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THE INFLUENCE OF ORGANIZATIONAL CLIMATE AND WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE WITH WORK QUALITY AS AN INTERVENING VARIABLEAT THE BELAWAN HARBORMASTER AND MAIN PORT AUTHORITY OFFICE

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ABSTRACT

This study aims to analyze the influence of Organizational Climate and Work Environment on Employee Performance, with Work Quality as an intervening variable, at the Harbormaster and Main Port Authority Office in Belawan. The study was conducted in June 2025 for three months. The study location was at the Harbormaster and Main Port Authority Office in Belawan, Jalan Deli Medan, Belawan, Postal Code 20411. The population in this study was 244 employees, and a sample of 151 respondents was determined using the Slovin formula with a 5% margin of error. The sampling technique was proportional to the number of employees in each department. The type of data used was primary data obtained directly from respondents through a questionnaire.
The results showed that Organizational Climate and Work Environment had a positive and significant effect on Employee Performance, both directly and indirectly through Work Quality as an intervening variable. Work Quality also had a positive and significant effect on Employee Performance. Thus, it can be concluded that Work Quality plays a mediating role in the relationship between Organizational Climate and Work Environment on Employee Performance. This research implies that improving employee performance can be achieved by strengthening the organizational climate, work environment, and the quality of employee work output.

Introduction

In facing increasingly complex work dynamics, government agencies are required to continuously improve the quality of their services to the public. The Belawan Harbormaster and Main Port Authority Office, as a government institution playing a crucial role in the maritime and port sector, has a significant responsibility in ensuring the smooth flow of ships and goods, as well as guaranteeing maritime safety. To optimize

these functions, high employee performance is needed, which not only meets quantitative work targets but also reflects quality, accuracy, and professional responsibility in its implementation. Employee performance is the result of a combination of various factors, both from within the individual and from the organizational environment. Two important factors often highlighted in various human resource management studies are organizational climate and work environment. Organizational climate is the shared perception of organizational members regarding the policies, practices, and procedures in the workplace, which can influence employee motivation, satisfaction, and work spirit. Meanwhile, the work environment encompasses both physical and non-physical conditions that directly affect employee comfort and productivity in carrying out their duties.

A positive organizational climate, such as fair leadership, open communication, and a supportive work culture, can increase employee loyalty and work spirit. Conversely, a rigid, non-transparent, or high-pressure organizational climate can reduce motivation and negatively impact performance. Similarly, a safe, clean, and well-organized work environment will provide comfort for employees to concentrate and complete tasks well. Factors such as lighting, air circulation, spatial layout, noise, and interpersonal relationships among coworkers are also important elements in shaping a supportive work environment. However, organizational climate and work environment do not always directly impact employee performance. One intervening factor that plays a significant role in bridging this relationship is work quality. Work quality describes the extent to which an employee is able to produce work that meets established standards, both in terms of timeliness, accuracy, and responsibility. Work quality is influenced by concentration levels, experience, skills, and work environment support, thus it can be an intervening variable that explains how and to what extent organizational climate and work environment impact employee performance.

In the context of the Belawan Harbormaster and Main Port Authority Office, complex work challenges, high administrative burdens, and interactions involving various parties make a deep understanding of the factors influencing employee performance crucial. Although the organization has been structured and operated systematically, the success of task implementation still depends on the daily working conditions faced by employees. Therefore, this research is important to analyze the extent of the influence of organizational climate and work environment on employee performance, as well as the role of work quality in mediating that relationship.

The results of this study are expected to provide a positive contribution to organizational management in designing strategies to improve employee performance through creating a healthy organizational climate, a comfortable work environment, and efforts to enhance work quality. Thus, the Belawan Harbormaster and Main Port Authority Office can continue to improve efficiency and effectiveness in providing services to the public and ensuring maritime safety professionally.

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The Belawan Harbormaster and Main Port Authority Office (KSOP Belawan) is a strategic agency in the port sector that plays a role in supervision, maritime safety services, and the smoothness of loading/unloading activities. The high work intensity, dynamic service nature, coordination with various stakeholders (port, shipping companies, maritime transportation, and related authorities), and demands for fast and accountable public services make employee performance quality a very crucial aspect. In recent years, there have been phenomena indicating a mismatch between task demands and the quality of employee work output, such as delays in ship document administration, repetitive verification processes, and differences in internal service standards. This raises suspicions regarding the influence of internal organizational factors.

These phenomena can be linked to organizational climate, for example, employee perceptions regarding clarity of command structure, openness of communication, leadership support, and the reward system. Some employees assess that inter-departmental communication is not yet optimal, especially when facing increased workloads leading up to the shipping peak season. Additionally, coordination and supervision mechanisms have not run consistently, affecting the accuracy of work results. Besides organizational climate, there are also phenomena related to the physical and non-physical work environment. Physically, work facilities such as ship document processing service rooms and archive rooms are not yet fully ergonomically arranged and often experience crowding during peak service hours. Some digital document support devices also experience technical disturbances, slowing down work output. From the non-physical environment side, interactions between employees and external stakeholders sometimes cause psychological pressure that impacts employee focus and work quality.

