

The Influence of Leadership and Work Environment on Employee Performance through Employee Job Satisfaction at Dinasty Coffee Shop

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ABSTRACT

This research investigates how leadership and the work environment impact employee performance, with job satisfaction serving as a mediating factor at Kedai Kopi Dinasty. A quantitative approach was employed, utilizing a survey method and collecting data from 34 respondents through questionnaires. Data analysis was conducted using SEM-PLS. The findings reveal that both leadership and the work environment positively influence job satisfaction and employee performance. Furthermore, job satisfaction effectively mediates the relationship between leadership, work environment, and performance. The study highlights the critical role of effective leadership and a supportive work environment in enhancing performance by fostering greater job satisfaction.

INTRODUCTION

The growth of the culinary industry, especially coffee shops, in big cities such as Surabaya shows an increasing trend in recent years. Changes in the lifestyle of urban people who tend to spend time socializing outside the home has become one of the main triggers for the increase in the number of coffee shops every year (Dewantoro et al., 2024). These dynamics not only present business opportunities, but also increasingly complex competitive challenges. In the face of fierce competition, human resource development strategies are crucial for business sustainability and competitive advantage.

One of the important components of human resource management is employee performance, which contributes directly to the quality of service and the achievement of organizational goals. In the context of a service business such as a coffee shop, employee performance is a representation of the value of the service received by consumers. Good performance reflects the effectiveness of the organization in managing human potential and is an important indicator in determining business productivity (Saputri & Andayani, 2018). Therefore, it is important to examine the various factors that affect the increase or decrease in performance.

In various studies, leadership and the work environment were identified as the two main factors that affect employee performance. Communicative, visionary, and inspirational leadership is able to build a conducive work atmosphere and increase individual motivation in achieving organizational targets (Tanjung, 2022; Novianti, 2021). Similarly, a safe, comfortable, and psychologically supportive work environment has been proven to reduce stress levels and increase employee morale (Pitaloka, 2019; Nabawi, 2019). However, the impact of these two factors is not direct, but rather mediated by other variables, such as job satisfaction.

Job satisfaction is understood as a psychological state that manifests through an employee's positive outlook toward their job and the organization. Typically, higher levels of satisfaction are closely linked to increased loyalty, a stronger work ethic, and improved job performance (Toban & Sjahruddin, 2016). Within a broader theoretical perspective, job satisfaction functions not only as a measure of employee well-being but also as a mediating factor that connects internal organizational elements to the outcomes of employee performance (Beuren et al., 2022).

Building on this background, the research aims to examine the impact of leadership and the work environment on employee performance, with job satisfaction acting as an intervening variable. The focus of the study is Dynasty Coffee Shop in Surabaya, which is undergoing organizational changes involving interpersonal dynamics, informal leadership approaches, and inconsistent employee performance levels. The outcomes of this research are anticipated to contribute theoretically to the field of human resource management and provide practical insights for business practitioners to sustainably enhance work quality.

LITERATURE REVIEW

Leadership

Leadership is a social process in which an individual influences a group of people to achieve a common goal. In the context of the organization, leadership is one of the strategic factors that determine the direction, work morale, and achievement of employee performance. Tanjung (2022) states that leadership includes the behavior of leaders in directing, guiding, and motivating their subordinates to complete work with full responsibility. Without effective leadership, organizations have the potential to lose direction and internal cohesion in carrying out their functions.

According to the transformational leadership theory put forward by Novianti (2021), there are four main dimensions that are indicators of effective leadership, namely idealized influence, inspirational motivation, intellectual stimulation, and individual consideration. Leaders who are able to foster trust, provide a clear vision, encourage innovation, and pay attention to the individual needs of subordinates will be more successful in improving collective performance. In other words, good leadership is not only oriented towards achieving targets, but also building healthy emotional bonds between superiors and subordinates.

Work Environment

The work environment is defined as the overall physical, social, and psychological conditions that affect the behavior and comfort of employees in carrying out their duties. A supportive work environment can create morale, increase loyalty, and reduce burnout and stress levels. According to Pitaloka (2019), aspects of the work environment include relationships between individuals in the workplace, work atmosphere, availability of facilities, cleanliness, lighting, and organizational culture. The better the work environment, the higher the individual's motivation and work performance.

