The Effect of Leadership and Work Environment on Employee Productivity with Work Motivation as an Intervening Variable at PNM Medan Branch

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ABSTRACT

The purpose of this study was to examine the impact of leadership and the workplace environment on employee motivation and work productivity PNM Medan Branch employees. This study uses a quantitative approach with Structural Equation Modeling (SEM) using the PLS program and IBM Statistics SPSS 26.0. The unit of analysis used is all employees of the Medan Branch of PNM. The sample consists of 135 respondents. The data collection technique was carried out using a questionnaire distributed online. The results of the study show that work motivation can mediate the influence of leadership and work environment significantly on work productivity at PNM Medan Branch.
INTRODUCTION

PT. Permodalan Nasional Madani (PNM) is a national company (BUMN) which has a vision: “To become a leading financial institution in enhancing the additional value in a sustainable manner for Micro, Small, Medium Enterprises and Cooperatives (UMKMK) based on the principles of Good Corporate Governance (GCG) or Good Corporate Governance” with 3 (three) missions to achieve its vision, one of which is: “Increasing staff productivity and creativity to obtain the greatest results in developing the UMKMK sector”. Based on its vision and mission, PT PNM carries out its main business sector, namely the empowerment and development of UMKMK (Micro, Small, Medium Enterprises and Cooperatives) by carrying out business activities in Financing Services, Equity Participation, and Partnership and Management Services. With the target of UMKMK which is very large in number, Of course, it calls for a sizable workforce of workers with marketing expertise. PT. PNM determines that the customer target for 2023 is 15 million customers.

Table 1. Number of Employees Based on Employment Status and Gender

<table>
<thead>
<tr>
<th>Status Kepegawaian Employment Status</th>
<th>2022</th>
<th>Total</th>
<th>2021</th>
<th>Total</th>
<th>2020</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pria Male</td>
<td>Wanita Female</td>
<td>Pria Male</td>
<td>Wanita Female</td>
<td>Pria Male</td>
<td>Wanita Female</td>
</tr>
<tr>
<td>Tetap Permanent</td>
<td>2,627</td>
<td>1,416</td>
<td>4,043</td>
<td>2,607</td>
<td>1,234</td>
<td>3,841</td>
</tr>
<tr>
<td>Kontrak Contract</td>
<td>2,351</td>
<td>4,127</td>
<td>6,278</td>
<td>2,148</td>
<td>3,605</td>
<td>5,753</td>
</tr>
<tr>
<td>Alih Daya</td>
<td>6,650</td>
<td>49,678</td>
<td>56,528</td>
<td>1,747</td>
<td>48,525</td>
<td>48,270</td>
</tr>
<tr>
<td>Jumlah</td>
<td>11,428</td>
<td>55,221</td>
<td>66,649</td>
<td>6,502</td>
<td>53,362</td>
<td>57,864</td>
</tr>
</tbody>
</table>

Table 1. shows that nationally the number of employees in 2020-2022 continues to increase, and in 2022 there will be 66,649 people, an increase compared to the number of employees in the previous year which reached 57,864 people. Different conditions are shown in the development of the number of employees at the PNM Medan Branch which has decreased in 2022 compared to the previous year.

Productivity problems also occur in the financing aspect. PT Permodalan Nasional Madani The Company manages its business activities and identifies reportable segments based on the type of financing generated. The financing segment consists of PNM Mekaar and ULaMM.

Table 2. Productivity of the Financing Segment Year 2021-2022

<table>
<thead>
<tr>
<th>SEGMENT PEMBIAYAAN</th>
<th>2022</th>
<th>2021</th>
<th>Pertumbuhan Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penyaluran PNM Mekaar</td>
<td>62,544,87</td>
<td>46,445,26</td>
<td>15,899,61 (34.25%)</td>
</tr>
<tr>
<td>Penyaluran ULaMM</td>
<td>1,641,61</td>
<td>3,010,31</td>
<td>(1,368,70) (45.47%)</td>
</tr>
</tbody>
</table>