These phenomena have implications for work quality, which is an important part of the process towards final employee performance. Optimal work quality should be reflected in accurate work results, minimal errors, efficiency, and meeting port agency standards. However, obstacles from organizational climate and work environment raise the suspicion that work quality becomes a variable that also bridges (intervenes) the influence of these two factors on overall employee performance. This condition aligns with the increasing demands for port service digitalization and indicators of bureaucratic reform emphasizing employee performance effectiveness. Therefore, research on the influence of organizational climate and work environment on employee performance with work quality as an intervening variable at KSOP Belawan is relevant, both to explain empirical phenomena and to provide recommendations for improving work systems in the future.

Problem Identification

Phenomena that may indicate problems in the organizational climate at KSOP Belawan include:

1. There is still unclear coordination between departments in ship document service processes and port activities.

2. Internal communication mechanisms are not always effective, especially when workloads increase.
3. Leadership support is not yet consistent with employee needs in completing strategic tasks.
4. The reward and punishment system does not fully encourage employee work motivation.
5. Employee perceptions regarding organizational transparency still vary, including in task and responsibility distribution.

Problem Formulation

Based on the described background, the problem formulation in this study is as follows:

1. Does organizational climate have a positive and significant effect on employee performance at the Belawan Harbormaster and Main Port Authority Office?
2. Does the work environment have a positive and significant effect on employee performance at the Belawan Harbormaster and Main Port Authority Office?
3. Does organizational climate have a positive and significant effect on work quality at the Belawan Harbormaster and Main Port Authority Office?
4. Does the work environment have a positive and significant effect on work quality at the Belawan Harbormaster and Main Port Authority Office?
5. Does work quality have a positive and significant effect on employee performance at the Belawan Harbormaster and Main Port Authority Office?
6. Does organizational climate have a positive and significant effect on employee performance with work quality as an intervening variable at the Belawan Harbormaster and Main Port Authority Office?
7. Does the work environment have a positive and significant effect on employee performance with work quality as an intervening variable at the Belawan Harbormaster and Main Port Authority Office?

Research Objectives

Based on the problem formulation and background, the researcher sets the research objectives as follows:

1. To test and analyze the influence of organizational climate on employee performance at the Belawan Harbormaster and Main Port Authority Office.
2. To test and analyze the influence of the work environment on employee performance at the Belawan Harbormaster and Main Port Authority Office.
3. To test and analyze the influence of organizational climate on work quality at the Belawan Harbormaster and Main Port Authority Office.
4. To test and analyze the influence of the work environment on work quality at the Belawan Harbormaster and Main Port Authority Office.

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5. To test and analyze the influence of work quality on employee performance at the Belawan Harbormaster and Main Port Authority Office.
6. To test and analyze the influence of organizational climate on employee performance with work quality as an intervening variable at the Belawan Harbormaster and Main Port Authority Office.
7. To test and analyze the influence of the work environment on employee performance with work quality as an intervening variable at the Belawan Harbormaster and Main Port Authority Office.

Research Benefits

This research is expected to provide both theoretical and practical benefits, as follows:

1. Theoretical Benefit

   This research is expected to contribute to the development of science, particularly in the field of human resource management and organizational behavior, by providing empirical evidence regarding the influence of organizational climate and work environment on employee performance through work quality as an intervening variable. The results of this study are also expected to be a reference for future researchers who wish to study similar variables.

2. Practical Benefit

   For the Belawan Harbormaster and Main Port Authority Office, the results of this research can be used as a basis for consideration in making policies related to improving employee performance through improving organizational climate, creating a conducive work environment, and developing employee work quality. By understanding the factors influencing performance, management can formulate more effective strategies to increase employee productivity and professionalism.

Literature Review

Employee Performance

Definition of Employee Performance

According to Pratama (2021), employee performance is the work results achieved by individuals in an organization based on established standards, procedures, and targets, thus reflecting the level of success in carrying out their duties and responsibilities. According to Sedarmayanti (2018), performance is the work results achieved by a person or group of people in an organization according to their respective authorities and responsibilities in an effort to achieve organizational goals.

