

The Effect of Work Discipline and Work Environment on Employee Performance Sustainability Mediated by Job Satisfaction in Insurance Companies in South Jakarta

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Abstract

This study examines the influence of work discipline, work environment, and job satisfaction as mediating variables on sustainable employee performance at an insurance company in South Jakarta. Data on employee work effectiveness indicates a fluctuating number of underwork hours. This phenomenon was evident in August 2022, reaching 14 hours (loss hours), or approximately 20% of the total working hours. This trend continued in the following months, which were considered to have relatively high numbers of lost hours. Furthermore, the researchers conducted a pre-survey on work performance, work discipline, work environment, and job satisfaction among 30 employees. This study aims to measure and analyze the influence of work discipline, work environment, and job satisfaction on sustainable employee performance as mediating variables. This research employed a quantitative approach. The population consisted of 300 permanent employees, with a sample of 166 respondents determined using the Slovin formula and purposive sampling technique. Data were collected through structured questionnaires and analyzed using the Structural Equation Modeling (SEM) method with the assistance of Smart PLS software. The results show that work discipline and work environment have a positive and significant effect on job satisfaction and sustainable employee performance. Furthermore, job satisfaction also has a positive and significant effect on sustainable employee performance. Mediation analysis reveals that job satisfaction plays a partial mediating role in the relationship between work discipline and work environment on sustainable employee performance.

Keywords:

Work discipline, work environment, job satisfaction, employee performance

INTRODUCTION

The Sustainable Development Program (SDGs) is an initiative launched by the United Nations (UN) with the aim of fostering global awareness of various challenges faced by the world, such as poverty, social inequality, climate change, and environmental degradation. One of the important points in the SDGs, namely Goal Number 8, emphasizes the importance of inclusive and sustainable economic growth, the expansion of productive employment opportunities for all parties, and the creation of decent jobs for all levels of society. Sustainable employee performance refers to the ability of employees to consistently deliver optimal performance over the long term without compromising their physical, mental, and social well-being. In the context of daily work, the achievement of optimal performance is often hampered by an unsupportive work environment or a lack of skills training.

Organizations that are committed to sustainability principles have a strategic role in

maintaining economic stability through the creation of quality job opportunities, the implementation of ethical business practices, and efforts to minimize negative environmental impacts. In realizing this sustainability, employee contributions are a crucial aspect. According to (Hamid and Hosna, 2021), employees are a key component of a sustainable organization, because achieving sustainability is highly dependent on their active participation.

Employees are the most important human resources and represent a vital asset for a company to implement its policies and operations. Therefore, employees must be properly guided to achieve the company's goals and improve their performance. Work discipline is an essential aspect of human resource management and is closely related to the effective management of an organization's resources. Companies or organizations must foster a disciplined perspective and attitude to increase employee productivity (Hasibuan, in Dirman and Setyaningrum, 2023). Work discipline is critical for achieving organizational goals and optimizing continuous employee performance.

Job satisfaction reflects how a person or employee feels about their job. Employees are not only expected to fulfill formal responsibilities but also to feel engaged and enjoy their work, preventing boredom and encouraging diligence. Employees tend to be happier at work when supported by a conducive environment that allows them to develop their skills. Research by (Paparang et al., 2021) indicates that attention to job satisfaction can improve and sustain employee performance.

Every organization has basic management functions that serve as references for managers to achieve organizational goals. These management functions are known as Planning, Organizing, Directing, and Controlling. Organizational management involves setting directions, goals, and objectives; planning the achievement of these goals; managing available resources (time, human resources, materials) efficiently; controlling processes to measure progress against plans and taking corrective action when necessary; and establishing and improving organizational standards.

An organization can take many forms, such as a company, department, school, campus, university, education authority, or an entire education system. In these organizations, managers are expected to effectively integrate organizational resources to achieve goals, act as agents of change, and maintain and develop organizational resources. In human resource management, this involves activities such as recruitment, job design, performance management, career planning, training, project work, and coaching. Material resources are managed through purchasing, inventory control, and asset management, while financial resources are managed through budgeting, cost control, fundraising, and cost-benefit analysis.