Table 2 shows that PT PNM has disbursed PNM Mekaar financing of IDR 62.34 trillion, an increase of 34.23% from IDR 46.45 trillion in 2021. This figure exceeds the 2022 RKAP target of IDR 48.79 trillion with an achievement of 127.77%. Of the total distribution of PNM Mekaar 2022, the largest portion of
distribution is given to the trade, agriculture and home industry segments. However, for ULaMM products during 2022 ULaMM has distributed financing of IDR 1.64 trillion, a reduction of 45.47% from the prior year which amounted to IDR 3.01 trillion. A decrease in ULaMM financing products indicates a decrease in productivity. This also identifies a decrease in employee productivity at PT Permodalan Nasional Madani in 2022. Many factors determine work productivity, several factors that need to be looked at are leadership, work environment and work motivation (Prakoso, et al, 2016).

Leadership within the company plays an important role for the life of a company, both private and government companies. aspects of employee morale that are created from a leader within the company should not be ignored because with the right leadership style it is hoped that each individual employee will work hard and enthusiastically to achieve high work productivity. One of the factors that play a role in achieving company goals is leadership. A good leader must have characteristics, have a commitment to work, collaborate with subordinates, trust people, be loyal to co-workers, and avoid office politics (Wibowo, 2019).

Basically the company not only expects employees who are capable, capable and skilled, but what is important is that they want to work hard and the way of leadership in a company will also raise awareness of employees in meeting the company's needs. Leadership is a trait of the individual that cannot be learned. The leader is a determining factor in the success or failure of a company. Thus, a company needs quality leaders who can determine the success of the company (Kartono, 2016).

Many previous studies have examined the influence of leadership on work productivity. Widowati's research (2020) proves that good leadership can increase the work productivity of employees of PT Mustika Citra Rasa. Likewise with research conducted by Suherman and Suroso (2022) proving that leadership affects the work productivity of CV Mandala Utama employees. However, different results were shown in Liza's research, et al. (2022) which in his research resulted in the conclusion that leadership has no impact on employees' ability to produce employees of PT. Home Center Indonesia, Pekanbaru City.

The next factor that influences work productivity is the work environment. The work environment has an important role in achieving work productivity. This is because the existence of Employees work more actively and eagerly to improve performance in a good work environment. The workplace itself is made up of a physical workspace and a non-physical workspace that are connected to employees and cannot be separated from attempts to increase work productivity (Prakoso, et al, 2016).

According to Sedarmayanti (2017), the physical work environment in the sense of all the conditions that exist around the workplace, will affect employees both directly and indirectly. The environment within the company that is currently operating has a considerable influence on the success of the company. In another sense it is also claimed that the office setting is everything that looks physically related to a company or office organization.
A good work environment will greatly affect the level of employee productivity. A quality work environment will be a driving force for work enthusiasm and will ultimately drive employee productivity (performance), efficiency, motivation and achievement. A conducive work environment supports employee productivity at work, on the other hand, an uncomfortable and less conducive work environment can interfere with employee concentration. Therefore, Companies must consider the conditions in which their workers work, in order to achieve and increase employee productivity.

Based on initial observations that researchers carried out at the Medan Branch PNM Office, it was found that the work environment was not conducive, such as inadequate facilities.

Table 3. Conditions of Work Facilities for the PNM Medan Branch Office in 2022

<table>
<thead>
<tr>
<th>Facilities</th>
<th>Quantity</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Conditioning</td>
<td>3 Unit</td>
<td>4 Should have been needed. Meanwhile, out of the 3 available, 1 unit was damaged</td>
</tr>
<tr>
<td>Fire Extinguisher</td>
<td>1 Unit</td>
<td>There should be 2-3 pieces</td>
</tr>
<tr>
<td>Toilet</td>
<td>1 Room</td>
<td>Should be at least 3 pieces</td>
</tr>
</tbody>
</table>

Sources: Preliminary Observation Results at PNM Medan Branch (2023)

Based on Table 3. above, the condition of a number of facilities is that they are no longer fit for use and the number is inadequate. According to company management, these conditions have been planned to be repaired and added. This is in accordance with the suggestions of the employees, but the plan will be implemented in stages, and starting in 2024. Another aspect related to the work environment is the lack of comfort in the working environment for employees which is caused by: noise, physical discomfort, and inadequate work equipment.