Employee Performance Indicators

According to Pratama (2021), employee performance reflects the work results achieved by employees based on the given responsibilities. Good performance is not only

seen from the results but also from the method and process of achievement. Kasmir compiles employee performance indicators into the following 5 aspects:

1. Timeliness of task completion. This indicator shows the employee's ability to complete work according to the schedule, deadline, or predetermined work duration. Timely task completion depicts employee effectiveness and ability to manage time and work priorities.
2. Accuracy of work results. Accuracy of work results relates to employee precision and thoroughness in producing output with minimal errors. This indicator assesses the extent to which work results meet organizational specifications or needs.
3. Volume of work capable of being completed. Work volume measures the extent to which an employee is able to complete a number of tasks or workload within a certain period. The greater the volume of work that can be completed without reducing quality, the higher the employee performance.
4. Conformity with work standards. This indicator assesses whether the employee's work results have complied with standard operational procedures (SOP), policies, or organizational guidelines. Work standards serve as references for service quality and organizational productivity.
5. Responsibility towards work. This indicator reflects the level of employee accountability in carrying out tasks, including discipline, compliance, and involvement in the work completion process. Employees who have high responsibility.

Organizational Climate

Definition of Organizational Climate

According to Schneider, Ehrhart, & Macey (2017), organizational climate reflects the collective experience of employees regarding the values, norms, and practices that apply in the organization. A strong climate is usually reflected in the consistency of attitudes and behaviors aligned with organizational goals, such as excellent service, innovation, or work safety. According to Zohar & Hofmann (2019), organizational climate is the shared perception held by employees regarding the importance of certain behaviors in the workplace and the extent to which those behaviors are valued, supported, and expected by the organization.

Organizational Climate Indicators

According to Zohar & Hofmann (2019), organizational climate can be measured through employee perceptions of the following:

1. Leadership Support for Compliance and Performance.
   To what extent leadership provides attention and support for behaviors that align with organizational values and policies.
2. Consistency in Policy Implementation.

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Whether organizational rules and procedures are applied fairly, consistently, and do not change depending on the situation.

3. Two-Way Communication between Superiors and Subordinates.
   Openness of communication, both in conveying information and receiving feedback from employees.
4. Emphasis on Organizational Values.
   To what extent the organization emphasizes the importance of core values (e.g., safety, integrity, cooperation) in daily activities.
5. Trust in Management Commitment.
   The level of employee trust that management is truly committed to the welfare, safety, or values they promote.
6. Clarity of Employee Behavioral Expectations.
   To what extent the organization clearly communicates what behaviors are expected from employees in carrying out their duties.

Work Environment

Definition of Work Environment

According to Suhardi (2018), the work environment is everything that exists around employees and can affect them in carrying out assigned tasks, both directly and indirectly. According to Nitisemito (2018), the work environment is everything that exists around the workplace that can affect employees, either positively or negatively, in performing their duties.

Work Environment Indicators

Work Environment Indicators according to Nitisemito (2018) are as follows:

1. Lighting and Ventilation of the Workspace. Adequate levels of lighting and air circulation to support comfort and occupational health.
2. Level of Cleanliness and Tidiness of the Work Environment. Conditions of a clean, well-arranged, and well-organized workspace.
3. Room Temperature and Noise Conditions. Comfortable temperature and noise levels that do not disturb concentration.
4. Social Relationships Among Employees. Quality of harmonious and supportive interactions and cooperation among coworkers.
5. Support and Concern from Superiors. The extent to which superiors provide attention, guidance, and support for employee task execution.
6. Sense of Safety and Comfort in Working. Feelings of physical and psychological safety while working, free from threatening or detrimental pressure.

Work Quality

Definition of Work Quality

According to Tampubolon (2018), work quality is a measure of how far a person's work results meet organizational requirements and expectations, both in terms of timeliness, detail, and usefulness. According to Gunawan and Amalia (2020), work quality is a form of work achievement that shows efficiency and effectiveness, viewed from the accuracy, usefulness, and durability of the work results.

Work Quality Indicators

According to Gunawan & Amalia (2020), work quality reflects employee work results that meet organizational standards in terms of effectiveness, efficiency, and work accuracy. They group work quality into several main indicators as follows:

1. Timeliness. Employee's ability to complete work according to the set deadlines.
2. Accuracy of Work Results Low error rate and work results that match established specifications or standards.
3. Compliance with Procedures The extent to which work results comply with standard operations and organizational rules.
4. Usefulness of Work Results How much benefit or contribution the work results provide to organizational goals.
5. Initiative and Innovation Employee's ability to provide creative solutions and new initiatives in work.
6. Performance Consistency Ability to maintain stable work quality over a long period.