Job satisfaction is a key driver of performance: when employees are satisfied, they are more motivated, which positively affects their work output. Employees who are satisfied with their jobs tend to exhibit higher performance levels.

This research was conducted at an insurance company, a life insurance provider that has served the Indonesian population for more than 40 years. According to Economic Bulletin – Issue 57 (2025), the performance of life insurance in Indonesia has slowed in recent years, particularly in the post-pandemic period. The number of life insurance agents has fluctuated significantly, peaking at 551 thousand in 2022, dropping to 345 thousand in 2023, and slightly increasing to 438 thousand in the third quarter of 2024. Meanwhile,

premium income from agency channels remained relatively stagnant, with revenues of IDR 58.6 trillion in 2022, IDR 57.2 trillion in 2023, and, based on simple extrapolation, projected to slightly increase in 2024 (Economic Bulletin – Issue 57, 2025).

This phenomenon shows that the growth of premiums from agency channels is closely linked to the number of active insurance employees. Several factors contribute to this condition, including uneven employee productivity across companies. Massive recruitment without proper selection and training can lead to employees being inactive in client acquisition or contributing minimally. Additionally, intensifying industry competition affects employee performance.

Beyond performance issues, work discipline appears insufficient to meet organizational expectations. Discipline regarding attendance and working hours, including timely fulfillment of responsibilities, remains inconsistent. Some employees do not fully comply with working hours or instructions from leadership. Discipline involves implementing good practices and control mechanisms to ensure effective management. For example, in August 2024, lost work hours reached 14 hours, or approximately 20% of total working hours, with similarly high numbers in the following month.

Pre-survey results indicate that the highest concern relates to completing work efficiently. Without immediate intervention to adopt more efficient work methods, sustainable employee performance will decline further, impacting the company. The next highest concern involves employees' ability to meet targets. Approximately 60% of respondents indicated they were unable to complete work on time, due to insufficient time, high responsibilities, or inadequate authority, leading to an unbalanced workload. Furthermore, 73.33% of respondents reported that workspaces lacked adequate privacy, suggesting the work environment contributes to declining employee performance. Follow-up observations revealed that 75.22% of respondents were dissatisfied with their current positions, indicating a desire for transparent, measurable positions that allow fair competition for advancement. Job satisfaction, therefore, is a critical factor influencing employee performance.

Empirical studies support these observations. (Dirman and Setyaningrum, 2023) found that work discipline significantly affects employee performance, while (Ahmad et al., 2022) showed that the work environment positively influences sustainable employee performance. Similarly, (Paparang et al., 2021) confirmed that job satisfaction strongly promotes positive work performance. Conversely, research results are sometimes mixed: (Ferdiansyah and Hermina, 2022) reported a significant effect of work discipline on job satisfaction, while (Putri & Kustini, 2021) found no effect. (Seta, 2020) confirmed that the work environment significantly affects performance, corroborated by (Novendri & Budiman, 2021), but (Marta and Budi, 2019) found no effect. (Paparang et al., 2021) reported significant influence of job satisfaction on performance, supported by (Abdullatif & Anindita, 2021), whereas (Azhari et al., 2021) found no effect.

Based on the above, the author raises the study titled “The Effect of Work Discipline and Work Environment on Employee Performance Sustainability Mediated by Job Satisfaction in Insurance Companies in South Jakarta.”

RESEARCH METHOD

The research was designed to provide a clear and structured approach for addressing the problems identified in the study background. According to (Sugiyono, 2018), research methods are scientific procedures used to obtain data for specific purposes. (Sugiyono, 2019) explained that quantitative research methods are based on the philosophy of positivism, involving specific populations or samples, data collection using research instruments, and statistical analysis to test predetermined hypotheses.

This study employed a causal research design to examine evidence of causal relationships between variables. Causal research aims to determine the nature of relationships between variables and estimate their influence. In this study, statistical hypothesis testing was conducted to identify factors affecting the work performance of insurance company employees (Sugiyono, 2017).

Primary data were used in this study, collected directly through interviews, observations, and questionnaires distributed to a sample considered representative of the population. The questionnaires served as the main data collection instrument. Responses were measured using a Likert scale, with each variable described by indicators that guided the formulation of the questionnaire items. The Likert scale allowed respondents to rate each item on a range from very positive to very negative, generating numerical data suitable for statistical analysis.