Previous researchers have done a lot of research on the effect of the work environment on employee work productivity. Syahputra, et al. (2022) in his research concluded that the work environment affects the work productivity of employees of the Public Housing and Settlement Area Office of Gorontalo City. The same results were shown in Panjaitan's research (2017) which proved that there was an effect of the work environment on the work productivity of employees of PT Lotus Pradipta Mulia. However, different results were shown in Dahlia's research (2019) which concluded that the work environment had no effect on work productivity.

Work productivity is also influenced by work motivation. According to (Zamerr, et al, 2016), motivation is the desire of employees to do something that is given and to foster a sense of responsibility. Motivation in a company aims to encourage the morale of employees so they want to work hard by providing all abilities and skills for the realization of goals. According to this opinion it can also be interpreted that work motivation is a very important factor in increasing
employee productivity. Employees who have high work motivation tend to have better performance in carrying out their tasks.

Motivation affects work productivity because motivation is the cause, so you want to work hard and achieve the expected results (Hasibuan, 2016). As a factor that urges someone to engage in a certain activity, motivation is sometimes seen as a motivating factor for behavior. (Sutrisno, 2017). Someone who has high work motivation will have an influence on the work productivity.

In line with this theory, a number of studies also show the same results. Salsabila and Kusuma's research (2022) found that work motivation affects the work productivity of employees of CV Citra Sinaraja. Likewise Laisa and Monoarfa's research (2018) which concluded that work motivation affects the work productivity of employees of PT. Primarindo Kencana, City of Gorontalo. However, different results were shown in the research by Rampisela and Lumintang (2020) which found that work motivation had no effect on work productivity.

Previous studies have also found that both leadership and the work environment have an effect on work motivation. Research Mendrofa, et al. (2021), Harahap and Khair (2019), and Rego, et al. (2017) proved that leadership influences work motivation. Then, research by Wildan, et al. (2023), Patimah and Oktaviani (2023), and Pranitasari and Saputri (2020) found that the work environment influences work motivation. Thus, work motivation can be expected to mediate the effect of management style and workplace dynamics on output.

Further study is required on the effects of leadership, the workplace, and employee motivation on staff productivity at PNM Medan Branch based on these phenomena and research gaps. The purpose of the study is to determine whether work motivation may greatly mitigate the impact of leadership and work environment employee work productivity at PNM Medan Branch.

LITERATURE REVIEW
Work Productivity

According to Sedarmayanti (2017), productivity is the ability to produce goods/services which are usually calculated per hour, per month, per machine, and per other production factors. An almost similar view was put forward by Sinungan (2013), that work productivity is the total output produced by a person in a unit of labor time as a total. carried out including effective activities in achieving results sourced from inputs and using materials efficiently.

According to Sutrisno (2016) states that several factors affect productivity as follows: (1) Training. Job training is intended to equip employees with skills and appropriate ways to use work equipment, (2) mental and physical abilities of employees. The mental and physical state of employees is very important to be a concern for the organization, because the physical and mental state of employees has a very close relationship with employee work productivity, and (3) the relationship between superiors and subordinates. The relationship between superiors and subordinates will affect the activities carried out daily. How do superiors view subordinates, to what extent are subordinates involved in setting goals. Indicators of employee productivity according to Sinungan
Langkamane, Marsono

(2013) include: (1) Number of employees; (2) The number of production results achieved; (3) Number of working hours per worker; and (4) employee morale.

On the basis of the aforementioned conception, it may be claimed that work productivity is a comparison between the amount of work completed and the time spent by employees, or the quantity of goods or services that can be produced by an individual, group of individuals, or workforce within a specific timeframe.