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Conceptual Framework

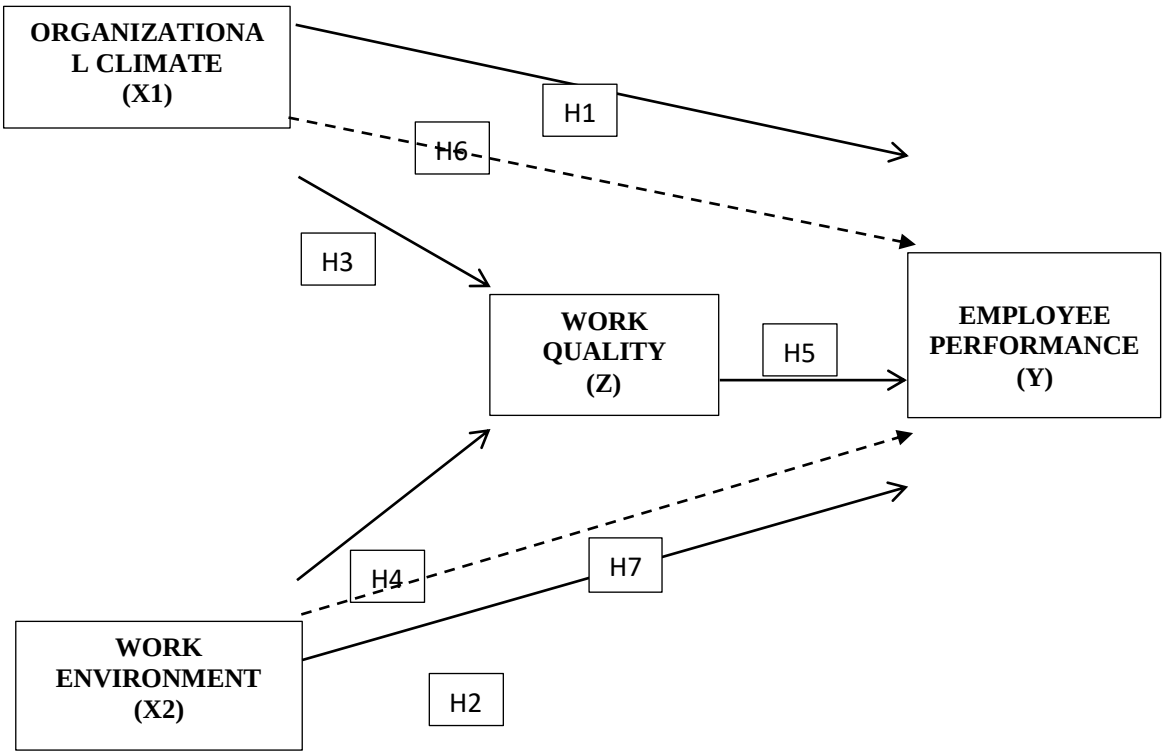

Figure 1. Conceptual Framework

Research Hypotheses

Based on the conceptual framework that has been drawn, the researcher formulates the research hypotheses as follows:

H1 Organizational climate has a positive and significant effect on employee performance at the Belawan Harbormaster and Main Port Authority Office.

H2 The work environment has a positive and significant effect on employee performance at the Belawan Harbormaster and Main Port Authority Office.

H3 Organizational climate has a positive and significant effect on work quality at the Belawan Harbormaster and Main Port Authority Office.

H4 The work environment has a positive and significant effect on work quality at the Belawan Harbormaster and Main Port Authority Office.

H5 Work quality has a positive and significant effect on employee performance at the Belawan Harbormaster and Main Port Authority Office.

H6 Organizational climate has a positive and significant effect on employee performance with work quality as an intervening variable at the Belawan Harbormaster and Main Port Authority Office.

The work environment has a positive and significant effect on employee performance with work quality as an intervening variable at the Belawan Harbormaster and Main Port Authority Office.

Research Methodology

Research Type

This study uses quantitative research as the type of research required. Quantitative research (Sugiyono, 2022) is research based on positivism that aims to study a specific population or sample. Data analysis in quantitative research is statistical with the aim of describing and testing predetermined hypotheses.

Research Location and Time

The research location was at the Belawan Harbormaster and Main Port Authority Office, Jalan Deli, Medan Belawan District, Postal Code 20411. The research was conducted from November to December 2025.

Research Population

This study uses the entire employee population of the Belawan Harbormaster and Main Port Authority Office as the population, totaling 244 employees. According to Sugiyono (2022), a population is the generalization area consisting of: objects/subjects that have certain quantities and characteristics determined by the researcher to be studied and then conclusions are drawn. The population in this study totals 244 respondents.

Research Sample

The researcher wants to use the Slovin formula to find the sample from the population because the population exceeds 100 employees, namely 244 employees, therefore the Slovin formula According to Sugiyono (2022), the Slovin formula is used when the researcher knows the population size and wants to determine the sample size with a certain error tolerance. The formula is:

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$$n = \frac{N}{1 + N \times e^2}$$

Description:

n = number of samples taken

N = population size

e = tolerable error rate (e.g., 0.05 for 5%)

n= 244/(1 + 244 x $0{,}05^2$)

n= 244/(1 + 244 x 0,0025)

n= 244/(1 + 0,61)

n= 244/ 1,61

n= 151,552

This means the sample to be used is 151 employees.

