a forum and distributor of the aspirations of gem gold entrepreneurs.

In the era of globalization and the rapid development of technology, the competition in the jewelry industry is getting tighter. The jewelry industry is one of the mainstay sectors that contributes to the national economy through the achievement of its export value. The Ministry of Foreign Affairs of the Republic of Indonesia stated that Indonesia's jewelry exports actually increased by 24.21% during 2020, in the midst of the Covid-19 pandemic.

The value of Indonesia's jewelry exports reached 3.1 billion US dollars in the January-July 2023 period with a trade balance surplus of 3 billion US dollars. Quoted from kemenperin.go.id, the *market share* of jewelry and valuables exports Indonesia reached 1.6%, placing Indonesia as the largest exporter for the commodity in 2022.

The Ministry of Industry (Kemenperin) also noted that the export value of jewelry and valuables from Indonesia exceeded \$545.5 million or equivalent to IDR 8.5 trillion in December 2023, an increase of 67.7% compared to the previous year's achievement of \$326 million. This increase shows that Indonesia's jewelry industry sector has the opportunity to continue to grow and develop in the international market. The export performance of the jewelry industry is quite significant so that it is one of the important contributors to the country's foreign exchange revenue.

Business opportunities in the jewelry industry are still prospective in line with the increasing trend of using jewelry in people's daily activities. The government actively facilitates jewelry industry players to expand market access in the country, especially in order to penetrate the export market. To face the increasingly fierce competition in the era of globalization and technological developments in the jewelry industry, the performance of the jewelry industry itself needs to be boosted. Therefore, the jewelry industry must have added value and high competitiveness in order

to be able to survive against competitors. To be able to provide added value and high competitiveness to the competition of the jewelry industry, every company in this field must have quality human resources.

Notoatmodjo (2003) stated that human beings as one of the components of the organization are the determining resources for the achievement of the organization's vision and mission. Human resources are able to plan, organize, direct and move the factors in a company so that the company can be directed towards the set vision. Resource management must be carried out accurately, especially its determination and use in order to maintain the existence and survival of the company. Therefore, the role of human resources is very decisive in order to form a good synergy for the company so that it can generate profits for the company (Arianty, 2016).

To achieve the company's goals, all existing human resources must be arranged in such a way that they can achieve the company's expected performance (Kasmir, 2019). Gilbert (1977) in Notoatmodjo (2003) explains performance as what a person does according to his duties and functions. Performance is work achievement or work results, both quality and quantity, achieved by union employees over a period of time in carrying out work duties in accordance with their responsibilities (Mangkunegara, 2018). There are several factors that affect employee performance, namely from the individual employee himself and the work environment factor.

Good performance will be meaningless if it does not rely on motivation and a strong will to surpass yourself and develop according to your abilities. The main indicator that a person must have to achieve certain goals is how to develop that motivation, so that they can try to meet their needs and desires through effort and hard work. Motivation at work is very important for company productivity. If there is high motivation from employees, then this is a guarantee of the company's success in achieving its goals (Gitosudarmo, 2001).

Motivation is influenced by several internal and external factors. Internal factors include individual needs, attitudes and abilities. Meanwhile, external factors are more diverse such as the work environment, social and lifestyle influences that can be described in salary, job security, colleagues, leadership style, praise and awards and the work given (Abdurrahim, 2023).

TeamStage (2024) released the results of research found regarding motivation at work. It is said that only 15% of workers feel involved in their work. Engaged employees are 87% less likely to leave a company. The results of the survey summarized stated that 39% of employees feel less appreciated at work and 81% of employees are thinking about quitting their job in order to get a better offer from another place. Then 66% of employees are motivated to keep working if there is an incentive program from the company and 87% of employees expect their boss to provide a balance between work and personal obligations.

A study in Gallup (2013) shows that motivated individuals will continue to look for ways to increase productivity and help overloaded colleagues to ensure efficiency for the company. Employees will work 20% better when motivated. Employee motivation can also increase retention in the workplace, teams that are highly engaged in the company reduce absenteeism rates by 41% and increase productivity by 17%.