Nguyen et al. (2014) stated that a healthy work environment is characterized by several important elements, such as an attractive job, opportunities for development, competent supervision, and positive social relationships between colleagues. Meanwhile, according to Langer et al. (2019), indicators of the work environment that have an impact on employee performance include risk-taking, innovation culture, appreciation for achievements, and encouragement of entrepreneurial spirit. Organizations that are able to build an inclusive and dynamic work environment will find it easier to retain employees and encourage maximum contributions from each individual.

Employee Performance

Employee performance refers to the overall output produced by an individual, both in terms of quality and quantity, in fulfilling tasks aligned with their assigned responsibilities. As stated by Martadiani et al. (2019), performance can be evaluated based on how well an individual meets the standards established by the organization. Performance is not only about the final result, but also reflects the work process, skills, initiative, and attitude shown during the

implementation of tasks. From a management perspective, improving individual performance will have a direct impact on the success of the organization on a macro level.

Koopmans (2012) details the performance dimension in four important indicators, namely the ability to take initiative, the ability to complete challenging tasks, efforts to update skills and knowledge, and produce innovations to solve complex problems. In addition, Wibowo (2014) emphasized that performance is also influenced by personal factors, leadership, work team, and organizational systems. Therefore, to create optimal performance, synergy between individual potential, structural support, and a supportive work culture is needed.

Employee Job Satisfaction

Job satisfaction refers to the positive or negative feelings that employees have towards their work, which are influenced by the expectations and realities they experience at work. Robbins and Judge (2007) define job satisfaction as an individual's general attitude towards his or her work, which is formed through experience, perception of organizational fairness, interpersonal relationships, and rewards received. Meanwhile, Hasibuan (2008) emphasized that job satisfaction reflects a pleasant emotional state when work meets the needs and personal values of employees.

Budi Santoso and Yuliantika (2022) said that job satisfaction is influenced by various factors, such as job characteristics, compensation, social relationships, leadership style, and career development opportunities. Indicators used to measure job satisfaction include satisfaction with job content, supervision, co-workers, and compensation. In addition, Beuren et al. (2022) added the dimensions of financial satisfaction and personal satisfaction, which include a balance between work and personal life. High levels of job satisfaction contribute to improved performance, loyalty, and long-term sustainability of the working relationship.

Hipotesis

H1: Leadership has a positive effect on employee performance.

This hypothesis is based on the assumption that leaders who are able to provide direction, motivation, and positive influence will encourage increased productivity and employee responsibility in carrying out their duties.

H2: Leadership has a positive effect on employee job satisfaction.

Leadership that is effective, communicative, and attentive to the individual needs of employees is expected to create a sense of comfort and emotional attachment to work, thereby increasing job satisfaction.

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

A safe, comfortable, and physically and psychologically supportive work environment is believed to be able to increase employee morale and work effectiveness, which ultimately has an impact on achieving higher performance.

H4: The work environment has a positive effect on employee job satisfaction.

This hypothesis assumes that a conducive work atmosphere, good relationships between colleagues, and organizational support can increase an individual's satisfaction with their work.

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

A high level of satisfaction with work, salary, work environment, and interpersonal relationships will create a positive work attitude and encourage more optimal employee performance.

H6: Job satisfaction mediates the influence of leadership on employee performance.

This hypothesis explains that the influence of leadership on performance improvement does not only occur directly, but also through increased employee job satisfaction as an intervening variable.

H7: Job satisfaction mediates the influence of the work environment on employee performance.

A good work environment contributes to employee performance, both directly and indirectly through increased job satisfaction as an intermediary between the two variables.

Conceptual Framework

The following is the conceptual framework set out in this study, namely as a:

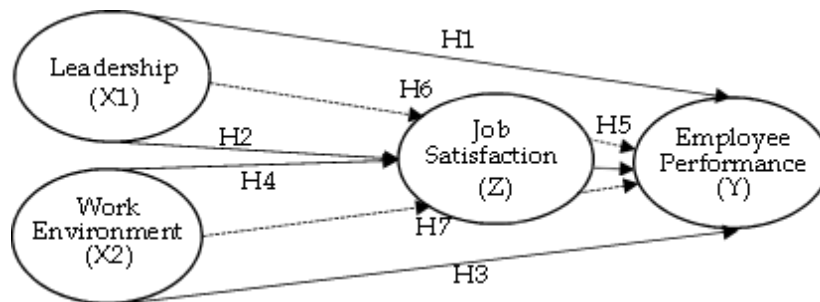


Figure 1. Conceptual Framework

Source: Data Processed by Researchers, 2025

METHODOLOGY

This research adopts a quantitative approach using a survey method to explore the causal relationship between leadership and work environment variables on employee performance, mediated by job satisfaction. Data collection was carried out through a closed-ended questionnaire using a Likert scale, designed based on theoretical indicators for each variable. The study population consists of all 34 employees of Kedai Kopi Dynasty in Surabaya. Due to the small population size, the study employed a saturation sampling technique, where every member of the population was included as a research respondent.