**Work Motivation**

According to Flippo (Hasibuan, 2017), motivation is a skill in directing employees and organizations to want to work successfully, so that the wishes of employees and organizational goals are simultaneously achieved. Furthermore, according to Mangkunegara (2020), motivation is an encouragement that makes employees do something in a certain way and to achieve certain goals.

A person's work motivation in carrying out his work is influenced by several factors, namely internal factors that come from psychological processes within a person, and external factors that come from outside themselves (environment factors) which are more clearly stated by Ardana and Mujiati (2019), namely as follows: (1) Internal factors (personal maturity, educational level, personal desires and expectations, needs, fatigue and boredom, and job satisfaction), and (2) External factors (environmental conditions, adequate compensation, good supervision, there is a career guarantee, status and responsibilities, and flexible regulations). Indicators of work motivation according to McClelland (in Hasibuan, 2016) are divided into: (1) the craving for authority, the need for affiliation, and the demand for success.

Based on the above conception, it can be concluded that work motivation is a state in a person's personality that encourages the individual's desire to carry out certain activities to achieve a goal.

**Leadership**

According to Siagian (2018), leadership is the ability of someone to influence others in this case his subordinates. In such a way that other people want to do the will of the leader even though personally it might not be liked. Furthermore Hasibuan (2017) defines leadership as a way a leader influences the behavior of subordinates to want to work together and work effectively and efficiently to achieve organizational goals. According to Sopiah (2018), leadership is the process of organizing and influencing group members' actions in relation to their tasks.

Robbins and Judge (2018) describe leadership indicators in the organization, namely: (1) Integrity, (2) Benevolence, and (3) Ability.

Based on the conception above, it can be concluded that leadership is the process of influencing others or groups of people and invites them so that they wish to collaborate in a serious and motivated manner to accomplish the organization's or company's goals.

The following research premise is considering some of the aforementioned conclusions from empirical research

**H1: The better leadership, the higher the employee's work motivation.**

According to research conducted by Mendrofa, According to Rego, et al. (2017), Hadiyanto (2020), Hidayah (2019), Harahap and Khair (2019), and et al.
(2021), leadership has a favorable and considerable impact on job motivation. Therefore, if the leadership is viewed favorably, it will further boost employees’ motivation to perform their obligations and work well.

**H2: The better the work environment, the higher the employee's work motivation**

According to research conducted by Salsabila and Kusuma (2022), Zahra (2021), Pratiwi (2020), Pranitasari and Saputri (2020), and Laisa and Monoarfa (2018) which state that work motivation has a positive and significant effect on work productivity. Thus, if employee work motivation increases, it will increase employee work productivity.

**H3: The higher the work motivation, the higher the employee's work productivity**

According to research conducted by Salsabila and Kusuma (2022), Zahra (2021), Pratiwi (2020), Pranitasari and Saputri (2020), and Laisa and Monoarfa (2018) which state that work motivation has a positive and significant effect on work productivity. Thus, if employee work motivation increases, it will increase employee work productivity.

**H4: The better the leadership, the higher the employee's work productivity**

According to research conducted by Suherman and Suroso (2022), Yuliani (2021), Nuraini (2020), Widowati (2020), Ariani (2019), and Puspita (2019) which asserts that leadership affects labor productivity in a favorable and significant way. So, if leadership is considered good, it will increase employee work productivity.

**H5: The better the work environment, the higher the employee's work productivity**

According to research conducted by Syahputra, et al. (2022), Nurjanah (2020), Fajianto (2020), Santoso (2019), Purnomo (2019), Kim (2019), and Panjaitan (2017), which states that the work environment has a positive and significant effect on work productivity. Thus, the higher the employee's work environment, the higher the work productivity.

**H6: The better the effect of mediation of work motivation, the better the effect of leadership on employee work productivity**

According to research conducted by Zahra (2021), Pratiwi (2020), Nuraini (2020), Ariani (2019), and Puspita (2019), which states that work motivation can mediate the influence of the leadership of employee work productivity.

**H7: The better the effect of mediation of work motivation, the better the effect of the work environment on employee work productivity**

According to research conducted by Irfan (2023), Aji (2021), Jannah (2020), and Azizah (2019), which states that work motivation can mediate the influence of the work environment of employee work productivity.

