

DRIVERS OF EMPLOYEE PERFORMANCE IN A MUNICIPAL MARKET ENTERPRISE: THE ROLES OF JOB SATISFACTION, WORK ETHIC, AND WORK ENVIRONMENT

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ABSTRACT

This study examines the effects of job satisfaction, work ethic, and the work environment on employee performance at the Badung Market Unit of Perumda Pasar Sewakadarma, Denpasar, Indonesia. As a municipal enterprise, the organization depends on effective human resource management to maintain service quality and achieve operational objectives. A quantitative research design was employed, involving all 60 employees through a saturated sampling or census technique. Data were collected using questionnaires, interviews, and documentation. The questionnaire served as an instrument for measuring the research variables, while the data were analyzed using multiple linear regression with SPSS version 25.0. The findings demonstrate that job satisfaction has a positive and significant effect on employee performance, indicating that employees who are more satisfied with their jobs tend to perform better. Work ethic also has a positive and significant influence, suggesting that discipline, responsibility, commitment, and dedication contribute to improved work outcomes. In addition, a supportive work environment significantly enhances employee performance by promoting comfort, cooperation, and effectiveness in task completion. These results confirm that employee performance can be strengthened by improving job satisfaction, reinforcing a strong work ethic, and creating a conducive work environment. The findings provide implications for policies aimed at enhancing performance.

Keywords: job satisfaction, work ethic, work environment, employee performance

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1. INTRODUCTION

Employee performance is a central element in organizational success because the progress, effectiveness, and sustainability of an organization are strongly influenced by the quality of its human resources (Afandi, 2018). When employee performance improves, the organization has a greater opportunity to achieve its objectives; conversely, declining performance may hinder the organization from reaching its expected targets (Azhad et al., 2017). This issue is particularly relevant for municipal market enterprises, where employees are not only responsible for administrative and operational tasks but also play a direct role in maintaining public service quality, managing vendor relations, and supporting the continuity of market activities. Therefore, understanding the factors that drive employee performance is important, especially in organizations that serve the public and depend heavily on employee discipline, responsibility, and cooperation.

This study was conducted at the Badung Market Unit of Perumda Pasar Sewakadarma, Denpasar, located at Jalan Sulawesi No. 1, Denpasar. As one of the traditional markets serving the local community, Badung Market accommodates vendors across several floors. The ground floor temporarily provides 48 stalls, while the first floor consists of 483 stalls. The second and third floors contain 254 stalls and 145 kiosks, respectively. Overall, the market consists of 1,450 stalls and 290 kiosks, resulting in a total of 1,740 commercial units. The scale of these facilities indicates that the Badung Market Unit requires employees who are able to work consistently, respond to operational demands, and maintain effective coordination in serving traders and market users.

A preliminary interview with the Head of the Badung Market Unit revealed a performance-related phenomenon, particularly the instability between revenue targets and actual revenue realization from January to December 2024. Revenue sources included BOP payments from vendors occupying kiosks and stalls, as well as PPAT payments from traders using open market areas. Table 1 shows that monthly revenue realization did not fully meet the established target throughout 2024, with an average achievement rate of 89.68%. The highest realization occurred in September at 97.17%, while the lowest occurred in January at 79.53% (Perumda Pasar Sewakadarma Kota Denpasar, 2024). This gap between target and realization indicates that employee performance in managing revenue collection and market operations has not yet reached the expected level.

The failure to achieve revenue targets consistently should be understood as an organizational concern that requires attention. Although occasional fluctuations in revenue may occur, repeated gaps between targets and realization suggest the need to examine the internal factors that influence employee performance. Based on interviews with the market operations manager, the instability in revenue was partly related to employees' limited ability to respond effectively to complaints from vendors, including those occupying stalls, kiosks, and open market areas. Observations also showed that some vendors were temporarily inactive due to religious ceremonies, while vendors from outside Bali returned to their hometowns for approximately 10 to 14 days. These conditions created operational challenges that required stronger employee responsiveness, coordination, and problem-solving ability.