The collected data were analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) method, assisted by SmartPLS software. The analysis involved instrument validity and reliability testing, structural model (inner model) evaluation, and hypothesis testing using path coefficients and significance values.

RESEARCH RESULT**Respondent Characteristics**

Table 1. Respondent Characteristics

Category	Items	F	%
Final Education	S1	8	24
	SMA/MA/MK Equivalent	26	76
Age	17 Years	1	3
	18 Years	1	3
	19 Years	1	3
	20 Years	4	12
	21 Years	4	12
	22 Years	11	32
	23 Years	7	20
	24 Years	2	6
	32 Years	1	3
	40 Years	1	3
	48 Years	1	3
Gender	Man	23	68
	Woman	11	32

Source: Primary data processed, 2025

A total of 34 respondents in this study were active employees of Kedai Kopi Dynasty Surabaya with the majority having a recent educational background at the SMA/MA/VOCATIONAL level as much as 76%, while the remaining 24% were S1 graduates. In terms of age, respondents are dominated by the productive age group, especially in the age range of 20–24 years which covers 82% of the total respondents, with the most age being 22 years old (32%). As for gender, male respondents dominated by 68%, while women by 32%. This composition shows that the workforce at Kedai Kopi Dynasty is mostly young, middle-educated, and mostly male, which is commonly found in the modern culinary service industry.

Descriptive Statistical Analysis Results

Table 2. Analysis of Leadership Variables

Statement Items	1	2	3	4	5	Mean	Category
Idealized Influence							
X1.1	8	11	8	4	3	2.50	Medium
X1.2	3	10	13	7	1	2.79	Medium
Inspirational Motivation							
X1.3	3	11	9	8	3	2.91	Medium
X1.4	4	12	12	5	3	2.85	High
Intellectual Stimulation							
X1.5	5	9	11	8	1	2.73	Medium
X1.6	3	3	11	14	3	3.32	Medium
Individualized Consideration							
X1.7	3	15	14	0	2	2.50	Medium
X1.8	3	4	15	10	2	3.11	Medium
Total					2.83		

Source: Smart PLS output (data processed by researchers), 2025

The results of the descriptive analysis of leadership variables showed that the statement with the highest average was found in the X1.6 indicator, which is the encouragement of innovative thinking, with a mean value of 3.32, which reflects the existence of a work culture that supports creativity in the team. On the other hand, the lowest scores appeared in the X1.1 indicators related to team communication, and X2.7 related to the courage to take risks, indicating that there is still a weak disclosure of information and doubts in the face of company dynamics. Overall, the average value of the leadership variable of 2.83 is classified as medium according to Ferdinand (2014), indicating that despite the encouragement for innovation, leadership at Kedai Kopi Dynasty is not fully optimal and still needs to be strengthened in terms of team communication and risk management.

Table 3. Analysis of Work Environment Variables

Statement Items	1	2	3	4	5	Mean	Category
Risk Taking							
X2.1	6	13	10	4	1	2.44	Medium
Culture of Innovation							
X2.2	4	13	10	6	1	2.61	Medium
X2.3	6	13	9	3	3	2.52	Medium
X2.4	9	9	8	4	4	2.55	Medium
X2.5	2	7	17	4	4	3.02	Medium
Assignment Award							
X2.6	4	11	11	4	4	2.79	Medium
Organizational Emphasis on Entrepreneurship							
X2.7	7	12	4	7	4	2.67	Medium
Total						2.65	

Source: Smart PLS output (data processed by researchers), 2025

The results of the descriptive analysis of the work environment variables showed that all statement items were in the "medium" category with an overall average of 2.65. The highest mean value was found in the item X2.5 which stated "I received an award for the task I completed" with a score of 3.02, indicating that the respondent felt sufficiently appreciated in their work. Meanwhile, the lowest mean value appeared in item X2.1 about risk-taking, which was 2.44, which indicates a tendency to hesitation from employees in taking risks in the context of work. This reflects that although the work environment at Kedai Kopi Dynasty is quite supportive, it has not fully encouraged innovative and risk-taking work behaviors. Thus, efforts are needed to improve certain aspects such as support for risk-taking and strengthening the culture of innovation so that the work environment can be more conducive and progressive.