The theoretical framework is the basis for the deductive research we use. It contains logic that is built, explained and elaborated on the relationship between variables that are considered relevant to answering research problems (Ghozali, 2016).
Figure 1 is a Research Model:

![Research Model Diagram]

**Figure 1. Research Model**

**METHODOLOGY**

The research method used in this study is a quantitative method with a descriptive approach. According to Apuke (2017), quantitative research involves data collection so that information can be measured and subject to statistical treatment to support or reject alternative knowledge claims.

The objective is to determine the pattern of interaction or connection between variables in certain areas, with a focus on investigating the impact of variables that are independent of the dependent variable. The PNM office was the location of the study, for the Medan Branch, and it took one month to gather the data and another two months to process it.

The people in this study was all PNM Medan Branch employees. 135 employees were given questionnaires, and the researchers received responses from each one of them. Based on the responses provided by the respondent, the researcher processes the data that was obtained.

A questionnaire served as the primary instrument for the survey research approach that was employed in this investigation. Researchers use Structural Equation Modeling (SEM) data analysis techniques based on covarian -based. SEM -based Covarian generally tests causality/theory while PLS is more predictive model. PLS is a powerful analysis method, does not have to meet the data assumption requirements for data normality and sample size does not have to be large. It is possible to conduct research with a small sample size because PLS does not impose minimum sample size constraints (Hair et al., 2020). In this study, data management is done using Smart PLS software.
RESULTS

Outer Model Analysis Results (Model Measurement)

The concept To analyze the outer model, a validity test consisting of (1) a convergent validity test and (2) a discriminant test is used. Figure 2 illustrates the results, which show that all loading factor values are more than 0.5.

![Figure 2. SEM-PLS Model Calculation Results](image)

These results are reinforced by AVE values. AVE > Rule of Thumbs 0.5 value

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>AVE</th>
<th>Rule of Thumbs</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Productivity (Y2)</td>
<td>0.53</td>
<td>0.5</td>
<td>Support</td>
</tr>
<tr>
<td>Work Motivation (Y1)</td>
<td>0.56</td>
<td>0.5</td>
<td>Support</td>
</tr>
<tr>
<td>Leadership (X1)</td>
<td>0.54</td>
<td>0.5</td>
<td>Support</td>
</tr>
<tr>
<td>Work Environment (X2)</td>
<td>0.57</td>
<td>0.5</td>
<td>Support</td>
</tr>
</tbody>
</table>

The results in Table 4. show assuming all latent variables have an average value larger than 0.5 so it can be concluded that all indicators can be applied to symbolize the latent variables that each indication produces. The discriminant test comes next. the outcomes of discrimination validity can be seen the actual degree to which the latent construct varies from other constructions. A construct is unique and able to explain the phenomenon being tested if discriminant validity is strong. The validity of discrimination test using the Fornell-Larcker Criteria.
Table 5. Discriminant Validity Test Results (Fornell-Larcker Criterion)

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Leadership (X1)</th>
<th>Work Environment (X2)</th>
<th>Work Motivation (Y1)</th>
<th>Work Productivity (Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0,731</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2</td>
<td>0,728</td>
<td>0,755</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1</td>
<td>0,724</td>
<td>0,736</td>
<td>0,736</td>
<td></td>
</tr>
<tr>
<td>Y2</td>
<td>0,719</td>
<td>0,712</td>
<td>0,722</td>
<td>0,760</td>
</tr>
</tbody>
</table>

The results of the analysis using the SmartPLS software are shown in Table 5. It is found that the square root value of AVE for each construct is greater than the correlation value between constructs (latent variables) in the model. This indicates that the Fornell-Larcker Criteria model's criterion for discriminant validity are met.

Analysis of Structural Models Results from the structural model analysis's subsequent stage. Determinant Coefficient (R2), Direct Influence Analysis, and Indirect (Mediation) Analysis are all included in this analysis. Impact Analysis. The R-Square value (R2) is a value that describes how much influence exogenous latent variables have on endogenous latent variables. The value of R2 is in the range 0 – 1.