In addition to revenue instability, employee attendance was also identified as an issue affecting performance. The discrepancy between revenue targets and actual realization was considered to be related to employee absenteeism, including employees not reporting to work on scheduled days, arriving late, attending religious ceremonies, or being absent due to illness. Table 2 shows that the average employee absenteeism rate at the Badung Market Unit of Perumda Pasar Sewakadarma, Denpasar, reached 3.64% in 2024 (Perumda Pasar Sewakadarma, Denpasar City, 2024). According to Flippo (2016), an absenteeism rate of 0 to 2 percent is considered good, 3 to 10 percent is considered high, and above 10 percent is considered unreasonable and requires serious organizational attention. Based on this classification, the absenteeism rate at the Badung Market Unit can be categorized as relatively high. This condition may affect work continuity, task completion, and the overall effectiveness of market operations.

Preliminary interviews with five employees of the Badung Market Unit also revealed several concerns related to job satisfaction. Employees perceived that promotion opportunities were limited, even for those with strong performance records and long organizational tenure. This situation reduced their sense of career development and recognition within the organization. Dissatisfaction was also associated with leadership practices, as managers were perceived to be overly occupied with their own responsibilities and therefore unable to provide sufficient supervision, feedback, and attention to employee performance. These conditions indicate that job satisfaction may influence the extent to which employees feel valued, motivated, and committed to performing their duties effectively.

The interviews further identified problems related to work ethic, particularly discipline, honesty, responsibility, and compliance with established procedures. Some employees were reportedly unable or unwilling to carry out their duties in accordance with organizational regulations. During working hours, several employees occasionally engaged in non-work-related activities, such as browsing social media, having prolonged conversations with colleagues, or postponing assigned tasks. Such behavior tended to emerge when employees lacked motivation, experienced excessive pressure from supervisors, or felt overwhelmed by their workload. If left unmanaged, these patterns may weaken responsibility, reduce productivity, and hinder the achievement of organizational goals.

Another issue concerns the work environment, especially interpersonal cooperation among employees. Weak teamwork was reflected in public complaints related to delayed stall-rental payments, inadequate

market cleanliness, and facilities that did not fully meet users' expectations. Operational disruptions became more visible when employees from the cleaning and financial administration departments were absent due to illness, while other employees showed limited initiative to provide assistance or take temporary responsibility. This condition indicates that the work environment is not only related to physical facilities, but also to social relationships, cooperation, and shared responsibility among employees. A supportive work environment is therefore needed to strengthen service quality, encourage teamwork, and improve organizational performance.

Empirical findings from previous studies also show that job satisfaction, work ethic, and work environment are relevant factors in explaining employee performance, although the results remain inconsistent. Studies conducted by Ningmabin and Adi (2022), Rediansyah and Aditiarno (2023), and Kotanon and Oemar (2023) found that job satisfaction has a positive effect on employee performance, meaning that higher job satisfaction tends to improve employee performance. However, Saifullah (2023) found that job satisfaction has no significant effect on employee performance, suggesting that increased job satisfaction does not always directly influence performance. Similarly, studies by Asniwati and Oktaviani (2023), Arifin et al. (2022), Dames et al. (2023), and Chandra and Wijaya (2023) found that work ethic has a positive and significant effect on employee performance, while Ananda and Suci (2023) reported that work ethic does not have a significant effect. Research on the work environment also shows varying results. Dewi et al. (2020), Alfiana and Ulfa (2023), Wilis and Narabin (2022), and Sari (2023) found that the work environment has a positive and significant effect on employee performance because comfort, harmonious relationships, and supportive working conditions can improve employees' ability to work effectively. However, Iqbal (2022) found no significant effect between the work environment and employee performance.

