# The Influence of Work Discipline, Competency and Physical Work Environment on The Performance of ASN Employees with Job Satisfaction as an Intervening Variable

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## ABSTRACT

This study explores the influence of work discipline, competency, and the physical work environment on the performance of ASN employees at the Indonesian Ministry of Investment/BKPM, with a focus on job satisfaction as an intervening variable. The research utilizes a quantitative descriptive method, employing a questionnaire distributed among 144 randomly selected respondents from a population of 223 ASN employees. Data analysis is conducted using SmartPLS version 4.0.9.9 to test hypotheses and interpret statistical results. The findings reveal significant relationships between key variables. Work discipline, competency, and the physical work environment positively affect job satisfaction, with competency demonstrating the strongest impact. Moreover, these factors collectively explain a substantial portion of job satisfaction variance (64.7%), highlighting their significance in shaping employee contentment. Additionally, work discipline and competency emerge as crucial drivers of ASN employee performance, underscoring their pivotal roles in organizational success. However, the physical work environment's impact on performance was found to be insignificant, suggesting potential areas for improvement in infrastructure and facilities.Job satisfaction serves as a key mediator in the relationship between work discipline, competency, and performance, emphasizing its central role in translating organizational inputs into desired outcomes. Overall, the study provides actionable insights for organizational leaders to enhance employee satisfaction and performance within the Ministry of Investment/BKPM. By addressing deficiencies in work discipline, competency, and the physical work environment, organizations can cultivate a conducive workplace culture conducive to employee well-being and productivity, thus driving organizational success effectively.
Keywords: ASN Employees, Job Satisfaction, Ministry of Investment/BKPM.

## INTRODUCTION

Indonesia has government employees called ASN (State Civil Apparatus). ASN is an official who has a work agreement who is assigned tasks and is given a salary in accordance with statutory regulations who works in the interests of the state. According to Law of the Republic of Indonesia Number 5 of 2014 concerning State Civil Apparatus Article 1 No. 1 and 2, the State Civil Apparatus is a profession for civil servants and government employees with work agreements who work for government agencies. State Civil Apparatus employees, hereinafter referred to as ASN employees, are civil servants and government employees with work agreements who are appointed by civil service management officials and assigned duties in a government position or entrusted with other state duties and are paid based on statutory regulations.

ASN has qualification specifications which can be reviewed from three elements, 1) expertise, it is explained that every ASN employee must have knowledge appropriate to their duties and functions, have broad insight and have good ethics; 2) an ASN must be able to understand the tasks in their field; 3) an ASN must have high discipline, be able to communicate well, always be ready, honest and open (Komara, 2019).

Human resource management is not something new in the ASN environment. Where human resources are potential which are assets and function as capital (non-material/non-financial) in the organization which can be realized into real potential, physically and non-physically in achieving the existence of the organization.

In a government organization, human resources are needed to carry out the activities carried out by the organization because they are considered the spearhead in an organization to achieve the goals of success in the organization. In an organization there is a collection of several human resources that can be organized well. Kasmir (2016: 6) explains that human resources is the process of managing people through planning, recruitment, selection, training, development, compensation, career, safety and health as well as maintaining industrial relations until termination of employment in order to achieve organizational goals and increase welfare.

Organizations must be able to treat employees well because managing employees well can improve performance in the organization. The success of an organization is determined by increasingly quality human resource management. This is a challenge for human resource management in facing the increasing diversity of human resources (Bukit, 2017: 15). As is known, it is not easy to manage employees in an organization, which requires very serious thinking, especially in organizations that have many employees. Most every organization has criteria for behavioral regulations that must be carried out in relation to work, both written and unwritten regulations. This is done by the organization so that employees can implement standards of behavior to strive for good employee performance.

Sedarmayanti (2017) said that employee performance is the result of work given to a person or group of people in an organization in accordance with their respective authority and responsibilities in order to achieve organizational goals, legally, without breaking the law, and in accordance with morals and ethics. Therefore, organizational goals need to be achieved through good and optimal performance. Meanwhile, according to Mangkunegara (2019), performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties according to the responsibilities given to him.

One factor that can influence employee performance is work discipline. Employees who carry out work discipline are employees who comply with existing regulations in an organization. Kasmir (2016: 193) stated that work discipline is an employee's effort to carry out their work activities seriously. Work discipline will comply with carrying out work ordered by the superior. In this case, disciplined employees will influence their performance. If employees do not comply with the rules, lack of discipline at work will result in the organization's goals not being achieved. Research by Edi Setiawan & Herry Krisnandi (2023) found that work discipline can have a positive and significant impact on employee performance. The higher the employee's work discipline, the higher the employee's performance.