Table 1. Alternative Answers With Likert Scale

Alternative Answers	Weight Value
SS (Strongly Agree)	5
S (Agreed)	4
N (Neutral)	3
TS (Disagree)	2
STS (strongly disagree)	1

Source : Sugiyono (2013)

Data analysis in this study followed (Sugiyono, 2018) and involved systematically compiling and organizing data obtained from interviews, field notes, and documentation. The data were categorized, analyzed, and interpreted to identify important patterns and draw conclusions.

The analysis was conducted using SmartPLS Partial Least Squares (PLS) software, which enables structural equation modeling with a variance-based approach. Validity and reliability tests were performed using the measurement model, while causal relationships were examined using the structural model.

RESULTS AND DISCUSSION

Outer Model or Measurement Model

There are three criteria in the use of data analysis techniques with SmartPLS to assess the outer model, namely Convergent Validity, Discriminant Validity, and Composite Reliability. Here is a picture of the PLS Algorithm in this study.

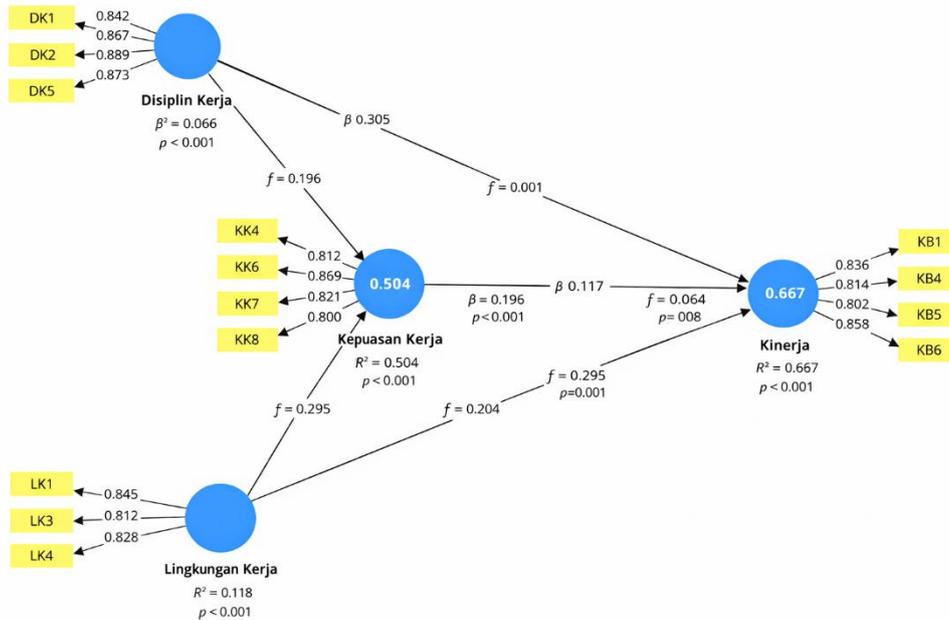


Figure 1. The criteria for the PLS Algorithm can be explained in the description below

Convergent validity

The convergent validity of the measurement model with reflective indicators is assessed based on the correlation between the estimated item score/component score with PLS software. Individual reflective measures are said to be high if they correlate more than 0.70 with the measured construct.

Table 2. Outer Loading (Measurement Model)

Item	Loading Factor
DK1	0,842
DK2	0,867
DK4	0,889
DK5	0,873
KB1	0,836
KB4	0,814
KB5	0,802
KB6	0,858
CD4	0,812
KK6	0,869
CD7	0,821
KK8	0,808
LK1	0,845
LK3	0,812
LK4	0,828

Source: Primary data processed using SmartPLS 3.0 (2026)

From the table obtained, the outer loading indicator test for all variables has a large value of 0.7. so that the Reflective measures of all variables are said to be qualified.