Based on the organizational phenomena observed at the Badung Market Unit and the inconsistent findings of previous studies, this research examines the drivers of employee performance in a municipal market enterprise by focusing on job satisfaction, work ethic, and work environment. These three variables are considered important because they represent employees' psychological evaluation of their work, their moral and behavioral commitment to duties, and the organizational conditions that support or hinder performance. Therefore, this study is conducted under the title "Drivers of Employee Performance in a Municipal Market Enterprise: The Roles of Job Satisfaction, Work Ethic, and Work Environment."

2. LITERATURE AND HYPOTHESIS

Goal-Setting Theory

Goal-setting theory was introduced by Edwin Locke in 1968 and explains that goals play an important role in directing individual behavior (Locke, 1968). The theory is built on the assumption that individuals tend to act more purposefully when they have clear targets or desired future conditions to achieve. In an organizational context, goal-setting theory is relevant because employee behavior and performance are often shaped by the clarity of goals, the level of commitment to those goals, and the feedback received during the work process. Suwarmadani (2018) states that goal-setting theory has a significant influence on the formulation of work objectives. Similarly, Locke and Latham (1990) explain that this theory describes individuals as actors who behave based on clear and specific goals. Therefore, in this study, goal-setting theory provides a theoretical basis for understanding how job satisfaction, work ethic, and work environment may encourage employees to perform better in achieving organizational targets.

Employee Performance

Employee performance refers to the work outcomes achieved by employees in carrying out their duties and responsibilities. Hamali (2016) argues that performance is closely related to organizational strategic goals, customer satisfaction, and contribution to organizational success. In line with this view, Kaswan (2017) states that employee performance reflects the extent to which employees contribute to the organization. Thus, performance is not only measured by the completion of assigned tasks, but also by the quality, consistency, and contribution of employees in supporting organizational objectives.

According to Mangkunegara (2017), indicators of employee performance include work quantity, work quality, work procedures, creativity, cooperation, work ability, initiative, and attendance.

Job Satisfaction

According to Sulistia (2019), job satisfaction generally refers to an employee's attitude toward their work, which is shaped by how they understand, experience, and evaluate various aspects of their job. Job satisfaction reflects not only how employees feel about their tasks, but also how they perceive compensation, supervision, relationships with coworkers, and opportunities for career advancement. Luthans (2019) states that the factors influencing job satisfaction include the job itself, salary, promotion, supervision, and coworkers or work groups. Meanwhile, Sulistia (2019) identifies several indicators of job satisfaction, namely satisfaction with the job, satisfaction with compensation, satisfaction with supervisory management, satisfaction with coworkers, and opportunities for promotion. In this study, job satisfaction is viewed as an important psychological condition that may shape employees' motivation, commitment, and willingness to perform effectively.

Work Ethic

Work ethic reflects the values, attitudes, and behavioral tendencies that guide employees in carrying out their responsibilities. It is related to how employees interpret work, how seriously they fulfill their duties, and how consistently they demonstrate discipline, honesty, and responsibility in the workplace. Nitisemito (2016) defines work ethic as the work spirit that characterizes individuals or groups in performing their jobs, grounded in ethical values and work perspectives that they believe in, and expressed through determination and concrete behavior at work. Employees with a strong work ethic tend to show persistence, discipline, accountability, and commitment to organizational standards. According to Priharwantiningsih (2019), indicators of work ethic include hard work, discipline, honesty, and responsibility.

Work Environment

The work environment refers to the physical and non-physical conditions surrounding employees while they perform their duties. It includes work facilities, equipment, spatial arrangements, interpersonal relationships, and the overall atmosphere that may influence employees' comfort and effectiveness at work. Nabawi (2019) defines the work environment as the overall work facilities and infrastructure surrounding employees that may affect the implementation of their tasks. A supportive work environment can help employees concentrate, communicate effectively, and complete their work more efficiently. The indicators of the work environment include lighting, air temperature, noise levels, color usage, required space for movement, work capacity, and relationships among employees.