Another factor that influences employee performance is competency. Competent human resources are human resources who have the knowledge, abilities, skills and good attitudes towards work. Therefore, organizations need to take steps to develop and improve employee competency. Employees are expected to always hone their knowledge, skills and abilities to better suit the demands of the times and to improve employee performance in the organization. Research by Anshori & Nurwulandari (2021) and Edi Sugiono, Darmadi & Suryono Efendi (2021) found that competence can have a positive and significant impact on employee performance. The higher the employee's competency, the higher the employee's performance.

Another factor that influences employee performance is the physical work environment. The physical work environment is everything around workers that can influence them in carrying out assigned tasks, for example cleanliness, spatial planning and air circulation.

The physical work environment in an organization is a work condition to provide a comfortable atmosphere and working situation for employees in achieving the goals desired by an organization. A bad physical work environment has the potential to cause employees to fall ill easily, get stressed easily, have difficulty concentrating and decrease work productivity, and vice versa, a good physical work environment makes employees enthusiastic about working and comfortable working. Research by Efendi S & Prakoso A (2022) and Marcelia, Suryono Efendi & Edi Sugiono (2022) found that the work environment is able to have a positive and significant impact on employee performance. The better the employee's work environment, the higher the employee's performance.

The research location was taken at the Indonesian Ministry of Investment/BKPM because investment is a vital economic activity in economic growth, especially after Covid-19. Therefore, human resources within the organizational structure need to have a suitable and sustainable human resources climate. Apart from that, the history of the formation of the Ministry of Investment/BKPM is relatively new. The Ministry of Investment/BKPM was formed by Indonesian President Joko Widodo in the second reshuffle of the Advanced Indonesia Cabinet on 28 April 2021. The Ministry of Investment/BKPM is led by a Minister of Investment who since 28 April 2021 has been held by Bahlil Lahadalia. In the Advanced Indonesia Cabinet, the Minister of Investment also acts as Head of the Investment Coordinating Board. The Ministry of Investment/BKPM has the task of carrying out government affairs in the investment sector. In carrying out these duties, the Ministry of Investment/BKPM carries out the following functions:

1. Formulation and determination of policies in the investment sector;
2. Coordination and synchronization of policy implementation in the investment sector;
3. Guiding and providing administrative support to all organizational elements within the Ministry of Investment/BKPM;
4. Management of state property/wealth which is the responsibility of the Ministry of Investment/BKPM;
5. supervision over the implementation of tasks within the Ministry of Investment/BKPM.

Investment has a strategic role as one of the main components of economic growth from the expenditure side. Based on the 2020-2024 RPJMN, the government targets Indonesia's economic growth to average 5.7-6% every year. In achieving this economic growth target, the government is targeting an increase in investment (Gross Fixed Capital Formation/PMTB) of 6.6-7.0% every year. The investment requirement to meet this target is IDR 35,212.4 trillion - IDR 35,455.6 trillion. Of the total investment needs, the government and BUMN will contribute 8.4-10.1% and 8.5-8.8% respectively, while the rest will be met by the public and the private sector. Efforts to increase Indonesia's investment targets must be made through increasing investment productivity, efficiency and effectiveness (LAKIN Ministry of Investment/BKPM, 2022).

With the age of the Ministry of Investment/BPKM is still relatively new, which is approximately two years old, of course the organizational climate will see many changes in work patterns. Employees are required to quickly adapt to work at the ministerial level. Therefore, adequate compensation, planned work training, a good work environment and employee motivation are needed so that employee performance can be improved.

In the 2022 Ministry of Investment/BPKM performance report, it is stated that the challenges at the Ministry of Investment/BPKM are First, Improving the ease of doing business. Second, Execution of large capital investment realization. Third, large capital investment in partnership with MSMEs. Fourth, the distribution of quality capital investment. Fifth, Promotion of focused investment based on sector and country. Sixth, increasing domestic investment, especially MSMEs. Seventh, the implementation of business licensing is integrated electronically through OSS RBA. Eighth, Downstream Strategic Investment.

To answer and realize each program in resolving challenges at the Ministry of Investment/BPKM, it needs to be supported by human resources or actors in the organizational structure at the Ministry of Investment/BPKM in order to produce optimal performance. HRM which is of interest in this research is about an employee's work discipline, competence, physical work environment and employee job satisfaction. The four variables above which are supporting factors for improving employee performance can be explained by factors that come from outside an employee and factors that come from within a person. If these two components have been implemented and felt by employees, the Ministry of Investment/BPKM's goal of responding to challenges can be achieved more quickly and through the correct process.