Table 6. Value of R2 (R-Square)

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square</th>
<th>R-Square Adjusted</th>
<th>Model Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1 (Work Motivation)</td>
<td>0,812</td>
<td>0,810</td>
<td>Substantial (Strong)</td>
</tr>
<tr>
<td>Y2 (Work Productivity)</td>
<td>0,773</td>
<td>0,768</td>
<td>Substantial (Strong)</td>
</tr>
</tbody>
</table>

The results shown in Table 6. The Work Motivation Variable (Y1) is assigned an R-Square value of 0.812, more than 0.75, indicating that the model used is categorized as substantial (strong). Thus, the leadership variable (X1) and the work environment variable (X2) can be used to define the work motivation variable (Y1) in the model of 81.2%, which is categorized as substantial (strong). The model is categorized as substantial (strong) since the work productivity variable (Y2) has an R-Square value of 0.768 (greater than 0.75). Thus, the variables affecting work productivity in the model of 76.8%, which belongs to the substantive category (strong), may be described by the variables affecting leadership (X1), work environment (X2), and work motivation variable (Y1). The analysis of direct influence is the following analysis. The following is a pre-established model path diagram using SmartPLS software.
Figure 3. Direct Influence on the Model Path Diagram

Figure 3. shows that a positive total route coefficient was generated. The association between leadership (X1) and work motivation (Y1) exhibits the highest path coefficient value, with a route coefficient value of 0.617. The direct correlation of the work environment (X2) and work productivity (Y2) of 0.237 indicates the lowest route coefficient value. Based on the previously developed study model, the following are the findings of the analysis of direct effect testing using the PLS algorithm:

Table 7. Results of Direct Influence Analysis

<table>
<thead>
<tr>
<th>Path</th>
<th>Original Sample</th>
<th>T-Statistics</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 -&gt; Y1</td>
<td>0.617</td>
<td>9.209</td>
<td>0.000</td>
<td>Positive</td>
</tr>
<tr>
<td>X1 -&gt; Y2</td>
<td>0.369</td>
<td>4.023</td>
<td>0.000</td>
<td>Positive</td>
</tr>
<tr>
<td>X2 -&gt; Y1</td>
<td>0.319</td>
<td>4.518</td>
<td>0.000</td>
<td>Positive</td>
</tr>
<tr>
<td>X2 -&gt; Y2</td>
<td>0.237</td>
<td>3.220</td>
<td>0.001</td>
<td>Positive</td>
</tr>
<tr>
<td>Y1 -&gt; Y2</td>
<td>0.319</td>
<td>3.526</td>
<td>0.000</td>
<td>Positive</td>
</tr>
</tbody>
</table>

Description:
X1 (Leadership); X2 (Work Environment); Y1 (Work Motivation); and Y2 (Work Productivity)

Based on Table 7. All routes reveal a good correlation. In other words, the link between endogenous and exogenous latent variables is acceptable and positive (unidirectional).

The investigation of indirect effects based on the Path Diagram model comes next.

That has been previously determined using the SmartPLS software.

Table 8. Results of Indirect Influence Analysis

<table>
<thead>
<tr>
<th>Path (Jalur)</th>
<th>Original Sample</th>
<th>T-Statistics</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 -&gt; Y1 -&gt; Y2</td>
<td>0.197</td>
<td>3.353</td>
<td>0.001</td>
<td>Positive</td>
</tr>
<tr>
<td>X2 -&gt; Y1 -&gt; Y2</td>
<td>0.102</td>
<td>2.557</td>
<td>0.011</td>
<td>Positive</td>
</tr>
</tbody>
</table>
Based on Table 8 above, the detour reveals a favorable association. In other words, there is a positive (unidirectional) link between external latent variables and endogenous latent variables.

**DISCUSSION**

**The Effect of Leadership on Work Motivation**

The better the leadership, the higher the level of work motivation in the PNM's Medan Branch, according to test results utilizing the SmartPLS software. These findings are consistent with a number of earlier studies by experts who found that leadership had an impact on work motivation (Mendrofa, et al., 2021; Hadiyanto, 2020; Hidayah, 2019; Harahap and Khair, 2019; and Rego, et al., 2017).