Table 4. Analysis of Employee Performance Variables

Statement Items	1	2	3	4	5	Mean	Category
Initiative Taking							
Y.1	2	15	11	4	2	2.67	Medium
Y.2	4	11	13	4	2	2.67	Medium
Y.3	5	12	8	4	5	2.76	Medium
Y.4	3	11	11	7	2	2.82	Medium
Y.5	4	10	15	2	3	2.70	Medium
Work on challenging tasks							
Y.6	7	15	6	4	2	2.38	Medium
Y.7	1	4	15	9	5	2.38	Medium
Updating Knowledge and Skills							
Y.8	1	8	14	7	4	3.14	Medium
Y.9	5	13	11	3	2	2.52	Medium
Y.10	1	11	14	6	2	2.91	Medium
Generating Innovation							
Y.11	3	10	12	5	4	2.91	Medium
Total					2.71		

Source: Smart PLS output (data processed by researchers), 2025

Descriptive analysis of employee performance variables showed that all statement items were in the "moderate" category, with an overall average score of 2.71. The indicator with the highest mean value is Y.8 (Updating knowledge and skills) with a score of 3.14, which reflects that most employees show a commitment to improving work competencies on an ongoing basis. Meanwhile, the lowest scores were found in two items, namely Y.6 and Y.7 (Doing challenging tasks), each with a mean of 2.38, indicating that employees still lack courage or readiness to face work challenges. In general, the performance of employees at Kedai Kopi Dynasty is considered quite adequate, but not optimal, especially in terms of courage to face challenges and take initiative. Therefore, a managerial approach is needed that can encourage the spirit of innovation, independence, and readiness to face the complexity of tasks more actively.

Table 4. Analysis of Job Satisfaction Variables

Item Statement	1	2	3	4	5	Mean	Category
Job Satisfaction With Finances							
Z.1	4	8	16	4	2	2.76	Medium
Z.2	4	5	11	10	4	3.14	Medium
Personal Satisfaction							
Z.3	1	6	16	8	3	3.17	Medium
Z.4	2	6	15	9	2	3.08	Medium
Z.5	2	4	20	6	2	3.05	Medium
Z.6	3	7	13	7	4	2.05	Low
Z.7	3	3	21	5	2	3.00	Medium
Total					2.89		

Source: Smart PLS output (data processed by researchers), 2025

Descriptive analysis of job satisfaction variables showed an overall average of 2.89, which was in the "moderate" category. The highest satisfaction is found in personal aspects, such as work comfort (Z.3 = 3.17) and interpersonal relationships (Z.4 = 3.08). In the financial aspect, satisfaction is also quite sufficient, with the highest score on the salary indicator (Z.2 = 3.14). However, the Z.6 indicator recorded the lowest value (2.05) and was in the "low" category, indicating dissatisfaction with the workload. In general, employees are quite satisfied, but there is still a need for evaluation related to load balancing and work compensation.

Inferential Statistical Analysis Results

This research employs the Partial Least Squares Structural Equation Modeling (PLS-SEM) method for data analysis, using SmartPLS version 4 software. The analysis was conducted in two key phases: the first involved assessing the measurement model (outer model), while the second focused on evaluating the structural model (inner model).