Hypothesis

The Effect of Job Satisfaction on Employee Performance

Job satisfaction reflects employees' positive or negative emotional responses to various aspects of their work (Sulistia, 2019). It represents employees' overall evaluation of their job, including whether the job provides a sense of achievement, recognition, comfort, and success (Sulistia, 2019). Employees who feel satisfied with their work are more likely to show stronger motivation, commitment, and enthusiasm in carrying out their responsibilities. In practical terms, satisfaction may encourage employees to be more attentive, responsible, and willing to contribute to organizational goals. Therefore, job satisfaction is expected to support better employee performance.

The relationship between job satisfaction and employee performance has been examined in several previous studies. Ningmabin and Adi (2022), Kotanon and Oemar (2023), Rediansyah and Aditiarno (2023), and Pazrina (2024) found that job satisfaction has a positive effect on employee performance. These findings suggest that employees who are satisfied with compensation, promotion opportunities, supervision, coworkers, and the work itself tend to demonstrate better performance. However, Saifullah (2023) found that job satisfaction does not have a significant effect on employee performance. This

inconsistency indicates that the relationship between job satisfaction and performance may vary depending on organizational conditions, employee characteristics, and other contextual factors. Nevertheless, based on the theoretical explanation and the majority of previous findings, the following hypothesis is proposed:

H₁ : Job satisfaction has a positive effect on employee performance.

The Effect of Job Satisfaction on Employee Performance

Work ethic refers to the values and attitudes that shape how employees understand, perform, and give meaning to their work (Priharwantiningsih, 2019). It is reflected in behaviors such as hard work, discipline, honesty, responsibility, perseverance, and commitment to completing assigned duties. Employees with a strong work ethic tend to view work as an important responsibility and are more likely to perform their tasks seriously and consistently. They are also more willing to follow organizational procedures, maintain discipline, and take accountability for their work outcomes. For this reason, work ethic is expected to contribute to improved employee performance.

Empirical studies have provided support for the relationship between work ethic and employee performance. Asniwati and Oktaviani (2023), Arifin et al. (2022), Dames et al. (2023), and Chandra and Wijaya (2023) found that work ethic has a positive and significant effect on employee performance. These findings indicate that employees who demonstrate discipline, responsibility, commitment, and dedication tend to achieve better work results. However, Ananda and Suci (2023) reported that work ethic does not significantly affect employee performance. This difference suggests that the effect of work ethic may depend on organizational characteristics, management practices, and other factors that shape employee behavior. Based on the theoretical arguments and the majority of previous research findings, the following hypothesis is formulated:

H₂ : Work ethic has a positive effect on employee performance.

The Effect of the Work Environment on Employee Performance

The work environment includes all physical and non-physical conditions surrounding employees that may influence the way they perform their duties (Nitisemito, 2020). Physical aspects include workplace layout, lighting, air temperature, cleanliness, noise levels, equipment, and supporting facilities. Meanwhile, non-physical aspects include interpersonal relationships, communication, managerial support, cooperation, and the overall organizational climate. According to Alfiana and Ulfa (2023), workplace conditions can influence employees' attitudes and behavior. A safe, comfortable, and supportive environment enables employees to concentrate on their duties, communicate more effectively, and complete their work efficiently. Conversely, an unfavorable work environment may create discomfort, reduce concentration, weaken cooperation, and make it more difficult for employees to achieve optimal results.

Previous studies have shown that the work environment is an important factor in improving employee performance. Dewi et al. (2020), Wilis and Narabin (2022), Alfiana and Ulfa (2023), and Sari (2023) found that the work environment has a positive and significant effect on employee performance. These results indicate that employees tend to perform better when they are supported by adequate facilities, comfortable physical conditions, supportive leadership, and harmonious workplace relationships. However, Iqbal (2022) found that the work environment does not significantly influence employee performance. This inconsistency suggests that the effect of the work environment may vary depending on employees' needs, organizational characteristics, and the availability of other performance-supporting factors. Nevertheless, based on the theoretical explanation and most previous empirical findings, the following hypothesis is proposed:

H₃ : The work environment has a positive effect on employee performance.