Motivation to work a person is inseparable from the role of the ability of a leader as a motivator in determining the appropriate leadership attitude. The factors forming motivation can be said to be very closely related to leadership attitudes which are the norms of behavior utilized by someone who wants to sway other people’s conduct effectively. With leadership that should be emulated as a motivation to cause morale which is a demand from a set of needs starting from the basic needs, namely biological needs to the highest needs, namely the need for self–actualization.

**The Effect of the Work Environment on Work Motivation**

According to test results produced by the SmartPLS software, the Medan Branch PNM employees are more motivated to work when their workplaces are improved. These findings are consistent with a number of prior investigations undertaken by academics who came to the conclusion that the work environment on work motivation (Wildan, et al., 2023; Patimah and Oktaviani, 2023; Sulistiani; 2021; Jannah, 2020; Pranitasari and Saputri, 2020; Rahmayanti, 2019).

The results of the testing that the work environment is very important for the company. The work environment is an important factor in influencing work motivation. A safe, comfortable and conducive work environment will make employee passion and morale increase so that the work that is the duty can be completed properly and on time according to the expectations of the leadership. And vice versa the work environment that is not safe, uncomfortable, dirty, noisy and poor colleague relationships will make employees feel bored, lazy and not comfortable at work, so that the work that is the duty is neglected and not completed properly. Therefore the work environment will affect employee work motivation.

**The Effect of Work Motivation on Work Productivity**

According to test results using the SmartPLS software, the Medan Branch PNM's productivity increased with better levels of job motivation. These findings are consistent with a number of earlier studies undertaken by researchers who came to the conclusion (Salsabila and Kusuma, 2022; Zahra, 2021; Pratiwi, 2020; Pranitasari and Saputri, 2020; and Laisa and Monoarfa, 2018) found that work motivation had an effect on job productivity.

The findings of the tests on employee motivation at work include crucial for the business. Workplace motivation is an organization’s effort to influence and lead its employees so that they desire to collaborate, work efficiently, and do their tasks with full awareness, excitement, and responsibility in order to meet the aims.
and objectives of the organization. Individuals who are motivated at work are more likely to put up significant effort to further organizational objectives. This shows that work motivation causes enthusiasm or work encouragement.

**The Effect of Leadership on Work Productivity**

According to test results using the SmartPLS software, the Medan Branch PNM's job efficiency increases with greater leadership. These findings are consistent with a number of earlier studies by experts who found that leadership had an impact on work productivity (Suherman and Suroso, 2022; Yuliani, 2021; Nuraini, 2020; Widowati, 2020; Arifiani, 2019; and Puspita, 2019).

The test's results show that leadership influences several important factors, including the development of workplace productivity. Work motivation is an organization's effort to move and guide its people so they desire to collaborate, work efficiently, and complete their tasks. Work with full awareness, excitement and responsibility so that they can achieve the company's goals and objectives. Work motivation creates individual desire to exert significant effort to fulfill organizational objectives. This shows that work motivation causes enthusiasm or work encouragement.

**The Effect of the Work Environment on Work Productivity**

According to test results using the SmartPLS software, the Medan Branch PNM's productivity increased with an improved working environment. These findings are consistent with a number of other studies undertaken by researchers who came to the conclusion that the work environment had an impact on work productivity (Syahputra, et al., 2022; Nurjanah, 2020; Fajianto, 2020; Santoso, 2019; Purnomo, 2019; Kim, 2019; and Panjaitan, 2017).

The test's findings show that a variety of important factors, including the development of workplace productivity, are influenced by the workplace environment. Work motivation is an organization's effort to move and guide its people so they desire to collaborate, work efficiently, and complete their tasks. Work with full awareness, excitement and responsibility so that they can achieve the company's goals and objectives. Work motivation creates individual desire to exert significant effort to fulfill organizational objectives. This shows that work motivation causes enthusiasm or work encouragement.