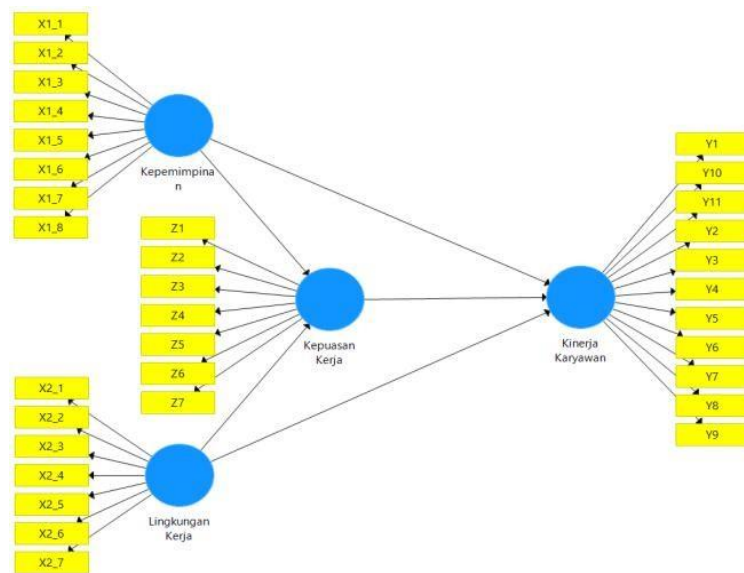


Figure 2. Path Diagram

Source: Smart PLS output (data processed by researchers), 2025

Convergent Validity

Table 5. Validity Test

Variable	Item	Loading Factor	P-Values	Information
Leadership (X1)	X1_1	0.892	0.000	Valid
	X1_2	0.896	0.000	Valid
	X1_3	0.908	0.000	Valid
	X1_4	0.824	0.000	Valid
	X1_5	0.859	0.000	Valid
	X1_6	0.794	0.000	Valid
	X1_7	0.856	0.000	Valid
	X1_8	0.821	0.000	Valid
Work Environment (X2)	X2_1	0.840	0.000	Valid

	X2_2	0.871	0.000	Valid
	X2_3	0.906	0.000	Valid
	X2_4	0.907	0.000	Valid
	X2_5	0.838	0.000	Valid
	X2_6	0.897	0.000	Valid
	X2_7	0.911	0.000	Valid
Employee Performance (Y)	Y1	0.908	0.000	Valid
	Y10	0.878	0.000	Valid
	Y11	0.893	0.000	Valid
	Y2	0.916	0.000	Valid
	Y3	0.912	0.000	Valid
	Y4	0.915	0.000	Valid
	Y5	0.922	0.000	Valid
	Y6	0.914	0.000	Valid
	Y7	0.918	0.000	Valid
	Y8	0.922	0.000	Valid
	Y9	0.935	0.000	Valid
Job Satisfaction (Z)	Z1	0.876	0.000	Valid
	Z2	0.902	0.000	Valid
	Z3	0.882	0.000	Valid
	Z4	0.905	0.000	Valid
	Z5	0.939	0.000	Valid
	Z6	0.870	0.000	Valid
	Z7	0.903	0.000	Valid

Source: Smart PLS output (data processed by researchers), 2025

In table 4.8 The test results show that all indicators in each variable have a loading factor value above 0.50. Thus, all indicators are declared valid and suitable for use as construct measuring tools in subsequent analysis.

Average Variance Extracted (AVE)

Tabel 6. Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Leadership (X1)	0.735
Work Environment (X2)	0.778
Employee Performance (Y)	0.832
Job Satisfaction (Z)	0.805

Source: Smart PLS output (data processed by researchers), 2025

Based on the results in the table above, all construct variables have an AVE value above 0.50. This shows that each construct meets the criteria for discriminant validity, so that all indicators can be declared to have good discriminant validity.

Discriminant Validity

Table 7. Discriminant Validity

Item	Variable			
	(X1)	(X2)	(Y)	(Z)
X1_1	0.892	0.710	0.703	0.731
X1_2	0.896	0.757	0.730	0.751
X1_3	0.908	0.777	0.697	0.807
X1_4	0.824	0.607	0.482	0.640
X1_5	0.859	0.741	0.634	0.759
X1_6	0.794	0.666	0.512	0.649
X1_7	0.856	0.735	0.687	0.731
X1_8	0.821	0.668	0.557	0.623
X2_1	0.671	0.840	0.729	0.756
X2_2	0.721	0.871	0.770	0.805
X2_3	0.764	0.906	0.782	0.799
X2_4	0.683	0.907	0.774	0.783
X2_5	0.818	0.838	0.728	0.817
X2_6	0.735	0.897	0.823	0.823
X2_7	0.725	0.911	0.757	0.766
Y1	0.608	0.776	0.908	0.762
Y10	0.608	0.812	0.878	0.818
Y11	0.652	0.760	0.893	0.798
Y2	0.813	0.822	0.916	0.874
Y3	0.624	0.750	0.912	0.785
Y4	0.717	0.772	0.915	0.824
Y5	0.704	0.773	0.922	0.815
Y6	0.665	0.811	0.914	0.812
Y7	0.726	0.823	0.918	0.836
Y8	0.622	0.841	0.922	0.801
Y9	0.654	0.786	0.935	0.188
Z1	0.702	0.809	0.812	0.876
Z2	0.755	0.795	0.808	0.902
Z3	0.780	0.807	0.722	0.882
Z4	0.774	0.190	0.806	0.905
Z5	0.806	0.821	0.781	0.939
Z6	0.663	0.806	0.833	0.870
Z7	0.759	0.818	0.817	0.903

Source: Smart PLS output (data processed by researchers), 2025

The data results show that the cross loading value of each indicator is highest in its respective original constructs. Thus, it can be concluded that all variables in this study are formed by indicators that have high discriminative validity.