Motivation can encourage a person to work optimally or at least be able to complete their work. Employee motivation can increase if employees feel that their presence is considered important. With openness and flexibility in the company, especially the attitude of leaders who always provide opportunities for employees to express their opinions and provide ideas, actions like this can be an element that can encourage motivation. Thus, an employee will feel part of the organization and his presence will be meaningful and considered important, thus increasing the employee's motivation to work more optimally (Hutagalung, 2022).

The work environment is one of the factors that participate in affecting employee performance. According to Noah and Steve (2012), the work environment is the entire relationship that occurs with employees at work. (Afandi, 2018) said that a conducive work environment and providing a sense of security to employees allows employees to work more optimally. If employees

like their work environment, then they can carry out their activities comfortably so that working time is used effectively.

A good work environment system is able to guarantee employee performance which ultimately allows the company to obtain positive attitudes and behaviors that will work productively for the interests of the company so that it will also have a good impact and can provide benefits for the company. A comfortable work environment causes employees to concentrate more on work and this condition can increase employee productivity.

Work motivation and work environment are also one of the factors that can affect job satisfaction. Employees will feel satisfied at work if all their needs, desires and expectations are met. Job satisfaction is an emotional state of whether an employee is happy or not related to his work (Handoko, 1992) in Sutrisno (2012). Job satisfaction reflects a person's feelings towards his job and everything he encounters in the work environment (Sutrisno, 2012). (Afandi, 2018) states that job satisfaction leads to increased performance, so that satisfied workers will be more productive at work.

This study aims to examine the influence of work motivation and work environment on employee performance, with job satisfaction as a mediating variable. Work motivation is an internal drive that makes employees excited to achieve certain goals, while the work environment includes the physical and psychological conditions of the workplace that affect comfort and productivity. Understanding how these two factors contribute to employee satisfaction and performance can provide important insights for management in designing effective strategies to improve employee productivity and well-being.

Job satisfaction, which reflects employees' positive feelings towards their work, acts as a mediator in the relationship between work motivation and the work environment on employee performance. Employees who are motivated and work in a conducive environment tend to feel more satisfied, which in turn improves their performance. Conversely, a lack of motivation and an unsupportive work environment can decrease job satisfaction, resulting in decreased performance. This research is important to explain the mechanism of such relationships and provide an empirical basis for companies to develop policies that can increase motivation, improve the work environment, and ultimately, optimize employee performance.

Based on information received from the Human Capital Department (HCD) of Adelle Jewellery in early 2024, Adelle Jewellery experienced declining employee performance problems as seen from the results of the *annual report* submitted by the superiors of each *department* to the *Human Capital Department*. At the beginning of 2023, all employees experienced a salary increase of 5-20% which was considered quite good and received bonuses with a large value (equivalent to 2-3x salary) so that the *Human Capital Department* tried to further analyze what factors allowed this decline in performance to occur. These things may be caused by several factors such as low employee motivation due to lack of recognition of achievements, appreciation, awards or bonuses from the company. A work environment that is not conducive, as well as a lack of opportunities for self-development or discomfort to colleagues and the difficulty of employee opportunities to get promotions so that employees do not get job satisfaction which ultimately has an impact on decreasing employee performance.

Based on the phenomena, problems and conditions that have been described above, the researcher is interested in conducting a study entitled **The Influence of Work Motivation and Work Environment on Employee Performance Mediated by Job Satisfaction in Adelle Jewellery Employees in North Jakarta**. His study aims to fill this gap by conducting an empirical analysis of the factors affecting employee performance in a retail jewellery company in North Jakarta, Indonesia. By examining variables such as work motivation, work environment, and job satisfaction, this research seeks to provide valuable insights that can inform management practices and contribute to the broader literature on employee performance in the retail sector.