3. RESEARCH METHOD

This study was conducted at the Badung Market Unit of Perumda Pasar Sewakadarma, Denpasar, located at Jl. Sulawesi No. 1, West Denpasar, Denpasar City, Bali. The study used a quantitative approach to

examine the effects of job satisfaction, work ethic, and work environment on employee performance. The population consisted of all 60 employees at the Badung Market Unit. Because the entire population was used as respondents, this study applied a saturated sampling or census sampling technique, resulting in 60 respondents (Sugiyono, 2018b). Data were collected through observation, interviews, documentation, and questionnaires. The questionnaire was used as the main instrument to measure the research variables using a Likert scale. The collected data were analyzed using SPSS version 25.0 for Windows.

The analysis included validity and reliability tests, descriptive statistical analysis, classical assumption tests, multiple linear regression analysis, the coefficient of determination, the F-test, and the t-test. Classical assumption tests consisted of normality, multicollinearity, and heteroscedasticity tests. Multiple linear regression was used to determine the effects of the independent variables on employee performance. Hypothesis testing was conducted at a significance level of 5 percent.

4. RESULTS AND DISCUSSION

Research Instrument Test

a. Validity Test

Table 1. Results of the Instrument Validity Test

No	Variable	Item Statement	Total Correlation	Description
1	Job satisfaction (X1)	X1.1	0.716	Valid
		X1.2	0.704	Valid
		X1.3	0.707	Valid
		X1.4	0.716	Valid
		X1.5	0.716	Valid
2	Work ethic (X2)	X2.1	0.643	Valid
		X2.2	0.776	Valid
		X2.3	0.761	Valid
		X2.4	0.742	Valid
3	Work environment (X3)	X3.1	0.564	Valid
		X3.2	0.542	Valid
		X3.3	0.728	Valid
		X3.4	0.704	Valid
		X3.5	0.771	Valid
		X3.6	0.559	Valid
		X3.7	0.564	Valid
4	Employee Performance (Y)	Y1.1	0.724	Valid
		Y1.2	0.738	Valid
		Y1.3	0.792	Valid
		Y1.4	0.732	Valid
		Y1.5	0.705	Valid
		Y1.6	0.661	Valid
		Y1.7	0.466	Valid
		Y1.8	0.717	Valid

Source: Processed data, 2025

Based on the research instrument validity test, which states that an indicator is considered valid if the Pearson Correlation value is greater than 0.30 and positive (Sugiyono, 2018) . Therefore, based on Table 1, it can be explained that all indicators in the form of statements on the research variables have correlation values above the minimum table r value of 0.30 and show a positive relationship, so that each indicator is declared valid and suitable for use as a measurement tool because it has met the criteria for the suitability and accuracy of data measurement.

b. Reliability Test

Table 2. Results of the Instrument Reliability Test

Variable	Cronbach's Alpha	Description
Job Satisfaction	0.703	Reliable
Work Ethic	0.688	Reliable
Work Environment	0.706	Reliable
Employee Performance	0.848	Reliable

Source: processed data, 2025

Referring to the reliability test criteria, which state that a variable is considered reliable if it has a Cronbach's Alpha value greater than 0.60 (Sugiyono, 2018) . Therefore, based on Table 2, it can be concluded that the variables of job satisfaction, work ethic, work environment, and employee performance each have a Cronbach's Alpha value above 0.60; thus, all variables used in this study are deemed reliable and consistent as research measurement tools.

Classical Assumption Test

a. Normality Test Results

Table 3. Results of the Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		60
Normal	Mean	0.0000000
Parameters ^{a, b}	Standard Deviation	1.61759026
Most Extreme Differences	Absolute	0.053
	Positive	0.053
	Negative	-0.049
Test Statistic		0.053
Asymp. Sig. (2-tailed)		0.200 ^{c, d}

a. The test distribution is normal.

b. Calculated from the data.

c. Lilliefors Significance Correction.