Composite Reliability

Table 8. Composite Reliability

Variable	Composite Reliability
Leadership (X1)	0.957
Work Environment (X2)	0.961
Employee Performance (Y)	0.982
Job Satisfaction (Z)	0.966

Source: Smart PLS output (data processed by researchers), 2025

The results in the table show that all variables have a composite reliability value above 0.70. Thus, all variables are declared reliable and feasible to be used to measure constructs and can be continued to the next stage of analysis.

Cronbach Alpha

Table 9. Cronbach Alpha

Variable	Cronbach Alpha
Leadership (X1)	0.948
Work Environment (X2)	0.952
Employee Performance (Y)	0.980
Job Satisfaction (Z)	0.959

Source: Smart PLS output (data processed by researchers), 2025

The results in the table show that all variables have Cronbach's Alpha values above 0.60. Thus, all variables in this study were declared to have an adequate level of reliability, because they met the set criteria.

Inner Model Test

Table 10. R-Square Value

Variabel	R Square	R Square Adjust
Leadership (X1)		
Work Environment (X2)		
Employee Performance (Y)	0.820	0.802
Job Satisfaction (Z)	0.834	0.824

Source: Smart PLS output (data processed by researchers), 2025

The result of the R-Square value in the table can be calculated by :

$$\begin{aligned}
 Q^2 &= 1 - (1 - R^2) (1 - R^2) \dots (1 - R^2) \dots \dots \dots (1) \\
 Q^2 &= 1 - (1 - 0.8202) (1 - 0.8342) \\
 &= 1 - (1 - 0.6722) (1 - 0.6952) \\
 &= 1 - (1 - 0.451) (1 - 0.483) \\
 &= 1 - (0.549) (0.517) \\
 &= 1 - 0.284 \\
 &= 0.716
 \end{aligned}$$

The calculation results show that the Q-Square predictive relevance value is 0.716. Since the value is greater than 0, it can be concluded that the model has strong predictive relevance, with the ability to explain the endogenous variables in the model of 71.6%.

Hypothesis Test Results

Table 11. Hypothesis Test Results

Influence Between Variables	P Values
Leadership (X1) -> Employee performance (Y)	0.485
Leadership (X1) -> Job satisfaction (Z)	0.026
Work Environment (X2) -> Employee Performance (Y)	0.027
Work Environment (X2) -> Job satisfaction (Z)	0.000
Job Satisfaction (Z) -> Employee Performance (Y)	0.002
Leadership (X1) -> Job Satisfaction (Z) -> Employee Performance (Y)	0.044
Work Environment (X2) -> Job satisfaction (Z) -> Employee performance (Y)	0.009

Source: Smart PLS output (data processed by researchers), 2025

The test results can be declared acceptable if the probability value is less than 0.05, then it can be explained as follows:

- H1 : Leadership does not have a positive and significant effect on employee performance, because it can be seen from the P values of 0.485, H1 is rejected.
- H2 : Leadership has a positive and significant effect on employee performance, because it can be seen from the P values of 0.026, H2 is accepted.
- H3 : The work environment has a positive and significant effect on job satisfaction, because it can be seen from the P values of 0.027, H3 is accepted.
- H4 : Work Environment has a positive and significant effect on job satisfaction.

DISCUSSION

Based on the data analysis using the Structural Equation Modeling (SEM) approach with SmartPLS software, it was revealed that leadership has a positive and significant influence on employee job satisfaction. This indicates that higher perceived leadership quality is associated with increased levels of job satisfaction among employees.. A leadership style that is communicative, supportive, and provides space for participation, encourages the creation of healthy working relationships and increases psychological comfort in carrying out tasks. These findings are consistent with transformational leadership theory, where leaders who are able to inspire and pay attention to individual needs will drive increased job satisfaction.