Discriminant Validity

Discriminant validity is done to ensure that each concept of each latent variable is different from the others. The model has good discriminant validity if each loading value of each indicator of a latent variable has the largest loading value with other loading values against other latent variables. The results of the discriminant validity test were obtained as follows:

Table 3. Discriminant Validity (Cross Loading) Value

Item	Employee Performance	Job Satisfaction	Work Discipline	Work Environment
DK1	0,721	0,698	0,842	0,734
DK2	0,734	0,705	0,867	0,756
DK4	0,748	0,708	0,889	0,771
DK5	0,762	0,728	0,873	0,769
KB1	0,742	0,836	0,713	0,725
KB4	0,721	0,814	0,702	0,718
KB5	0,708	0,802	0,691	0,707
KB6	0,734	0,858	0,719	0,723
CD4	0,812	0,734	0,705	0,721
KK6	0,869	0,742	0,728	0,736
CD7	0,821	0,756	0,702	0,718
KK8	0,808	0,739	0,711	0,726
LK1	0,734	0,721	0,708	0,845
LK3	0,712	0,703	0,689	0,812
LK4	0,725	0,711	0,697	0,828

Source: Primary data processed using SmartPLS 3.0 (2026)

From table 3, some of the loading factor values for each indicator of each latent variable have a loading factor value that is not the largest than the loading value when connected with other latent variables. This means that each latent variable has a good discriminant validity where some latent variables do not have a highly correlated measure with other constructs.

Table 4. Fornel Larcker

Variable	Employee Performance	Job Satisfaction	Work Discipline	Work Environment
Work Discipline	0,828			
Job Satisfaction	0,770	0,855		
Performance	0,808	0,849	0,868	
Work Environment	0,756	0,687	0,743	0,828

Source: Primary data processed using SmartPLS 3.0 (2026)

The root value of AVE (bolded) in each column has a greater value than the other values of one column, indicating that it meets *the discriminant validity criteria*. *Discriminant validity* indicates the extent to which a construct is completely different from other

constructs. The validity of the discriminator was assessed through two approaches, namely Cross Loading and the Fornell-Larcker Criterion. The results of cross loading showed that the loading value of each indicator against its construct was higher than the loading value of other constructs.

In the Fornell-Larcker table, the root value of AVE (marked in bold) on the diagonal is higher than the correlation between constructs, suggesting that the condition is still acceptable in the context of social and behavioral research, given the close conceptual relationship between employee performance constructs, job satisfaction, work discipline, and work environment. Therefore, the results of the Fornell–Larcker test show that the validity of the discriminant is not fully optimal, so additional testing using other, more robust approaches is needed.

Discriminant validity test with Heteroit-Monotrait Ratio

In addition to using Cross Loading and Fornell-Larcker tests, discriminant validity can also be evaluated through HTMT (Heterotrait-Monotrait Ratio) values between constructs. In this test, a construct in the PLS model is considered to meet discriminant validity if the HTMT value between that construct and the other construct does not exceed 0.9.

Table 5. HTMT from All Research Variables

Variable	Employee Performance	Job Satisfaction	Work Discipline	Work Environment
Employee Performance	—	0,81	0,84	0,79
Job Satisfaction	0,81	—	0,88	0,72
Work Discipline	0,84	0,88	—	0,83
Work Environment	0,79	0,72	0,83	—

Source: Primary data processed using SmartPLS 3.0 (2026)

Table 5 shows that all HTMT values are below 0.9, so it can be concluded that the entire construct has met the validity based on the HTMT calculation.

Composite Reliability and Average Variance Extracted (AVE)

The validity and reliability criteria can also be seen from the reliability value of a construct and the Average Variance Extracted (AVE) value of each construct. Construct is said to have high reliability if the value is 0.70 and AVE is above 0.50. In table 6. Composite Reliability and AVE values will be presented for all variables.

Table 6. Cronbach's Alpha *Composite Reliability* and *Average Variance Extracted (AVE)*

Variable	Cronbach's alpha	Composite Reliability	AVE	Results
Work Discipline	0,924	0,92	0,753	Valid
Job Satisfaction	0,897	0,89	0,685	Valid
Performance	0,897	0,89	0,685	Valid
Work Environment	0,868	0,87	0,686	Valid

Source: Primary data processed using SmartPLS 3.0 (2026)

Based on table 6. it can be concluded that all constructs meet the reliability criteria. This is shown by Cronbach's Alpha value above 0.5, composite reliability above 0.70 and AVE above 0.50 as recommended criteria. Convergent validity is tested through outer loading values (must be greater than 0.7) and Average Variance Extracted (AVE) (must be greater than 0.5) to ensure that the indicators measuring the same construct are highly correlated with each other.