Source: processed data, 2025

Referring to the Kolmogorov–Smirnov normality test criteria, which state that data is considered normally distributed if the Asymp. Sig. (2-tailed) value is greater than 0.05 (Ghozali, 2018) . Thus, based on Table 3, it can be seen that the Asymp. Sig. (2-tailed) value is 0.200; therefore, the data for the research variables can be stated to be normally distributed and meet the normality assumption.

b. Multicollinearity Test

Table 4. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Job satisfaction	0.950	1.053
Work ethic	0.322	3.110
Work environment	0.313	3.200

Source: processed data, 2025

Referring to the multicollinearity test criteria, which state that a regression model is considered free of multicollinearity if the Tolerance value is greater than 0.10 and the Variance Inflation Factor (VIF) value is less than 10 (Ghozali, 2018) . Thus, Table 4 shows that all variables have Tolerance values above 0.10 and VIF values below 10, indicating that the regression model used does not exhibit multicollinearity and is suitable for further analysis.

c. Heteroscedasticity Test

Table 5. Results of the Heteroscedasticity Test
Coefficients^a

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.227	1,073		2.075	0.043
	Job Satisfaction	-0.094	0.053	-0.234	-1.766	0.083
	Work Ethic	0.082	0.123	0.153	0.670	0.506
	Work Environment	-0.043	0.139	-0.072	-0.310	0.758

a. Dependent Variable: ABS_RES

Source: processed data, 2025

Referring to the Glejser method's heteroscedasticity test criteria, which state that heteroscedasticity does not occur if the significance value between the independent variable and the absolute residual value is greater than 0.05 (Ghozali, 2018) . Therefore, based on Table 5, it can be seen that the significance value between the independent variable and the absolute residual value (ABS_RES) is greater than 0.05, so the regression model used does not show any signs of heteroscedasticity.

Multiple Linear Regression Analysis

Multiple linear regression analysis was used to determine or obtain an overview of the influence of job satisfaction (X_1), work ethic (X_2), and work environment (X_3) on employee performance (Y). The results of the multiple linear regression analysis can be seen in Table 8 below.

Table 6. Results of Multiple Linear Regression Analysis

Variable	Regression Coefficient	Beta	T-value	Sig
Constant	0.902		0.472	0.639
Job Satisfaction	0.404	0.323	4.271	0.000
Work Ethic	0.749	0.444	3.423	0.001
Work Environment	0.576	0.306	2.324	0.024

Source: processed data, 2025

Based on the results of the multiple linear regression analysis in Table 6, the multiple linear regression equation is as follows: $Y = 0.902 + 0.404 X_1 + 0.749 X_2 + 0.576 X_3$. Based on the multiple linear regression model, the results can be interpreted as follows.

$\alpha = 0.902$ The constant value is 0.902; if there is no influence from job satisfaction (X_1), work ethic (X_2), and work environment (X_3)—all three of which have a value of zero—then the baseline level of employee performance (Y) remains at 0.902.

$\beta_1 = 0.404$ The regression coefficient of 0.404 indicates that every one-point increase in job satisfaction (X_1) will increase employee performance (Y) by 0.404 points. The better the job satisfaction regarding the work received, the compensation received, management policies, and supportive coworkers, the higher the employee performance will be.

- $\beta_2 = 0.749$ The regression coefficient value of 0.749 indicates that every one-point increase in work ethic (X_2) will increase employee performance (Y) by 0.749 points. If employees work hard, are disciplined and honest, and take responsibility, their performance will improve.
- $\beta_3 = 0.576$ The regression coefficient value of 0.576 indicates that a one-point increase in the work environment (X_3) will increase employee performance (Y) by 0.576 points. Better lighting in the workspace, a comfortable room temperature, and sufficient space for movement will improve employee performance.

Coefficient of Determination

This analysis is used to determine the extent of the contribution of job satisfaction (X_1), work ethic (X_2), and work environment (X_3) to employee performance, expressed as a percentage. The results of the coefficient of determination are presented in Table 7 below.