RESEARCH METHODS

This study uses a quantitative research method, This study uses an explanatory approach that has the purpose of explaining the causal relationship between the variables used in the research and the test hypothesis, The population studied in this study is all employees of Adelle Jewellery (PT. Mitra Manunggal Mahardika) which totals 243 employees, Data analysis in quantitative research will be carried out if all respondent data has been collected. The data will be processed by researchers using Microsoft Excel tools and Smart PLS 4 statistical software. The data analysis technique used in this study uses statistics in the form of Structural Equation Model (SEM) and is based on the Partial Least Square (PLS) variant. To make it easier to see the conditions that must be considered in the measurement model, you can see the measurement criteria from Table 1 below:

Table 1 Summary of Measurement Model Evaluation (Outer Model)

Criterion	Parameters	Rule of Thumb
<i>Validity Convergent</i>	<i>Loading Factor</i>	> 0.50
<i>Average Variance Extracted (AVE)</i>	<i>AVE</i>	> 0.50
<i>Discriminant Validity</i>	<i>Cross Loading</i>	> 0.50
	<i>HTMT</i>	< 0.90
<i>Reliability</i>	<i>Cronbach's Alpha</i>	> 0.70
	<i>Composite Reliability</i>	> 0.70

Source: Researcher preparation (2024)

The validity test uses the help of the Smart PLS program through two stages, namely conducting a convergent validity test to measure the correlation between each item and its construct. This test looks at a standardized loading factor value that is greater than or equal to 0.50 so that the indicator is declared valid to measure a construct, if the value is < 0.50 then the construct must be excluded from the analysis (Ghozali, 2016). Then the results can also be seen from the Average Variance Extracted (AVE) value with a minimum value of 0.50. The second stage is to conduct a discriminant validity test by evaluating cross loading which compares the correlation of each indicator with its construct and the construct of another block.

RESULTS AND DISCUSSION

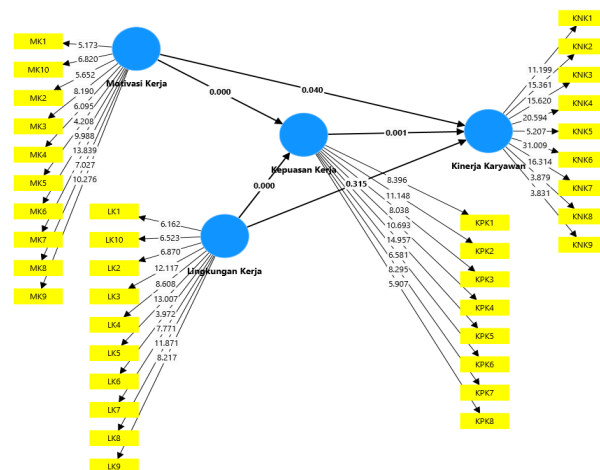
Results of Descriptive Analysis

Hypothesis Test Results

Path Coefficient

The path coefficient is used to measure the strength and direction of the relationship between latent variables in the model. Path coefficients are performed using *bootstrapping* techniques on all variables that can be seen in Figure 4 It is used to minimize abnormalities in the research data.

Figure 4 Path Coefficient Graph (Bootstrapping)



Source: Researcher preparation (2024)

Direct Effect

A *direct effect* is an effect or relationship that occurs directly between two variables in a model, without going through other variables. In the context of *path analysis* or structural equation models (SEM), direct influence shows the extent to which one latent variable directly affects another latent variable, indicated by the path *coefficient* that connects the two variables in Table 2 below.

Table 2 Direct Effects

Variable Relationship	Original sample (O)	T statistics	P values	Description
Work Motivation -> Job Satisfaction	0.373	3.601	0.000	Significant
Work Motivation -> Employee Performance	0.265	2.056	0.040	Significant
Work Environment -> Job Satisfaction	0.483	4.926	0.000	Significant
Work Environment -> Employee Performance	0.128	1.005	0.315	Not Significant
Job Satisfaction -> Employee Performance	0.419	3.365	0.001	Significant

Source: Researcher preparation (2024)

- A T-statistic value of 3.601 (t-statistic > 1.96) and a *p-value* of 0.000 indicate that this influence is significant (*p-value* < 0.05). In other words, an increase in Job Motivation significantly increases Job Satisfaction.
- A t-statistic value of 2.056 (t-statistic > 1.96) and a *p-value* of 0.040 indicate that this effect is significant (*p-value* < 0.05), although not as strong as the relationship between job motivation and job satisfaction. These results still show that an increase in Work Motivation significantly improves Employee Performance.
- The T-statistical value of 4.926 (t-statistic > 1.96) and the *p-value* of 0.000 indicate that this influence is very significant (*p-value* < 0.05). A good Work Environment significantly increases Job Satisfaction.