**The Effect of Work Motivation in Mediating the Effects of Leadership on Work Productivity**

According to test results using the SmartPLS software, the Medan Branch PNM's productivity increased with better levels of work inspiration coming from the leadership. These findings are consistent with several studies conducted by earlier researchers, who came to the conclusion that job motivation mediates the impact of leadership on work productivity (Zahra, 2021; Pratiwi, 2020; Nuraini, 2020; Ariani, 2019; and Puspita, 2019).

The test results show that effective leadership in the company can affect work motivation and have an impact on increasing work productivity. Leadership and work motivation have an influence on work productivity. Thus, if both of them are leadership in the company runs well, high employee work motivation will be created, so that it has an impact on increasing high work productivity.
The Effect of Work Motivation in Mediating the Influence of the Work Environment on Work Productivity

According to test results using the SmartPLS software, the Medan Branch PNM's productivity increased with better levels of work inspiration coming from the leadership. These findings are consistent with a lot of earlier investigations by researchers who come to the conclusion that there is an influence of work motivation in mediating the influence of work environment on work productivity (Irfan, 2023; Aji, 2021; Jannah, 2020; and Azizah, 2019).

The test results show that the job is excellent environment in the company can affect work motivation and have an impact on increasing work productivity. Work environment and work motivation have an effect on work productivity. Thus if both of them are the work environment in the company runs well and conducive, then this will realize the creation of high employee work motivation, so that high work productivity will be created.

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of the research and the previous discussion, it can be said that: (1) Leadership has a major impact on work; (2) The working environment has a substantial impact on work motivation at the Medan Branch PNM; Branch PNM; (3) work motivation has a significant effect on work productivity in the Medan Branch PNM; (4) Leadership influences work productivity at the Medan Branch PNM; (5) the work environment has a significant effect on work productivity in the Medan Branch PNM; (6) work motivation can mediate the effect of leadership significantly on work productivity in the Medan Branch PNM; and (7) work motivation can significantly mediate the impact of the work environment on output in the Medan Branch PNM.

According to the study's findings, leadership and the workplace environment have an impact on job productivity through work motivation. From a number of indicators in each that is considered The following recommendations can be made regarding enhancing work productivity: (1) The Medan Branch PNM should provide opportunities for employees to increase time in their processing, namely by continuing to improve employee skills through Provision of training for its employees; (2) In an effort to increase work motivation so that it is better in its work productivity, PNM Medan Branch should provide various motivation in the form of giving many opportunities to do various work mcams, so they dare to take risks. In addition, employees must improve their communication skills, especially communication with fellow employees; (3) In terms of increasing leadership in the Medan Branch PNM, the leadership should improve their abilities through many training activities or increase their studies so that their knowledge is increasing; and (4) In terms of improving the work environment of the Medan PNM Branch PNM employees, the management should pay attention to facilities and infrastructure, such as the availability of air conditioning so that the work environment becomes comfortable. Also, job supporting facilities that can increase employee work motivation, so that it has an impact on increasing work productivity.
FURTHER STUDY

Only utilizing leadership characteristics, work environment, job motivation, and other variables is one of this study's shortcomings. Work productivity. In addition there are also limited research objects, only in the Medan Branch PNM office that cannot fully represent the overall conditions of employees spread throughout Indonesia. Each employee of PT. Madani national capital in various regions certainly has different characteristics that can affect employee work productivity.

The following recommendations can be made as directions for additional investigation:

1. More research is required to examine the impact of additional elements that have not yet been studied on job motivation and employee work productivity
2. It is expected that further research using various research techniques, larger sample sizes, and the use of more and more thorough research methods on the relationship between leadership, the workplace, and employee motivation instruments

Many other variables are thought to have an effect on work productivity, and because of their connection, whether direct or indirect with the company's sustainability as well as the direction of the company's strategy and policies, these variables are crucial to be looked at for deeper research. Additionally, it is also thought vital to broaden the research area's focus, which is not only restricted to the head office but also the whole office in Indonesia.

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