Table 1 : Sample Size

Section	Number of Employees	Number of Respondents
1. Administration	53	53/244 x 151 = 33
2. Supervision and Enforcement	92	92/244 x 151 = 57
3. Sea Transportation Traffic	65	65/244 x 151 = 40
4. Shipping and Seafaring	34	34/244 x 151 = 21
Total	244	151

Source : Processed Data (2025)

Research Data Source

The researcher uses primary data sources as the research data source; primary data means the researcher directly collects research data at the research site. According to Sugiyono (2022), primary data is original data collected by the researcher themselves to specifically answer the research problem.

Data Collection Technique

The researcher uses a questionnaire data collection technique where the researcher creates and distributes questionnaires to the sample respondents. According to Sugiyono (2022), a questionnaire is an efficient data collection technique if the researcher already knows the variables being measured and what is expected from the respondents.

Operational Definition of Research

Variables explain the meaning and definitional boundaries of the extent of the research to be conducted. According to Sugiyono (2022), research variables are

attributes, properties, or values of people, objects, or activities that have certain variations determined by the researcher to be studied and then conclusions are drawn. Variables in this study consist of independent variables (variables that cause other variables), dependent variables (variables whose conditions are influenced by other variables), and intervening variables (variables that theoretically affect the relationship between independent and dependent variables). This study has four variables to be researched as follows:

Table 2. Operational Definition of Variables

Variable	Definition	Indicators
EMPLOYEE PERFORMANCE (Y)	According to Pratama (2021), Employee Performance is the work results achieved by individuals in an organization based on established standards, procedures, and targets, reflecting the level of success in carrying out their duties and responsibilities.	According to Pratama (2021), 1. Punctuality, 2. Accuracy of results, 3. Work volume, 4. Compliance with work standards, and 5. Responsibility for work.
ORGANIZATIONAL CLIMATE (X1)	According to Zohar & Hofmann (2019): Organizational Climate is the shared perception among employees regarding the importance of certain behaviors that are valued, supported, and expected by the organization.	According to Zohar & Hofmann (2019): 1. Leadership support for compliance and performance 2. Consistency in policy implementation 3. Two-way communication between superiors and subordinates 4. Emphasis on organizational values 5. Trust in management commitment 6. Clarity of employee behavior expectations
WORK ENVIRONMENT	According to Nitisemito	According to Nitisemito

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(X2)	(2018): Work Environment is everything around the workplace that can positively or negatively affect the performance of employees' duties.	(2018): 1. Lighting and ventilation of the workspace 2. Level of cleanliness and tidiness of the WORK ENVIRONMENT 3. Room temperature and noise levels 4. Social relationships between employees 5. Support and concern from superiors 6. Sense of security and comfort at work
WORK QUALITY (Z)	According to Gunawan & Amalia (2020): Work Quality is a work achievement that demonstrates efficiency and effectiveness, as seen from the accuracy, usefulness, and durability of work results.	According to Gunawan & Amalia (2020): 1. Timeliness 2. Accuracy of work results 3. Compliance with procedures 4. Usefulness of work results 5. Initiative and innovation 6. Consistency of performance

Data Analysis Technique

This study uses Descriptive Statistical analysis and Partial Least Squares Structural Equation Modeling (PLS-SEM), which is an analysis used to develop or predict an existing theory. The descriptive method is used to obtain a complete and precise picture of the research objectives. In this case, a 5-point Likert scale is used. Partial Least Squares Structural Equation Modeling (PLS-SEM) is an analysis used to develop or predict an existing theory (Sarwono & Narimawati, 2015). This research uses structural model analysis PLS with the help of SmartPLS 3.0 software. According to Sabil (2015), structural model analysis has several stages, namely:

1. Formulating the structural model theory,
2. Outer model analysis,
3. Inner model analysis, and

4. Hypothesis testing.

Outer Model Testing

In outer model testing, the aim is to see the validity and reliability of a model. This testing analysis will be viewed from the influence of Factor Loading, Average Variance Extracted (AVE), Discriminant Validity, and Composite Reliability.

a) Factor loading

Factor loading is the initial stage in testing the validity of a model; the requirement for factor loading is that it must be > 0.6 for the indicator to be declared valid. If not valid, it must be removed from the model (Husein, 2015).

b) Average Variance Extracted (AVE)

Average Variance Extracted (AVE) is a value used in convergent validity testing because the value is obtained from the convergent validity output. In this study, the expected AVE value is > 0.5. Looking at the latent variable constructs, all constructs have values above 0.5 (or greater than 0.5).

c) Discriminant Validity

Discriminant Validity can be tested by looking at the cross-loading table; this output is used to test discriminant validity at the indicator level with the stipulation that the correlation between the indicator and its latent variable > compared to the correlation between the indicator and other latent variables (outside its block).

d) Composite Reliability

To ensure there are no problems related to measurement, the final step in evaluating the outer model is to test the unidimensionality of the model. This unidimensionality test is conducted using composite reliability and Cronbach's alpha. For both indicators, the cut-off point value is 0.7.