- d. A T-statistic value of 1.005 (t-statistic < 1.96) and a *p-value* of 0.315 indicate that this influence is not significant (*p-value* > 0.05). This means that statistically, the Work Environment does not directly affect Employee Performance in this model.
- e. A T-statistic value of 3.365 (t-statistic > 1.96) and a *p-value* of 0.001 indicate that this influence is significant (*p-value* < 0.05). Higher Job Satisfaction significantly improves Employee Performance.

Indirect Effect

Indirect influence provides insight into how independent variables affect dependent variables through mediation pathways, helping to identify mechanisms or processes that explain the relationships between those variables. The indirect influence has also been tested for significance using *bootstrapping* techniques to ensure that the effect does not occur by chance and the results can be seen in Table 3 below.

Table 3 Indirect Effects

Variable Relationship	Original sample (O)	T statistics	P values	Description
Work Motivation -> Job Satisfaction -> Employee Performance	0.156	2.300	0.021	Significant
Work Environment -> Job Satisfaction -> Employee Performance	0.202	2.683	0.007	Significant

Source: Researcher preparation (2024)

- a. A T-statistical value of 2,300 (t-statistic > 1.96) and a *p-value* of 0.021 indicate that this indirect influence is statistically significant (*p-value* < 0.05). Thus, Job Satisfaction serves as a significant mediator in the relationship between Job Motivation and Employee Performance. Increasing Work Motivation can improve Employee Performance through increasing Job Satisfaction. Therefore, policies that increase employee motivation will also have a positive impact on performance through Job Satisfaction.
- b. A t-value of 2.683 (t-statistic > 1.96) and a *p-value* of 0.007 indicate that this indirect influence is also statistically significant (*p-value* < 0.05). In other words, there is sufficient evidence to state that Job Satisfaction plays a significant role in the relationship between the Work Environment and Employee Performance. Improving the condition of the Work Environment can improve Employee Performance by increasing Job Satisfaction. Focusing on creating a better work environment can be an effective strategy for improving performance.

Comparison of Direct Effect and Indirect Effect Results

In Table 4, it can be seen that the direct effect of independent variables on dependent variables and the indirect effect of independent variables on dependent variables through mediating variables can be seen.

Table 4 Direct vs Indirect Effect

Variable Relationship	Original sample (O)	T statistics	P values	Description	Result
Work Motivation -> Employee Performance	0.265	2.056	0.04	Significant	Better

Work Motivation -> Job Satisfaction -> Employee Performance	0.156	2.300	0.021	Significant	-
Work Environment -> Employee Performance	0.128	1.005	0.315	Not Significant	-
Work Environment -> Job Satisfaction -> Employee Performance	0.202	2.683	0.007	Significant	Better

Source: Researcher preparation (2024)

- The direct effect of Work Motivation on Employee Performance (0.265) is greater than the indirect effect (0.156). This shows that work motivation plays a greater role in improving employee performance directly than through increasing job satisfaction.
- Meanwhile, the Work Environment does not have a direct effect on Employee Performance but has a significant indirect effect on Employee Performance through Job Satisfaction. This means that a good work environment can improve employee performance, but the effect occurs indirectly through increased job satisfaction.

Discussion

The Effect of Work Motivation on Employee Performance

The results of the study prove that Work Motivation has a significant positive influence on Employee Performance as seen from the t-statistical value of 2.056 and *p-value* 0.040 which meet the t-statistics of > 1.96 and *the p-value* < 0.05 . The results of this study prove that **H1 is accepted**.

H1: Work motivation has a positive effect on employee performance at Adelle Jewellery company.