The performance assessment of employees at the Ministry of Investment/BPKM reveals fluctuations over the years, as depicted in Table 1.1. The Stakeholder indicator showed fluctuations from 2016 to 2022, with the target consistently met. Internal Process indicators fluctuated, with only 2019 achieving the performance target. Learning and Growth indicators did not reach the target from 2016 to 2022.

Transitioning from BKPM to the Ministry of Investment/BPKM saw a significant increase in employee performance. This phenomenon spurred researchers to analyze the fluctuating performance and explore potential influences such as Work Discipline, Competency, and the Physical Work Environment, along with intervening variables like Job Satisfaction.

However, research findings regarding these variables yielded conflicting results, as illustrated in Table 1.2. While some studies concluded significant effects, others found no substantial influence. This disparity prompted researchers to investigate further, aiming to bridge the gap by incorporating Job Satisfaction as an intervening variable. Job Satisfaction, characterized by an individual's attitude towards their job, has been found to mediate employee performance effectively in previous research.

The research aims to adopt performance indicators relevant to the Ministry of Investment/BPKM, conduct a novel examination of HRM within this ministry, and integrate expert indicators with ministry-specific ones. Hence, the proposed title "The Influence of Work Discipline, Competency, and Physical Work Environment on the Performance of ASN Employees Through Job Satisfaction as an Intervening Variable at the Indonesian Ministry of Investment/BKPM in 2023" encapsulates the research's objectives and focus.

## METHOD

The research method used in this study is quantitative descriptive method. This method is based on positivism philosophy and is used to investigate a specific population or sample. Sampling techniques are generally done randomly, and data analysis is conducted quantitatively or statistically to test established hypotheses. In utilizing the quantitative descriptive method, the researcher will test hypotheses using statistical tool SmartPLS version 4.0.9.9 and then interpret the statistical results with relevant theories and previous research.

The main data source in this study is a questionnaire, distributed through Google Form and face-to-face. Questionnaire is an efficient data collection technique if the researcher knows the variables to be measured and what is expected from the respondents. Meanwhile, secondary data sources include data obtained from the Ministry of Investment/BKPM Indonesia, literature from various authors, and previous research results such as journals related to the researched issue.

The research framework describes the thinking used as a scheme or basis of thought to strengthen the focus behind this research. Meanwhile, the research framework model simplifies the issues in this study theoretically. The formulated hypotheses include the direct and indirect effects of work discipline, competence, physical work environment, and job satisfaction on the performance of civil servants (ASN).

Research variables are operationalized clearly, with definitions, indicators, and

appropriate measurements for each variable. The research population consists of 223 ASN employees, while the sample is determined to be 144 respondents using simple random sampling method.

Data collection techniques involve documentation and questionnaire techniques. The documents used are employee data from the Ministry of Investment/BKPM, while the questionnaire uses Likert scale with five alternative answers. Data analysis is conducted using SmartPLS software for regression models that have been formulated.

Descriptive statistical analysis is used to describe the collected respondent data, while inferential statistical analysis uses parametric statistics. Outer model analysis is used to test the validity and reliability of constructs, while inner model analysis is used to test causal relationships between latent variables.

After various evaluations, both through outer and inner models, hypothesis testing is conducted to determine the level of significance. Hypothesis testing is done using PLS (Partial Least Square), and the significance level used is 5%.

## RESULT AND DICUSSION

PLS analysis consists of two sub models, namely the measurement model or often called the outer model and the structural model or often called the inner model. The measurement model shows how manifest or observed variables or indicators represent the latent variables to be measured. Meanwhile, the structural model shows the strength of estimates between latent variables or constructs. The latent variable here, the indicator is reflexive. Reflective indicators are indicators that reflect on their construct. This reflective measurement model is characterized by arrows leading from latent variables to indicators. Calculation results using SmartPLS 4.0.9.9.