Table 7. Coefficient of Determination (R^2)

Model Summary ^b				
Model	R	R-Square	Adjusted R-Square	Standard Error of the Estimate
1	0.943 ^a	0.890	0.878	0.44868

a. Predictors: (Constant), X_3 , X_2 , X_1

b. Dependent Variable: Y

Source: processed data, 2025

Based on the results of the coefficient of determination in Table 7, the value of Adjusted R-squared is 0.680 or 68.0%, meaning that job satisfaction (X_1), work ethic (X_2) and work environment (X_3) can explain 68.0% of the variation in employee performance (Y) at the Perumda Pasar Sewakadarma Denpasar City Badung Market Unit, with the remaining 32.0% influenced by other variables.

F-Test

Table 8. Results of the F-Test ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	354.354	3	118.118	42.846	0.000 ^b
Residual	154.379	56	2.757		
Total	508.733	59			

Source: processed data, 2025

Based on the results of the F-test in Table 8, the calculated F-value was 42.846 with a significance level of 0.000, which is less than 0.05. This indicates that, simultaneously, job satisfaction (X_1), work ethic (X_2), and work environment (X_3) have a positive and significant effect on employee performance at the Perumda Pasar Sewakadarma Denpasar City Badung Market Unit. Therefore, the regression model is considered to fit the data and is suitable for further analysis (the model fits the data).

t-test

Table 9. Results of the t-test Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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	B	Std. Error	Beta		
1 (Constant)	0.902	1.911		0.472	0.639
Job Satisfaction	0.404	0.095	0.323	4.271	0.000
Work Ethic	0.749	0.219	0.444	3.423	0.001
Work Environment	0.576	0.248	0.306	2.324	0.024

a. Dependent Variable: Y

Source: processed data, 2025

Based on the results of the t-test analysis in Table 9, the following conclusions can be drawn.

1. The effect of the job satisfaction variable (X1) on employee performance (Y). The job satisfaction variable has a t-statistic value of 4.271 and a significance value of $0.000 < 0.05$. This means that the job satisfaction variable () has a positive and significant effect on employee performance, which implies that H_0 is rejected and H_1 is accepted.
2. The effect of the work ethic variable (X2) on employee performance (Y). The work ethic variable has a t-statistic value of 3.432 and a significance level of $0.001 < 0.05$. This indicates that the work ethic variable has a positive and significant effect on employee performance, meaning H_0 is rejected and H_1 is accepted.
3. The effect of the work environment variable (X3) on employee performance (Y). The work satisfaction variable has a t-statistic of 2.324 and a significance level of $0.024 < 0.05$. This means that the work environment variable has a positive and significant effect on employee performance, which implies that H_0 is rejected and H_3 is accepted.

Discussion

The Effect of Job Satisfaction on Employee Performance.

The t-test results show that job satisfaction has a positive regression coefficient of 0.404 and a significance value of 0.000, which is lower than 0.05. Therefore, job satisfaction has a positive and significant effect on employee performance at the Badung Market Unit of Perumda Pasar Sewakadarma, Denpasar. This finding indicates that higher employee job satisfaction is associated with better performance. Thus, the first hypothesis is supported.

Job satisfaction reflects employees' positive feelings resulting from their evaluation of various aspects of their work (Sulistia, 2019). Employees who are satisfied with their work, promotion opportunities, supervision, compensation, and relationships with coworkers tend to demonstrate greater motivation, loyalty, and responsibility. These positive attitudes encourage employees to complete their duties effectively and achieve organizational performance standards. Conversely, dissatisfaction may reduce work motivation, increase absenteeism, and weaken employees' commitment to the organization.

The results support the findings of Ningmabin & Adi (2022), who demonstrated that job satisfaction positively affects employee performance. Similar findings were reported by Kotanon & Oemar (2023), indicating that employees with higher levels of job satisfaction tend to produce better work outcomes. Therefore, management should improve employee satisfaction by providing fair promotion opport.