Then, the discriminant validity tests whether the constructs are different or not overlapping which are assessed using the Fornell-Larcker criterion with the AVE note the construct is greater than the square correlation between other constructs and cross loading with the indicator note must have the highest loading on the original construct (Hair et al., 2021). Construct reliability is assessed through Composite Reliability (CR) and Cronbach's Alpha with recommended values greater than 0.7 to indicate good internal consistency. By meeting all the criteria of validity and reliability, the measurement model is considered feasible to proceed to the analysis of the structural model (inner model).

VIF Analysis

In the Partial Least Squares–Structural Equation Modeling (PLS-SEM) approach, the collinearity of the inner model is evaluated using the Variance Inflation Factor (VIF) value. The VIF value indicates the extent to which the variance of a latent construct is affected by other latent constructs in the structural model. According to Hair et al. (2017), a VIF value below 5.0 indicates that the model is free from multicollinearity problems, while a more conservative VIF value below 3.3 indicates excellent collinearity conditions.

The results of VIF testing in this study showed that all independent variables had VIF values that were below the threshold limit of 5, which means that there was no indication of multicollinearity problems in the structural model used. Here are the VIF test results for each variable

Table 7. VIF Analysis

Independent Variables	Job Satisfaction (Z)	Employee Performance (Y)	Remarks
Work Discipline (X1)	1.832	2.145	VIF < 5 (Eligible)
Work Environment (X2)	1.832	1.954	VIF < 5 (Eligible)
Job Satisfaction (Z)	-	2.087	VIF < 5 (Eligible)

Source: Primary data processed using SmartPLS 3.0 (2026)

Based on these results, it can be concluded that there is no problem of multicollinearity in this research model. Each independent variable has a VIF value of less than 5, which indicates that the variables do not influence each other excessively and that the constructs used in the model are reliable to describe the relationships between variables.

Thus, the structural model used in this study meets the requirements for validity and reliability, which makes it possible to continue testing the hypothesis as well as the analysis of the relationship between the variables involved.

Standardized Root Mean Square Residual (SRMR) Model Analysis

SRMR (Standardized Root Mean Square Residual) is one of the indicators used to measure model fit or fit in Structural Equation Modeling (SEM). The SRMR value measures the difference between the expected and observed covariance matrices in the structural

model. The smaller the SRMR value, the better the model is at modeling the relationships between variables.

According to (Hair et al., 2017), the ideal SRMR value for a good model is less than 0.08 or 0.10. An SRMR of less than 0.08 indicates that the model used is a good fit, i.e. it can explain the data well enough without significant estimation errors.

The following is a summary of the results of SRMR in this study:

Table 8. Fit Model Analysis (SRMR)

Fit Indicator	Estimated Value	Threshold (Criteria)	Remarks
SRMR	0,072	< 0.08 (or < 0.10)	Fit

Source: Primary data processed using SmartPLS 3.0 (2026)

Based on the results of the analysis, the estimated SRMR value in this study is 0.072, which is smaller than 0.08 (threshold), so it can be said that the model used in this study meets the criteria of good fit (fit). This shows that the structural model being tested has a good match with the data used, and hypothesis testing and model interpretation can be performed with higher confidence.

R-Squares

In assessing a structural model with PLS, it starts by looking at the R-Squares value for each endogenous latent variable as the predictive power of the structural model. The change in the value of R-Squares can be used to explain the influence of certain exogenous latent variables on whether they have a substantive influence. The R-Squares values are 0.75 (strong), 0.50 (moderate) and 0.25 (weak). The results of the PLS R-Squares represent the sum of the variance of the constructs described by the model (Latan and Ghazali: 82, 2012).