Inner Model Testing

a) Coefficient of Determination R2 (R-Square)

Goodness of fit in PLS can be known from the Q2 value. The Q2 value has the same meaning as the coefficient of determination (R-Square) in regression analysis.

b) Hypothesis

Hypothesis testing in PLS is used to measure the probability of data using the path coefficients menu. The rule of thumb for supporting a research hypothesis is: if the coefficient or direction of the variable relationship (shown by the original sample value) aligns with the hypothesized one, and if the t-statistic value is > 1.64 (two-tailed) or >1.96 (one-tailed) it can be said to be significant, and the probability value (p-value) is < 0.01; <

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0.05; < 0.10 can be said to be significant. In p-value, if the value obtained is > 0.10, it can be said to be not significant (Jogiyanto and Abdillah, 2014).

Results and Discussion

Outer Model Analysis

Measurement model testing (outer model) is used to determine the specific relationship between latent variables and the dependent variable. It includes convergent validity, discriminant validity, and reliability.

Convergent Validity

This test is based on the loading factor, which is 0.7, and the average variance extracted (AVE) value, which is 0.5; if the deviation is above that, it is considered valid. Indicator validity is indicated if the variable construction variable has a value greater than 0.7. The structural model used in this study is illustrated in the following diagram:

Table 3. Outer Loadings/Cross Loading stage 1

	Organizational Climate_(X1)	Employee Performance_(Y)	Work Quality_(Z)	Work Environment_(X2)
X1.1	0,856			
X1.2	0,843			
X1.3	0,737			
X1.4	0,797			
X1.5	0,822			
X1.6	0,861			
X2.1				0,835
X2.2				0,855
X2.3				0,841
X2.4				0,852
X2.5				0,856
X2.6				0,787
Y.1		0,806		
Y.2		0,811		
Y.3		0,838		
Y.4		0,822		
Y.5		0,616		
Y.6		0,621		
Z.1			0,766	
Z.2			0,875	
Z.3			0,879	
Z.4			0,828	
Z.5			0,869	
Z.6			0,852	

Source : Smart PLS 3.3.3

Stage 1 outer loading results show that most indicators for the Organizational Climate (X1), Work Environment (X2), Employee Performance (Y), and Work Quality (Z) variables have met convergent validity requirements with loading values above 0.700. The Organizational Climate variable (X1) has six indicators with the highest value at X1.6 (0.861), while Work Environment (X2) also shows consistent validity with the highest value at X2.5 (0.856). For the Employee Performance variable (Y), four indicators meet the valid criteria, but two indicators (Y.5 and Y.6) are still below the threshold, thus declared invalid. Meanwhile, Work Quality (Z) shows strong reliability and validity with all indicators above 0.800.

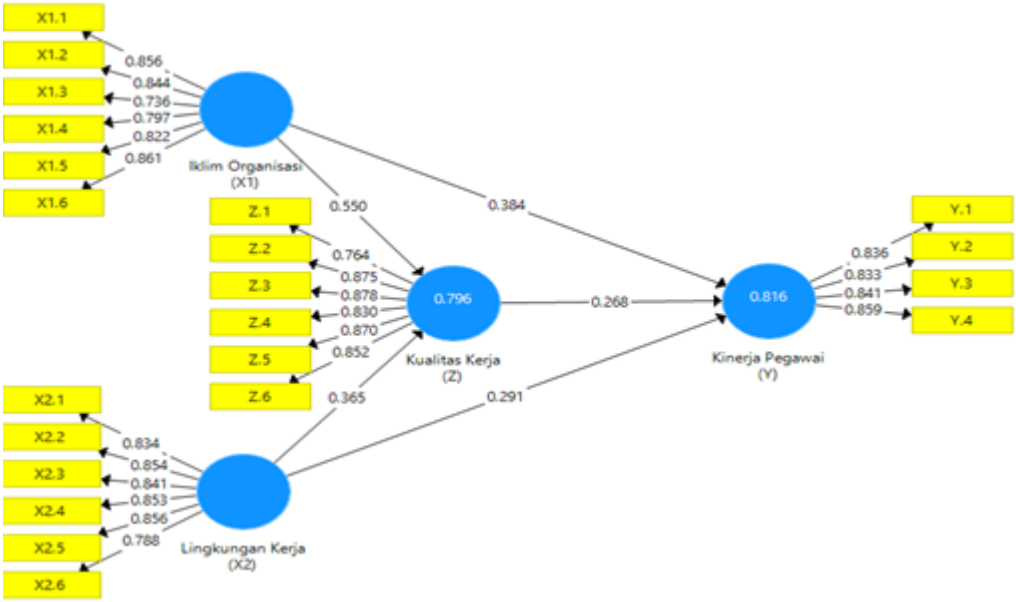

Figure 2. Outer Model

Source : Smart PLS 3.3.3

The Smart PLS output for loading factor provides results in the following table: Outer Loadings In this study, there are equations, and the equation consists of two substructures for substructure 1