The Influence of Work Ethic on Employee Performance

The t-test results indicate that work ethic has a positive regression coefficient of 0.749 and a significance value of 0.001, which is lower than 0.05. This result confirms that work ethic has a positive and significant effect on employee performance. Therefore, employees with a stronger work ethic tend to demonstrate higher performance, and the second hypothesis is supported.

Work ethic represents an individual's attitudes, beliefs, values, and commitment toward work, which encourage the achievement of optimal results (Octarina, 2013). Employees with a strong work ethic

generally demonstrate discipline, honesty, responsibility, perseverance, and dedication when performing their duties. These characteristics enable employees to overcome workplace difficulties, use working time productively, and complete assigned tasks according to organizational standards.

In the context of the Badung Market Unit, a strong work ethic may reduce unproductive behavior, such as delaying assignments, using working hours for personal activities, or neglecting responsibilities. Employees who view work as an important obligation are more likely to take initiative and contribute to organizational objectives.

This result is consistent with Asniwati & Oktaviani (2023), who found that work ethic positively and significantly affects employee performance. It also supports the findings of Arifin et al. (2022) and Dames et al. (2023). Accordingly, management should strengthen employees' work ethic through clear regulations, consistent supervision, exemplary leadership, performance evaluation, and appropriate rewards and sanctions.

The Impact of the Work Environment on Employee Performance

The t-test results show that the work environment has a positive regression coefficient of 0.576 and a significance value of 0.024, which is lower than 0.05. Therefore, the work environment has a positive and significant effect on employee performance. This means that improvements in workplace conditions are likely to increase employee performance, thereby supporting the third hypothesis.

The work environment includes physical and non-physical conditions that influence employees while performing their duties. According to Alfiana & Ulfa (2023), workplace conditions can shape employees' attitudes and behavior. Physical factors include cleanliness, lighting, ventilation, workspace, equipment, and supporting facilities. Non-physical factors include relationships among employees, communication, cooperation, and support from supervisors.

A safe, comfortable, and supportive work environment helps employees concentrate, complete their duties efficiently, and maintain positive relationships with colleagues and supervisors. Conversely, inadequate facilities, poor cleanliness, weak cooperation, and strained interpersonal relationships may reduce motivation and disrupt work effectiveness. At the Badung Market Unit, stronger cooperation among employees is particularly important when coworkers are absent or operational problems require responsibilities to be shared.

This finding is consistent with Dewi et al. (2020), Fahlefi et al. (2022), Alfiana & Ulfa (2023), and Sari (2023), who found that the work environment positively and significantly affects employee performance. Therefore, management should provide adequate workplace facilities, maintain cleanliness and safety, promote effective communication, and encourage harmonious cooperation among employees.

5. CONCLUSIONS AND LIMITATIONS

Based on the findings, job satisfaction, work ethic, and the work environment each have a positive and significant effect on employee performance at the Badung Market Unit of Perumda Pasar Sewakadarma, Denpasar. Higher job satisfaction encourages employees to perform their duties with greater motivation and commitment. A strong work ethic, reflected in discipline, responsibility, honesty, and dedication, also contributes to improved work outcomes. In addition, a supportive physical and non-physical work environment enables employees to work more comfortably, effectively, and efficiently. Therefore, improving these three factors is essential for strengthening employee performance and enhancing the quality of organizational services.

This study has several limitations. It examined only job satisfaction, work ethic, and the work environment, whereas employee performance may also be influenced by other factors, such as compensation, leadership style, organizational culture, motivation, competence, and organizational commitment.

Furthermore, the study was limited to 60 employees within a single organizational unit, which restricts the generalizability of the findings to other institutions or contexts. The data were also primarily obtained through self-reported questionnaires, which may be affected by respondents' subjective perceptions. Future studies are therefore encouraged to include additional variables, involve larger and more diverse samples, compare different organizational units, and combine questionnaires with interviews or other data collection methods to obtain more comprehensive findings.

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