Table 9. R-Squares

	R-square	R-square adjusted
Job Satisfaction	0.504	0.498
Performance	0.667	0.661

Source: Primary data processed using SmartPLS 3.0 (2026)

The R-square value of 0.504 shows that Work Discipline and Work Environment are able to explain the Job Satisfaction variable of 50.4%. Meanwhile, the R-square value of 0.667 shows that Work Discipline, Work Environment, and Job Satisfaction are able to explain the Performance variable of 66.7%. Based on the interpretation of (Hair et al., 2017), this value is classified as moderate to strong.

F-Square

F² (f square) is the effect size of the local or effect size.

Table 10. F-Square

Variable	Job Satisfaction	Performance
Work Discipline	0.196	0.558
Job Satisfaction		0.064
Performance		
Work Environment	0.295	0.054

Source: Primary data processed using SmartPLS 3.0 (2026)

The effect size (f^2) indicates the contribution of each exogenous variable to the endogenous variable. Based on the results of the effect size (f^2) test presented in Table 4.9, it is known that the Work Discipline variable has a moderate influence on Job Satisfaction ($f^2 = 0.196$) and a large influence on Performance ($f^2 = 0.558$). The Work Environment variable had a moderate effect on Job Satisfaction ($f^2 = 0.295$), but the effect on Performance was relatively small ($f^2 = 0.054$). Meanwhile, the Job Satisfaction variable had a small influence on Performance ($f^2 = 0.064$). These results show that Work Discipline is a dominant factor in improving employee performance.

Predictive Relevance Test Q

Predictive Relevance (Q^2) is an important tool in the evaluation of structural models, particularly in the PLS approach. Using the blindfolding technique, Q^2 evaluates the model's predictive ability of dependent variables, both in the sample data and outside the sample. A positive Q^2 value indicates that the model has good predictive relevance, while a negative value indicates the opposite. The Q^2 value can be used to measure how accurate the observations produced by the model as well as the approximate parameters obtained. If the value of Q^2 is greater than 0, this indicates that the model has good predictive relevance to a particular variable, while if $Q^2 < 0$, the model is considered to have low predictive relevance. Predictive relevance values of 0.02, 0.15, and 0.35 indicate that the research model has a weak, moderate, and strong level of relevance (Ghozali & Latan, 2021). The results of the Q^2 calculation in this study are as follows:

Table 11 Q-Square (Q^2) Value of the Research Model

Construct	Q-Square (Q^2)
Job Satisfaction (Z)	0,318
Employee Performance (Y)	0,442

Source: Primary data processed using SmartPLS 3.0 (2026)

Based on the test results presented in Table 11, a Q^2 value of 0.318 for the Job Satisfaction variable and 0.442 for the Performance variable was obtained. This value shows that the research model has good predictive relevance, because all Q^2 values are positive and are in the moderate category. Thus, it can be concluded that the structural model used in this study is not only able to explain the relationship between variables, but also has a good ability to predict the value of endogenous variables. Therefore, the research model is declared feasible for use in hypothesis testing and drawing conclusions.

Significance Testing and Hypothesis Testing

In PLS testing statistically each hypothetical relationship is carried out using simulations. In this case, the bootstrap method is carried out on the sample. Testing with bootstrap is also intended to minimize the problem of research data abnormalities. The estimated significance parameters provide very useful information about the relationship between the study variables. The results of the test with bootstrapping from the PLS analysis can be seen in the output result for inner weight presented on the structural model drawing.

Hypothesis Hypothesis

The structural model (inner model) is a structural model to predict the causal relationship between latent variables (Latan, Gozali, 2012). To predict the causality relationship in SEM-PLS using SmartPLS 3.0 M3 as follows:

Table 12. Results For Inner Weights Direct Influence

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Work Discipline -> Job Satisfaction	0.365	0.363	0.083	4.394	0.000
Work Discipline -> Performance	0.552	0.552	0.067	8.293	0.000
Job Satisfaction -> Performance	0.207	0.206	0.079	2.639	0.008
Work Environment -> Job Satisfaction	0.448	0.451	0.070	6.402	0.000
Work Environment -> Performance	0.179	0.182	0.057	3.142	0.002

Source: Primary data processed using SmartPLS 3.0 (2026)

Table 13. Results For Inner Weights Indirect Influence

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Results
Work Discipline -> Job Satisfaction -> Performance	0.076	0.075	0.035	2.173	0.030	Positive and significant effect
Work Environment -> Job Satisfaction -> Performance	0.093	0.092	0.037	2.482	0.013	Positive and significant effect

Source: Primary data processed using SmartPLS 3.0 (2026)

Based on the results of the analysis presented in the table above, if the p-value < 0.05 , the relationship between variables can be declared significant. On the other hand, if the p-value ≥ 0.05 , the relationship between the variables is declared insignificant.

