

ABSTRACT

In a company or organisation, of course, must have human resources to be used as an investment in the long term because quality human resources can achieve a goal. The indicator of a company achieving its business goals is one of them that can be seen is work productivity. Companies need to pay attention to work productivity because the rise and fall of productivity is certainly inseparable from the work environment and work motivation.

The purpose of this study is to analyse and test the positive effect of Work Environment on Work Productivity of PT XYZ. In addition, testing the effect of Work Motivation as a mediating variable between the Work Environment and Productivity of PT. XYZ.

Survey method was used in this research. Data collection was carried out by utilising questionnaire instruments. The target population of the study was employees of PT XYZ. The sample size was determined to be 106 samples. Sampling technique used in this research is non-probability method with saturated sampling technique. And the Partial least Square-Structural Equation Modeling (SEM-PLS) approach with SmartPLS 4.0 software was used for data analysis.

The results showed that the work environment has a significant and positive effect on work productivity. In the work environment, the results show that it has a significant and positive effect on work motivation. On the other hand, it shows that work motivation has a negative and insignificant effect on work productivity. Not only that, the work environment has a negative and insignificant effect on work productivity through work motivation so that work motivation does not mediate the work environment on work productivity.

Based on the results of the research that has been presented, suggestions can be given to PT XYZ, namely the installation of sound insulation, such as acoustic panels or sound curtains, can help reduce sound penetration from outside or from the surrounding area. This can help create a quieter environment in the workspace so that it can create a more comfortable atmosphere.

Keywords: *Work Environment, Work Productivity, Work Motivation*