Z = b1X + b2X2 + e1

Z = 0,550 - 0,365 + e1

for substructure 2

Y = b2X1 + b3X2 + b4Z + e2

Y = 0,384 + 0,291 + 0,268 + e2

Table 4. Outer Loadings/Cross Loading stage 2

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	Organizational Climate_(X1)	Employee Performance_(Y)	Work Quality_(Z)	Work Environment_(X2)
X1.1	0,856			
X1.2	0,844			
X1.3	0,736			
X1.4	0,797			
X1.5	0,822			
X1.6	0,861			
X2.1				0,834
X2.2				0,854
X2.3				0,841
X2.4				0,853
X2.5				0,856
X2.6				0,788
Y.1		0,836		
Y.2		0,833		
Y.3		0,841		
Y.4		0,859		
Z.1			0,764	
Z.2			0,875	
Z.3			0,878	
Z.4			0,830	
Z.5			0,870	
Z.6			0,852	

Source : Smart PLS 3.3.3

Stage 2 outer loading results show an improvement in model validity after removing indicators that did not meet the criteria in the previous stage. All indicators for the Organizational Climate (X1), Work Environment (X2), Employee Performance (Y), and Work Quality (Z) variables have met convergent validity criteria with loading values above 0.700. The Employee Performance variable (Y) experienced significant improvement, where the four remaining indicators (Y.1-Y.4) show values above 0.830. Meanwhile, the Work Quality variable (Z) and Work Environment (X2) show consistent validity with high and stable loadings on all indicators. Overall, the measurement model at stage 2 is declared to have met indicator validity requirements so it can proceed to reliability testing and the structural model stage.

Discriminat Validity

The next analysis step is determining which data is valid in terms of discriminant validity. The goal is to determine whether the cross-loading value is greater compared to other variables, thus knowing the indicator's sensitivity to high correlation related to the construct. The table below presents the validity assessment results as follows:

Table 5. Discriminant Validity

	Organizational Climate_(X1)	Employee Performance_(Y)	Work Quality_(Z)	Work Environment_(X2)
X1.1	0,856	0,745	0,760	0,749
X1.2	0,844	0,773	0,813	0,796
X1.3	0,736	0,641	0,634	0,619
X1.4	0,797	0,674	0,671	0,710
X1.5	0,822	0,698	0,691	0,720
X1.6	0,861	0,780	0,733	0,797
X2.1	0,754	0,716	0,715	0,834
X2.2	0,807	0,762	0,773	0,854
X2.3	0,750	0,716	0,704	0,841
X2.4	0,811	0,772	0,716	0,853
X2.5	0,709	0,730	0,733	0,856
X2.6	0,661	0,638	0,668	0,788
Y.1	0,768	0,836	0,783	0,724
Y.2	0,724	0,833	0,728	0,745
Y.3	0,704	0,841	0,665	0,705
Y.4	0,761	0,859	0,694	0,735
Z.1	0,686	0,671	0,764	0,670
Z.2	0,768	0,755	0,875	0,749
Z.3	0,784	0,741	0,878	0,805
Z.4	0,756	0,743	0,830	0,730
Z.5	0,709	0,704	0,870	0,689
Z.6	0,743	0,712	0,852	0,701

Source : Smart PLS 3.3.3

The discriminant validity test results show that all indicators have higher loading values on their respective constructs compared to other constructs. This is seen from indicators in the Organizational Climate (X1), Work Environment (X2), Employee Performance (Y), and Work Quality (Z) variables having the highest values in their own construct columns. Thus, it can be concluded that each construct can explain its indicators better than other constructs. Overall, these results indicate that discriminant validity has been met, so the model can be declared valid and suitable to proceed to the next analysis stage.

Composite reliability

In composite reliability analysis, each variable is compared with its reliability coefficient; if the variable's reliability coefficient is more than 0.60 then the analysis is considered reliable; if the variable's reliability coefficient is between 0.60 and 0.07, then the analysis is unreliable; There are several blocks to determine whether the analysis results are reliable, valid, or not at all. Among them are Cronbach's alpha coefficient, composite reliability analysis, and AVE coefficient, which can be seen in the following table:

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Table 6. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Organizational Climate_(X1)	0,902	0,925	0,673
Employee Performance_(Y)	0,863	0,907	0,709
Work Quality_(Z)	0,920	0,938	0,715
Work Environment_(X2)	0,915	0,934	0,702

Source : Smart PLS 3.3.3

The reliability test results show that all variables have Cronbach's Alpha and Composite Reliability values above 0.70, meaning the indicators in each construct have been consistent and reliable. Additionally, the Average Variance Extracted (AVE) value for all constructs is also above 0.50, indicating that the variables have good convergent validity. Thus, both reliability and construct validity aspects in the model have been met and are suitable for further analysis in the research.