From these results, it can be concluded that Job Satisfaction plays a significant mediating variable in the relationship between:

Work Discipline to Performance

=Work Environment to Performance

The results of the study show that:

1. Work Discipline has a significant influence on Job Satisfaction and Performance, which emphasizes the importance of discipline in increasing employee productivity and job satisfaction.
2. The Work Environment has a significant effect on Job Satisfaction and Performance, which shows that the atmosphere and work facilities play an important role in supporting performance.
3. Job Satisfaction has a significant effect on Performance, which shows that satisfied employees tend to work better.
4. Job Satisfaction also plays a mediator in the relationship between Work Discipline and the Work Environment to Sustainable Employee Performance.

The explanation of the results of the hypothesis test in this study is as follows:

H1 : Work discipline has a significant positive effect on the work performance of insurance company employees

The results of the analysis showed that work discipline had a positive and significant effect on employee performance, with a path coefficient value of 0.552. The t-statistic value of 8.293 is greater than the t-value of the table (1.96) and the p-value is $0.000 < 0.05$. Thus, the H1 hypothesis is accepted.

H2: The work environment has a significant positive effect on the work performance of insurance company employees.

The results of the analysis showed that the work environment had a positive and significant effect on employee performance, with a path coefficient value of 0.179. The t-statistic value of 3.142 is greater than the t-table (1.96) and the p-value is $0.002 < 0.05$. Thus, the H2 hypothesis is accepted.

H3: Job satisfaction has a significant positive effect on the work performance of insurance company employees.

The results of the analysis showed that job satisfaction had a positive and significant effect on employee performance, with a path coefficient value of 0.207. The t-statistic value of 2.639 is greater than the t-table (1.96) and the p-value is $0.008 < 0.05$. Thus, the H3 hypothesis is accepted.

H4: Work discipline has a significant positive effect on the job satisfaction of insurance company employees.

The results of the analysis showed that work discipline had a positive and significant effect on employee job satisfaction, with a path coefficient value of 0.365. The t-statistic value of 4.394 is greater than the t-table (1.96) and the p-value is $0.000 < 0.05$. Thus, the H4 hypothesis is accepted.

H5 : The work environment has a significant positive effect on the job satisfaction of employees of insurance companies.

The results of the analysis showed that the work environment had a positive and significant effect on employee job satisfaction, with a path coefficient value of 0.451.

H6 : Work discipline has a significant positive effect on employee performance through job satisfaction as a mediating variable in insurance companies.

The results of the analysis showed that work discipline had a positive and significant

effect on continuous employee performance through job satisfaction as a mediating variable, with a path coefficient value of 0.076. The t-statistic value of 2.173 is greater than the table t (1.96) and the p-value is $0.030 < 0.05$. Thus, the H6 hypothesis is accepted.

H7 : The work environment has a significant positive effect on employee performance through job satisfaction as a mediating variable in insurance companies.

The results of the analysis showed that the work environment had a positive and significant effect on continuous employee performance through job satisfaction as a mediating variable, with a path coefficient value of 0.093. The t-statistic value of 2.482 is greater than the table t (1.96) and the p-value is $0.013 < 0.05$. Thus, the H7 hypothesis is accepted.

Work discipline has a significant positive effect on employee performance

The results of the study show that work discipline has a significant positive effect on employee performance. This means that the higher the employee discipline, the better the performance will be. This finding is in line with Hasibuan's (2019) theory which states that discipline is a form of employee awareness and willingness to obey the rules that apply in the organization. Disciplined employees will work according to procedures, on time, and comply with company policies so that work results are more optimal.