1. **Evaluation of the Measurement Model (Outer Model)**

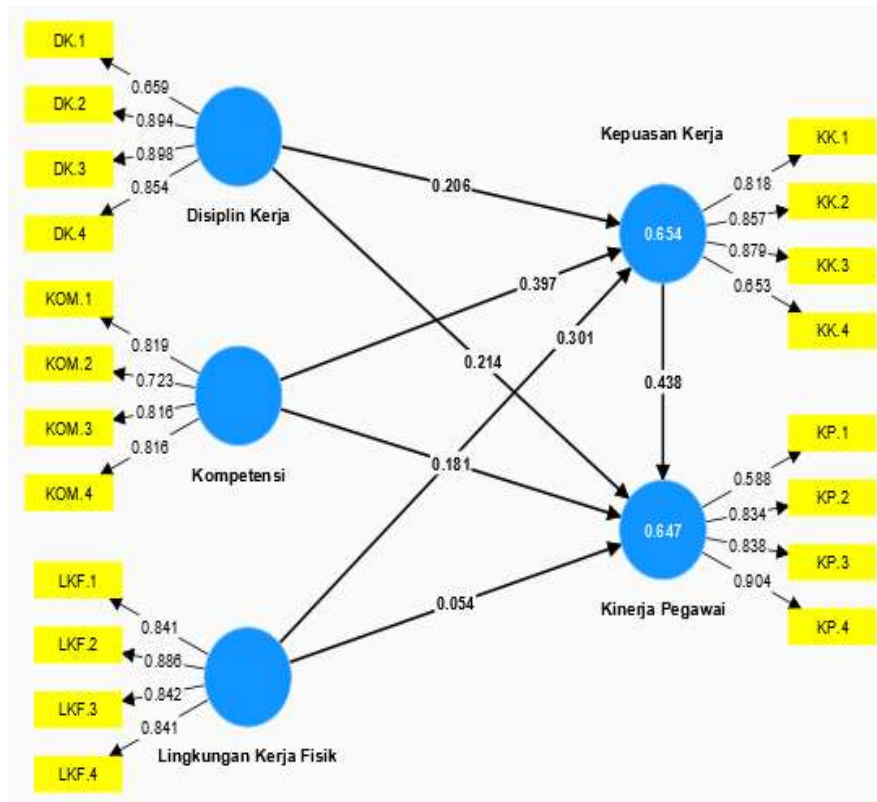Evaluation of the measurement model is described as follows:



Figure 1. Outer Model
Source: SmartPLS Output (2024)

## Table 1. Validity Test with AVE

| Variable | Cronbach's alpha | Composite reliability (rho_a) | Composite reliability (rho_c) | Average variance extracted (AVE) |
|---|---|---|---|---|
| DK | 0.874 | 0.875 | 0.941 | 0.888 |
| K.K | 0.84 | 0.839 | 0.904 | 0.757 |
| KP | 0.855 | 0.868 | 0.911 | 0.775 |
| KO | 0.805 | 0.816 | 0.872 | 0.631 |
| LKF | 0.875 | 0.882 | 0.914 | 0.726 |

*Source: SmartPLS Output (2024)*

Based on table, it can be seen that the AVE results obtained are > 0.50, so it can be stated that the indicators used in this research model are valid or have met the convergent validity criteria.

The method for assessing discriminant validity is the cross loading method. Discriminant validity of reflexive indicators can be seen in the cross loading between the indicator and its construct. Discriminant validity is used to test validity. Discriminant validity is seen through the cross loading value which shows the magnitude of the correlation between the construct and its indicators and indicators from other constructs. Discriminant validity is related to the principle that measures of different constructs should not be highly correlated.

**The Discriminant Validity Test**

The discriminant validity test is assessed based on the cross loading value with the construct. An indicator is declared valid or has met discriminant validity if it has the highest value for the targeted construct compared to the values for other constructs. The values of the cross loading results in the discriminant validity analysis are seen in the following table.

## Table 2. Discriminant Validity Test via Cross Loading Value

| Indicator | DK | K.K | KP | KO | LKF |
|---|---|---|---|---|---|
| DK.2 | **0.94** | 0.6 | 0.58 | 0.68 | 0.52 |
| DK.3 | **0.95** | 0.61 | 0.61 | 0.77 | 0.57 |
| KK.1 | 0.58 | **0.85** | 0.65 | 0.71 | 0.57 |
| KK.2 | 0.53 | **0.86** | 0.69 | 0.61 | 0.57 |
| KK.3 | 0.57 | **0.9** | 0.64 | 0.64 | 0.59 |
| KOM.1 | 0.58 | 0.63 | 0.6 | **0.82** | 0.52 |
| COMM.2 | 0.46 | 0.52 | 0.45 | **0.72** | 0.52 |
| COMM.3 | 0.69 | 0.56 | 0.56 | **0.82** | 0.41 |
| COMM.4 | 0.7 | 0.67 | 0.65 | **0.82** | 0.62 |
| KP.2 | 0.52 | 0.56 | **0.83** | 0.56 | 0.51 |
| KP.3 | 0.48 | 0.69 | **0.89** | 0.62 | 0.47 |
| KP.4 | 0.64 | 0.73 | **0.92** | 0.7 | 0.56 |
| LKF.1 | 0.49 | 0.5 | 0.43 | 0.55 | **0.84** |
| LKF.2 | 0.46 | 0.49 | 0.46 | 0.49 | **0.88** |
| LKF.3 | 0.48 | 0.57 | 0.53 | 0.6 | **0.84** |
| LKF.4 | 0.54 | 0.66 | 0.54 | 0.58 | **0.84** |