This is in line with previous theories and studies that state that employees who have high motivation tend to show better performance (Chintallo and Mahadeo, 2013). Employees will be more passionate, dedicated, and work harder to achieve the company's goals. To improve employee performance, companies can implement strategies to increase work motivation, such as providing fair rewards, recognition for achievements, opportunities for self-development, and creating a supportive work environment.

The Influence of the Work Environment on Employee Performance

The results of the study prove that the Work Environment has no influence on Employee Performance as seen from the t-statistical value of 1.005 and *p-value* 0.315 which do not meet the t-statistical > 1.96 and *p-value* < 0.05 . The results of this study stated that **H2 was rejected**.

H2: The work environment has a positive effect on employee performance at Adelle Jewellery.

The results of this study are contrary to previous research which stated that the work environment has a significant positive influence on employee performance (Nurudin, 2017). Although in theory a conducive work environment can improve performance, in this study, the effect was not directly proven. This may be due to the existence of other factors that are more dominant in influencing employee performance, or the existence of limitations in measuring work environment variables.

The Effect of Work Motivation on Job Satisfaction

The results of the study prove that Work Motivation has a significant positive influence on Job Satisfaction as seen from the t-statistical value of 3.601 and *p-value* 0.000 which meet the requirements of t-statistic > 1.96 and *p-value* < 0.05 . The results of this study prove that **H3 is accepted**.

H3: Work motivation has a positive effect on employee satisfaction at Adelle Jewellery.

This is in line with previous research which stated that Work Motivation has a significant positive effect on Job Satisfaction (Yulia *et al.*, 2017). This is also in accordance with the theory that

employees who feel motivated will be more satisfied with their work. High work motivation can create feelings of pleasure, enthusiasm, and satisfaction in employees. Companies can increase employee job satisfaction by increasing their work motivation, for example through awards, recognition, and self-development opportunities.

The Effect of Work Environment on Job Satisfaction

The results of the study prove that the Work Environment has a significant positive influence on Job Satisfaction as seen from the t-statistical value of 4.926 and the *p-value* of 0.000 which meets the t-statistical requirements of > 1.96 and the *p-value* < 0.05 . The results of this study prove that **H4 is accepted**.

H4: The work environment has a positive effect on employee satisfaction at Adelle Jewellery.

This is in line with previous research which stated that the Work Environment has a significant positive effect on Job Satisfaction (Yulia *et al.*, 2017). A conducive work environment, such as good relationships with colleagues, support from superiors, and adequate facilities, can increase employee job satisfaction. A positive work environment creates a sense of comfort and security, so that employees feel more satisfied with their work. Companies can increase employee job satisfaction by creating a better work environment, for example by improving facilities, improving communication, and encouraging teamwork.

The Effect of Job Satisfaction on Employee Performance

The results of the study prove that Job Satisfaction has a significant positive influence on Employee Performance as seen from the t-statistical value of 3.365 and the *p-value* of 0.001 which meets the requirements of t-statistics > 1.96 and *p-value* < 0.05 . The results of this study prove that **H5 is accepted**.

H5: Job satisfaction has a positive effect on employee performance at Adelle Jewellery.

This is in line with previous research which stated that Job Satisfaction has a significant positive effect on Employee Performance (Lantara, 2017). Employees who are satisfied with their jobs tend to perform better. Job satisfaction creates positive feelings and enthusiasm in employees, so they are more motivated to work well. Companies can improve employee performance by increasing their job satisfaction, for example through fair compensation, promotion opportunities, and recognition for achievements.

The Influence of Work Motivation and Employee Performance through Job Satisfaction

The results of the study prove that Work Motivation has a significant positive influence on Employee Performance by being mediated by Job Satisfaction. This can be seen from the t-statistical value of 2.300 and the *p-value* of 0.021 which meets the requirements of t-statistic > 1.96 and *p-value* < 0.05 . The results of this study prove that **H6 is accepted**.

H6: Job satisfaction mediates the relationship between job motivation and employee performance at Adelle Jewellery company.