This research also supports the findings of Sutrisno (2017) which revealed that work discipline has a strong influence on the achievement of productivity and performance. Thus, it can be understood that discipline is one of the main pillars in improving employee performance.

The work environment has a significant positive effect on employee performance

The results of the study show that the work environment has a significant positive effect on employee performance. According to Sedarmayanti (2011), a comfortable and supportive work environment will help employees concentrate more and reduce stress levels. Physical work environments (such as lighting, workspaces, ventilation) and non-physical (relationships between colleagues, organizational culture) are important factors in determining the quality of employee performance.

This research supports the results of Wibowo's (2016) study which found that a conducive work environment can increase work motivation which ultimately has an impact on improving performance. Thus, organizations need to ensure the creation of a healthy work climate so that productivity is maintained.

Job satisfaction has a significant positive effect on employee performance

The results of the study prove that job satisfaction has a significant positive effect on employee performance. Herzberg's theory (*Two Factor Theory*) explains that job satisfaction is influenced by motivating factors such as awards, achievements, and recognition. When employees feel satisfied, they will be more motivated to carry out their work.

These findings support the research of Robbins & Judge (2017) which states that job satisfaction is positively correlated with performance. This means that satisfied employees will have high morale, loyalty, and better productivity.

Work discipline has a significant positive effect on employee job satisfaction

The results of the study show that work discipline has a significant positive effect on job satisfaction. According to Rivai (2013), discipline reflects employee obedience to regulations which ultimately fosters a sense of regularity at work. When employees can work

in an orderly manner and according to the rules, they will feel satisfaction because their tasks run smoothly without significant obstacles.

These results are in line with Luthans' (2015) research which found that discipline contributes to increased job satisfaction because employees are able to manage responsibilities well.

The work environment has a significant positive effect on employee job satisfaction

The results of the study show that the work environment has a significant positive effect on job satisfaction. According to Davis & Newstrom (2010), a physically and socially supportive work environment can provide comfort and a sense of security for employees. This condition has an impact on increasing job satisfaction.

This research is consistent with the findings of Siagian (2016) who stated that a conducive work environment affects job satisfaction because employees feel valued and supported in their activities. Therefore, organizations need to pay attention to facilities, spatial planning, and relationships between colleagues.

Work discipline has a significant positive effect on continuous employee performance through job satisfaction as a mediating variable

The results of the study show that work discipline has a significant positive effect on sustainable performance through job satisfaction. This suggests that while discipline directly improves performance, the influence is stronger if employees are also satisfied with their work. According to *Vroom's Expectancy theory*, satisfaction and the perception of work justice strengthen the relationship between effort (discipline) and results (performance).

This research is in line with the study of Mangkunegara (2017) which states that high discipline increases satisfaction, and this satisfaction will support sustainable performance.

The work environment has a significant positive effect on sustainable employee performance through job satisfaction as a mediating variable

The results of the study show that the work environment has a significant positive effect on sustainable performance through job satisfaction. According to the theory of *the Job Characteristics Model* (Hackman & Oldham), good working conditions will lead to satisfaction, and ultimately satisfaction drives continuous performance improvement. A supportive work environment not only increases productivity, but also creates long-term loyalty.

These findings are supported by research by Sutanto (2018) who found that the work environment influences sustainable performance through job satisfaction. This confirms that job satisfaction is an important mediating variable that bridges the influence of the environment on performance.

CONCLUSION

Based on analysis of 166 respondents using Partial Least Squares (PLS), this study found that Work Discipline, Work Environment, and Job Satisfaction significantly influenced Sustainable Employee Performance. Higher work discipline positively affected both Job Satisfaction and employee performance, while a supportive and comfortable work environment also enhanced satisfaction and productivity. Job Satisfaction further acted as a mediating variable between Work Discipline, Work Environment, and Employee Performance, highlighting its central role in sustaining employee output. These findings

suggest that organizations should prioritize fostering discipline, a conducive work environment, and employee satisfaction to maintain high performance. Future research could explore additional mediating or moderating factors, such as leadership style or organizational culture, to better understand their impact on sustainable employee performance.

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