In addition, the work environment has also been proven to have a significant effect on employee job satisfaction. A work environment that is well-organized, safe, and supportive of collaboration has a positive impact on employees' perception of comfort at work. Factors such as relationships between

coworkers, involvement in decision-making, and a pleasant work atmosphere also strengthen job satisfaction. These findings are in line with the opinion of Robbins and Judge (2007) who stated that the physical and social aspects of the work environment play an important role in influencing employee attitudes and satisfaction.

Furthermore, job satisfaction was found to have a positive and significant influence on employee performance. Satisfied employees tend to show high work motivation, responsibility, and active participation in achieving organizational goals. They are more enthusiastic in completing tasks, accepting challenges, and developing self-competence. This proves that job satisfaction is not just a psychological factor, but also an important driver in improving productivity and performance quality.

The influence of leadership on employee performance was also shown to be significant in this study. Leaders who are able to direct, motivate, and set an example for the team will drive improved work performance both individually and in groups. These influences are immediate, which means that effective leadership can improve performance without having to go through mediation variables. These findings confirm that leadership has a strategic role in achieving organizational targets.

Similarly, the work environment has a positive effect on employee performance. Supportive working conditions, both physically and socially, allow employees to work more focused and optimally. A clean, orderly, and comfortable work environment provides a sense of security and emotional stability, which ultimately impacts improved work efficiency. These results reinforce the view that a good work environment is an important prerequisite for organizations that want to maintain high productivity.

This study also shows that job satisfaction mediates the influence of leadership on employee performance. This means that a good leadership style not only has a direct effect on performance improvement, but also indirectly through increased job satisfaction. Thus, leaders who are able to create a satisfying work atmosphere will have a greater impact on employee performance. This process emphasizes the importance of a leadership approach that not only prioritizes results, but also pays attention to the psychological well-being of employees.

Finally, job satisfaction has also been proven to mediate the influence of the work environment on performance. A positive work environment not only creates comfort at work, but also increases job satisfaction, which ultimately drives improved performance. This shows that the effect of the work environment on productivity becomes stronger when employee job satisfaction is also considered. Therefore, organizations need to build an environment that is not only functional, but also provides meaning and satisfaction for the individuals who are in it.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the research that has been conducted, it can be concluded that leadership and the work environment have a positive influence both directly and indirectly on employee performance through job satisfaction as a mediating variable. Effective leadership, characterized by an open communication style, support for individual development, and the ability to provide clear direction, has been shown to increase employee job satisfaction. Similarly, a safe, comfortable, and socially supportive work environment contributes to satisfaction and productivity. Employees who feel satisfied with their work, both financially and psychologically, show better performance, including in terms of taking initiative, completing challenging tasks, and updating competencies. Thus, both leadership and the work environment play an important role in shaping optimal employee work behavior, both directly and through increased job satisfaction.

In line with these findings, several recommendations can be submitted for the management of Kedai Kopi Dynasty. First, it is important for companies to continue to improve the quality of leadership, one of which is through soft skills training for team leaders, including communication skills, providing constructive feedback, and attention to the welfare of subordinates. Second, it is necessary to evaluate and improve the work environment, both in terms of physical facilities, work atmosphere, and social interaction, in order to create a more conducive and collaborative workplace. Third, companies need to pay attention to the balance between workload and compensation that employees receive, as well as provide participatory space for them to feel valued and involved in organizational processes. Fourth, performance improvement strategies should not only focus on work results, but also pay attention to the psychological aspects and job satisfaction of employees as the main driving factors. Finally, it is recommended for further research to expand the scope of the sample and use a qualitative or mixed approach (mixed methods), in order to gain a more comprehensive understanding of leadership dynamics, work environment, and performance in the context of the service industry.

ADVANCED RESEARCH

For future research, it is recommended to broaden the scope of the study by involving a larger and more diverse sample across various types of service-based businesses to enhance the generalizability of the findings. Additionally, employing a qualitative or mixed methods approach could provide deeper insights into the complex interplay between leadership styles, work environment factors, and employee job satisfaction. Such approaches may uncover underlying perceptions, motivations, and cultural influences that are not easily captured through quantitative measures alone. Future studies could also explore other potential mediating or moderating variables—such as organizational culture, employee engagement, or emotional intelligence—that may influence the relationship between leadership, the work environment, and employee performance. This would contribute to a more nuanced and holistic understanding of how to sustainably foster high-performing, satisfied teams in service industry settings.

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