*Source: SmartPLS Output (2024)*

Based on table 4.14 above, it shows that each indicator colored red has the highest loading factor value when connected to the target construct or connected to its own construct compared to when connected to other constructs. This shows that latent constructs

predict indicators in their block better than indicators in other blocks. Thus, it can be concluded that the indicators used in this research model are valid or have met the criteria for discriminant validity.

**Reliability Test Analysis**

Reliability tests are carried out to measure the internal consistency of measuring instruments. Reliability tests are carried out to prove the accuracy, consistency and precision of the instrument in measuring the construct.

Reliability testing in PLS can use composite reliability and Cronbach alpha from the indicator block that measures the construct. Composite reliability measures the true value of the reliability of a construct. A construct is declared reliable if the Cronbach alpha and composite reliability values are greater than 0.70. The results of the Cronbach alpha reliability test and composite reliability are presented in the table below.

**Table 3. Reliability Test Results**

| Variable | Cronbach's alpha | Composite reliability |
|---|---|---|
| Work Discipline | 0.874 | 0.875 |
| Job satisfaction | 0.84 | 0.839 |
| Employee Performance | 0.855 | 0.868 |

**Table 4.15 Reliability Test Results** *(advanced)*

| Variable | Cronbach's alpha | Composite reliability |
|---|---|---|
| Competence | 0.805 | 0.816 |
| Physical Work Environment | 0.875 | 0.882 |

*Source: SmartPLS Output (2024)*

Based on table, it can be seen that the Cronbach's Alpha value and Composite reliability value for all constructs are > 0.70. Thus it can be concluded that all constructs in the model have good reliability.

**2. Structural Model Analysis (Inner Model)**

The structural model or inner model describes the relationship between exogenous and endogenous latent variables based on substantive theory. The results of evaluating the significance of the model using the boostrapping procedure are shown in the following figure.
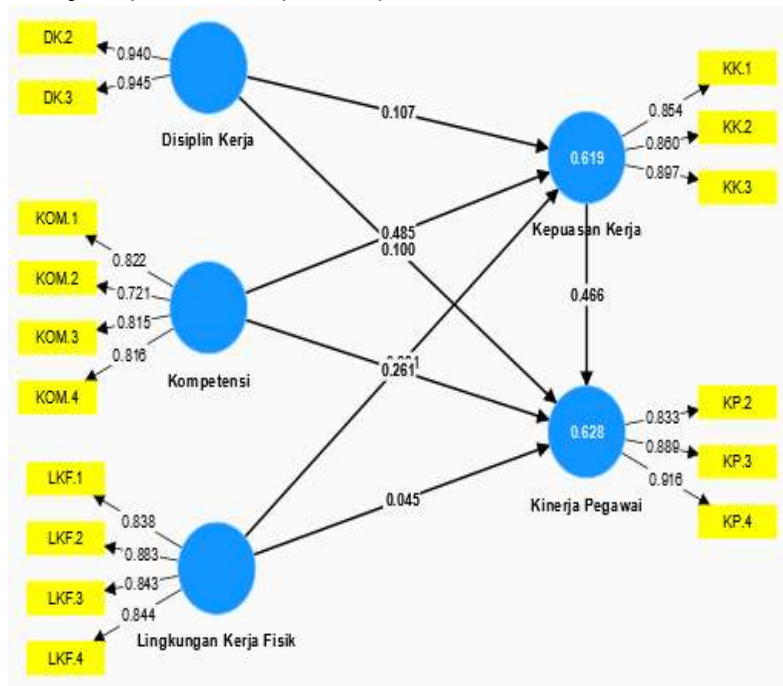