This is in line with previous research which stated that Work Motivation mediated by Job Satisfaction on Employee Performance has a significant positive influence (Yohana and Hanafi, 2017). This means that work motivation not only has a direct effect on employee performance, but also indirectly through job satisfaction. Motivated employees will feel more satisfied with their jobs, and this job satisfaction will in turn improve their performance. Companies can improve employee performance by increasing their work motivation and job satisfaction at the same time.

The Influence of Work Environment and Employee Performance through Job Satisfaction

The results of the study prove that the Work Environment has a significant positive influence on Employee Performance mediated by Job Satisfaction. This can be seen from the t-statistical value of 2.683 and the *p-value* of 0.007 which meets the requirements of t-statistic > 1.96 and *p-value* < 0.05 . The results of this study prove that **H7 is accepted**.

H7: Job satisfaction mediates the relationship between the work environment and employee performance at Adelle Jewellery company.

This is in line with previous research which stated that the Work Environment mediated by Job Satisfaction on Employee Performance has a significant positive influence (Solihatun, *et al.*, 2021). A positive work environment can increase employee job satisfaction, and this job satisfaction in turn will improve their performance. Companies can improve employee performance by creating a positive work environment and increasing employee job satisfaction.

CONCLUSION.

Overall, this study provides empirical evidence that work motivation and work environment have a significant influence on Adelle Jewellery employee performance, either directly or indirectly through job satisfaction. Companies can use the results of this research as a basis to develop effective strategies and programs in increasing work motivation, creating a positive work environment, and increasing employee job satisfaction, which will ultimately have an impact on improving employee performance and achieving company goals.

The findings of this study provide an explanation for the problem of declining employee performance at Adelle Jewellery which is identified in the background of the research. Low work motivation and a less conducive work environment can be factors that cause a decline in employee performance. By increasing work motivation, improving the work environment, and increasing job satisfaction, companies can overcome employee performance problems and achieve company goals more effectively.

BIBLIOGRAPHY

- Abdurrahim, A. T. H. E. D. A. A. A. (2023). Analysis of the Role of Price, Product Variation and Product Quality on Convection Product Customer Satisfaction. *Journal of Economic, Business, and Accounting (COSTING)*, 1302–1307.
- Afandi. (2018). *Human Resource Management (Theory, Concept and Indicators)*. Nusa Media.
- Arianty, N., B. R., L. A. A., & S. Y. (2016). *Human Resource Management*. Perdana Publishing.
- Bakker, A. B., & D. E. (2018). *Multiple levels in job demands-resources theory: Implications for employee well-being and performance*. Handbook of Wellbeing.
- Ghozali, I. (2016). *Multivariate Analysis Applications with IBM SPSS Program 23 (8th ed.)*. . Diponegoro University Publishing Board.
- Gitosudarmo, I. (2001). *Strategy management*. BPFE.
- Handoko, H. T. (1992). *Personnel and HR Management*. BPFE.
- Judge, T. A., K.-M. J. D., & U. S. (2017). Job satisfaction and subjective well-being: Emotional relationships matter. *Journal of Organizational Behavior*, 333-349.
- Kasmir, K. (2019). *Human Resource Management (Theory and Practice)*. PT. Rajagrafindo Persada.
- Khan, A. N., K. N. A., & A. Z. (2020). The role of organizational culture in employee performance: A study in the retail sector. *Journal of Retailing and Consumer Services*.
- Li, X., & Z. M. (2021). Employee engagement and performance: The role of job satisfaction. *International Journal of Human Resource Management*.
- Mangkunegara, A. (2018). *Corporate Human Resource Management*. PT. Teen Rosdakarya Offset.
- Rafiei, S., & D. H. (2019). The impact of work motivation on employee performance: The mediating role of job satisfaction. *Journal of Business Research*.
- Shahzadi, G., J. M., & N. H. (2021). Work environment and employee performance: A study on mediating role of motivation. *Journal of Management Development*.
- Wibisono, G., & I. M. (2020). The growth of retail industry in Indonesia and its impact on employment. *Asian Economic and Financial Review*, 472–481.