Inner Model Analysis

Structural model evaluation (inner model) is conducted to ensure that the basic model created is accurate and robust. The sampling strategy used in the primary analysis model is based on several cases, namely:

Coefficient of Determination (R2)

Based on data processing using SmartPLS 3.0 program, the R Square values are obtained as follows:

Table.7. R Square Results

	R Square	Adjusted R Square
Employee Performance_(Y)	0,816	0,813
Work Quality_(Z)	0,796	0,793

Source : Smart PLS 3.3.3

The R-Square test results show that the Employee Performance variable (Y) can be explained by the exogenous variables in the model by 81.6%, while the remainder is influenced by factors outside the model. Meanwhile, the Work Quality variable (Z) can be explained by the variables that influence it by 79.6%. The Adjusted R-Square values, which are not significantly different, indicate that the model has good and stable predictive ability.

Hypothesis Testing

After evaluating the inner model, the next step is to evaluate the relationship between idle builds as explained in this review. Speculation testing in this analysis is done by evaluating T-Statistics and P-Values. Speculation is announced to establish if T-Insights have a value greater than 1.96 and if the P-Values are less than 0.05. The direct impact of the Path Coefficient is what happens next.

Table 8. Path Coefficients (Direct Effects)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Organizational Climate_(X1) -> Employee Performance_(Y)	0,384	4,402	**0,000**	**Accepted**
Organizational Climate_(X1) -> Work Quality_(Z)	0,550	6,490	**0,000**	**Accepted**
Work Quality_(Z) -> Employee Performance_(Y)	0,268	3,412	**0,000**	**Accepted**
Work Environment_(X2) -> Employee Performance_(Y)	0,291	3,553	**0,000**	**Accepted**
Work Environment_(X2) -> Work Quality_(Z)	0,365	4,012	**0,000**	**Accepted**

Source : Smart PLS 3.3.3

1. Influence of Organizational Climate on Employee Performance Results show that Organizational Climate has a positive and significant effect on Employee Performance with a coefficient (0.384), T-statistic (4.402), and p-value (0.000). Because p-value < 0.05, the hypothesis is declared accepted.
2. Influence of Organizational Climate on Work Quality Organizational Climate is also proven to have a positive and significant effect on Work Quality with a coefficient (0.550), T-statistic (6.490), and p-value (0.000). This hypothesis is accepted.
3. Influence of Work Quality on Employee Performance Work Quality has a positive and significant effect on Employee Performance, shown by the coefficient (0.268), T-statistic (3.412), and p-value (0.000). Thus the hypothesis is accepted.
4. Influence of Work Environment on Employee Performance Work Environment has a positive and significant effect on Employee Performance with a coefficient (0.291), T-statistic (3.553), and p-value (0.000). This hypothesis is accepted.
5. Influence of Work Environment on Work Quality Work Environment is also proven to have a positive and significant effect on Work Quality with a coefficient (0.365), T-statistic (4.012), and p-value (0.000). This hypothesis is accepted.

Table 9. Path Coefficients (Indirect Effects)

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	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Organizational Climate_(X1) -> Work Quality_(Z) -> Employee Performance_(Y)	0,147	3,332	**0,000**	**Accepted**
Work Environment_(X2) -> Work Quality_(Z) -> Employee Performance_(Y)	0,098	2,300	**0,011**	**Accepted**

Source : Smart PLS 3.3.3

6. Influence of Organizational Climate on Employee Performance through Work Quality Results show that Organizational Climate has a positive and significant indirect effect on Employee Performance through Work Quality with a coefficient (0.147), T-statistic (3.332), and p-value (0.000). Because p-value < 0.05, the result is declared accepted.
7. Influence of Work Environment on Employee Performance through Work Quality Results also show that Work Environment has a positive and significant indirect effect on Employee Performance through Work Quality with a coefficient (0.098), T-statistic (2.300), and p-value (0.011). Thus, the result is declared accepted.

Conclusion

After obtaining the research results, the conclusions of this study are as follows:

1. Organizational Climate has a positive and significant effect on Employee Performance. This means, the better the Organizational Climate, the higher the Employee Performance.
2. Organizational Climate has a positive and significant effect on Work Quality. This indicates that a conducive Organizational Climate can improve employee Work Quality.
3. Work Quality has a positive and significant effect on Employee Performance. Thus, the higher the Work Quality, the higher the Employee Performance.
4. Work Environment has a positive and significant effect on Employee Performance. This indicates that a good Work Environment will improve Employee Performance.
5. Work Environment has a positive and significant effect on Work Quality. This means, a supportive Work Environment can produce better employee Work Quality.
6. Organizational Climate has a positive and significant indirect effect on Employee Performance through Work Quality. This shows that Work Quality mediates the relationship between Organizational Climate and Employee Performance.
7. Work Environment has a positive and significant indirect effect on Employee Performance through Work Quality. Thus, Work Quality also plays a mediating role in the relationship between Work Environment and Employee Performance.

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