**Figure 2. Inner Model After Evaluation Phase**
*Source: SmartPLS Output (2024)*

To support confidence in the loading factor and path coefficient values, a significance test was carried out using the bootstrapping method and the results are shown in the image below.
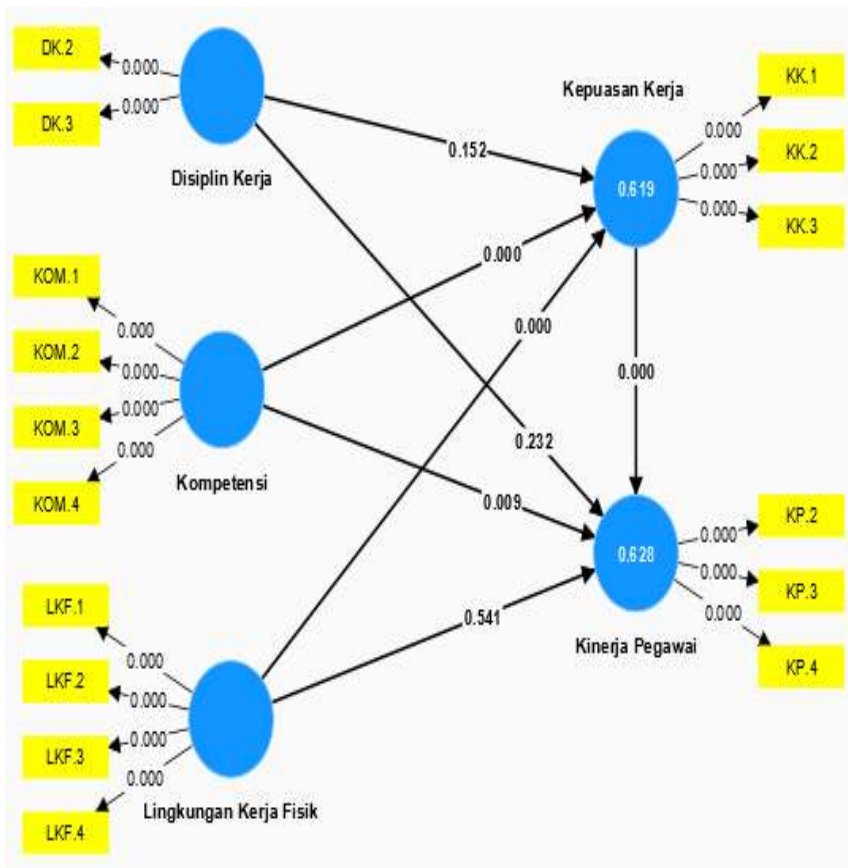


**Figure 3. Results of the Significance of the Outer Model and Inner Model**
*Source: Output Pls (2024)*

Based on Figure, an evaluation or analysis of the measurement equation model (outer model) and an evaluation or analysis of the structural equation model (inner model) will be carried out with the following explanation.

a) Coefficient of Determination (R Square)

**Table 4. R Square**

|  | R-square adjusted |
|---|---|
| Job satisfaction | 0.647 |
| ASN Employee Performance | 0.638 |

*Source: Output Pls (2024)*

Based on table 4.16 above, it can be seen that the R Square value of Job Satisfaction is 0.647, meaning that Work Discipline, Competence and Physical Work Environment can explain 64.7% of Job Satisfaction while the remaining 35.3% is influenced by other variables not included in this research. Then assess*R-square*0.647 is categorized as a substantial model or a strong model (Hudin et al., 2018).

The R Square value of Employee Performance is 0.638, meaning that Work Discipline, Competence, Physical Work Environment and Job Satisfaction can explain 63.8% of Employee Performance while the remaining 36.2% is influenced by other variables not included in this research. Then assess*R-square*0.638 is categorized as a substantial model or a strong model (Hudin et al., 2018).

b) Structural Model Equation Test

The structural equations in this research are divided into two equations as follows.

1) First Equation

**KK = 0.206 DK + 0.397 KOM + 0.301 LKF**

From the equation above it can be explained as follows.

a. The Work Discipline regression coefficient is 0.206. This means that if Work Discipline increases by one unit, Job Satisfaction will increase by 0.206%.

b. The competency regression coefficient is 0.397. This means that if Competency increases by one unit, Job Satisfaction will increase by 0.397%.

c. The Physical Work Environment regression coefficient is 0.301. This means that if the Physical Work Environment increases by one unit, Job Satisfaction will increase by 0.301%.

2) Second Equation

**KP = 0.214 DK + 0.181 KOM + 0.054 LKF + 0.438 KK**

a. The Work Discipline regression coefficient is 0.214. This means that if Work Discipline increases by

one unit, ASN Employee Performance will increase by 1,826%.

b. The competency regression coefficient is 0.181. This means that if competency increases by one unit, ASN employee performance will increase by 0.181%.

c. The Physical Work Environment regression coefficient is 0.054. This means that if the physical work environment increases by one unit, the performance of ASN employees will increase by 0.054%.

d. The Job Satisfaction regression coefficient is 0.438. This means that if Job Satisfaction increases by one unit, ASN Employee Performance will increase by 0.438%.

3. **Hypothesis test**

After passing the feasibility test of the research data model, at this stage the researcher will enter the results of hypothesis testing. The results of hypothesis testing can be seen in the SmartPLS results table.

**Table 5. Significance Test**

| | Original samples | Sample mean | Standard deviation | T statistics | P values |
|---|---|---|---|---|---|
| Work Discipline -> Job Satisfaction | 0.206 | 0.203 | 0.077 | 2,659 | 0.008 |
| Work Discipline -> ASN Employee Performance | 0.214 | 0.215 | 0.091 | 2,355 | 0.019 |
| Job Satisfaction -> ASN Employee Performance | 0.438 | 0.44 | 0.074 | 5,933 | 0,000 |
| Competency -> Job Satisfaction | 0.397 | 0.401 | 0.081 | 4,875 | 0,000 |
| Competency -> ASN Employee Performance | 0.181 | 0.183 | 0.092 | 1,982 | 0.048 |
| Physical Work Environment -> Job Satisfaction | 0.301 | 0.3 | 0.07 | 4,286 | 0,000 |
| Physical Work Environment -> ASN Employee Performance | 0.054 | 0.052 | 0.071 | 0.762 | 0.446 |

*Source: Output Pls (2024)*

Based on table 4.17 above, it can be interpreted as follows:

1. Work discipline has a positive and significant effect on job satisfaction. This is proven by the Original sample value of

0.206 (positive) and the P value of 0.008 < 0.05 (significant). So the first hypothesis in this research is accepted.

2. Competency has a positive and significant effect on job satisfaction. This is proven by the Original sample value of 0.397 (positive) and the P value of 0.000 < 0.05 (significant). So the second hypothesis in this research is accepted.

3. The physical work environment has a positive and significant effect on job satisfaction. This is proven by the Original sample value of 0.301 (positive) and the P value of 0.000 < 0.05 (significant). In line with research from Wibiseno & Dewi (2018). So the third hypothesis in this research is accepted.

4. Work discipline has a positive and significant effect on the performance of ASN employees. This is proven by the Original sample value of 0.214 (positive) and the P value of 0.019 < 0.05 (significant). In line with research from Sinto et al., (2023). So

the fourth hypothesis in this research is accepted.

5. Competency has a positive and significant effect on the performance of ASN employees. This is proven by the Original sample value of 0.181 (positive) and the P value of 0.048 < 0.05 (significant). So the fifth hypothesis in this research is accepted.

6. The physical work environment has a positive and insignificant effect on the performance of ASN employees. This is proven by the Original sample value of 0.054 (positive) and the P value of 0.446 > 0.05 (not significant). So the sixth hypothesis in this research is rejected.

7. Job satisfaction has a positive and significant effect on the performance of ASN employees. This is proven by the Original sample value of 0.438 (positive) and the P value of 0.000 < 0.05 (significant). So the tenth hypothesis in this research is accepted.

To test the seventh to ninth hypotheses, see the Specific Indirect Effects table below.

**Table 6. Specific Indirect Effects**

| | Original samples | Sample mean | Standard deviation | T statistics | P values |
|---|---|---|---|---|---|
| Work Discipline -> Job Satisfaction -> ASN Employee Performance | 0.09 | 0.089 | 0.036 | 2,472 | 0.013 |
| Competency -> Job Satisfaction -> ASN Employee Performance | 0.174 | 0.176 | 0.046 | 3,768 | 0,000 |
| Physical Work Environment -> Job Satisfaction -> ASN Employee Performance | 0.132 | 0.133 | 0.041 | 3,205 | 0.001 |

*Source: Output Pls (2024)*

Based on table 4.18 it can be interpreted as follows.

1. Work discipline has a positive and significant effect on the performance of ASN employees through job satisfaction. This is proven by the original sample value of 0.090 (positive) and the P value of 0.013 < 0.05 (significant). So the seventh hypothesis in this research is accepted.

2. Competency has a positive and significant effect on ASN employee performance through job satisfaction. This is proven by the original sample value of 0.174 (positive) and the P value of 0.000 < 0.05 (significant).

So the eighth hypothesis in this research is accepted.

The physical work environment has a positive and significant effect on the performance of ASN employees through job satisfaction. This is proven by the original sample value of 0.132 (positive) and the P value of 0.001 < 0.05 (significant). So the ninth hypothesis in this study is accepted

**DISCUSSION**

The research conducted within the HRM Ministry of Investment/BKPM offers valuable insights into the organizational dynamics following its transition from an Agency to a

Ministry. Despite the inherent challenges accompanying such transitions, the study reveals notable advancements within the organization. However, it's crucial to note that one hypothesis regarding the impact of the Physical Work Environment on ASN Employee Performance was not upheld, suggesting potential shortcomings in the existing infrastructure and facilities within the Ministry. This finding underscores the need for targeted interventions to enhance workplace conditions and support employee productivity.

Statistical analyses further elucidate significant relationships among key variables, providing a comprehensive understanding of organizational dynamics. Work discipline emerges as a critical driver of job satisfaction, emphasizing its role in promoting employee contentment and organizational effectiveness. Similarly, competency is identified as a significant predictor of job satisfaction, highlighting the importance of employee skills and knowledge in shaping overall job satisfaction levels. Moreover, the physical work environment is found to exert a substantial influence on job satisfaction, underscoring the significance of providing conducive workspaces to enhance employee well-being.

Furthermore, the study reveals that both work discipline and competency play pivotal roles in driving ASN employee performance, emphasizing their importance in organizational success. These findings underscore the multifaceted nature of organizational dynamics, wherein factors like work discipline, competency, and the physical work environment intertwine to shape employee satisfaction and performance outcomes. Importantly, job satisfaction emerges as a key mediator in several relationships, indicating its central role in translating organizational inputs into desired performance outputs.

Overall, the research offers actionable insights for organizational leaders seeking to enhance employee satisfaction and performance within the HRM Ministry of Investment/BKPM. By addressing deficiencies in work discipline, competency, and the physical work environment, organizations can foster a more conducive workplace culture that promotes employee well-being and productivity. Moreover, recognizing the mediating role of job satisfaction underscores the importance of prioritizing initiatives aimed at enhancing employee morale and satisfaction to drive organizational success effectively.

## CONCLUSION

The culmination of this research underscores the pivotal role played by various factors in shaping the job satisfaction and performance of employees within the HRM Ministry of Investment/BKPM. Through meticulous analysis, it was discerned that work discipline, competency, and the physical work environment exert significant influences on both job satisfaction and employee performance. Notably, robust work discipline, heightened competency levels, and a conducive physical work environment were found to positively correlate with elevated job satisfaction, consequently leading to enhanced employee performance. Nonetheless, the study also brought to light certain areas warranting remedial action, particularly in the realm of the physical work environment, in order to optimize outcomes pertaining to employee satisfaction and performance within the organizational context.

Building upon the derived conclusions, a series of targeted suggestions emerge to bolster employee satisfaction and performance within the HRM Ministry of Investment/BKPM. Firstly, there is a pressing need to intensify efforts aimed at fortifying employee work discipline, with particular emphasis on fostering greater attendance and work awareness among staff members. Concurrently, initiatives should be undertaken to bolster employee competency through tailored training and development endeavors, coupled with endeavors to nurture a heightened sense of loyalty and organizational belonging. Additionally, concerted actions are warranted to ameliorate shortcomings pertaining to the physical work environment, encompassing enhancements in air circulation, room layout, facilities, and noise levels to cultivate a more conducive and invigorating work milieu. Moreover, leaders are implored to

lead by example, championing the values of discipline and professionalism to inspire subordinates and engender a culture of excellence within the organization. Through strategic talent mapping and placement endeavors, employees can be better aligned with roles that capitalize on their individual strengths and competencies, thus fostering greater job satisfaction and performance outcomes. Furthermore, investments in modern work facilities and equipment are advocated to kindle employee enthusiasm and bolster operational efficiency. Enforcing organizational rules and regulations, fostering supportive supervisor-employee relationships, and offering supplementary benefits are further recommended to augment employee morale and commitment. Lastly, judicious workload management practices are indispensable to avert feelings of inequity and sustainably uphold job satisfaction and performance levels among employees. Through the judicious implementation of these recommendations, the HRM Ministry of Investment/BKPM can engender a harmonious and dynamic work environment conducive to the flourishing of its human capital and the attainment of organizational objectives.

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