# The Effect of Employee Engagement and Physical Work Environment on Employee Performance at PT PLN (Persero) Sulselrabar Main Distribution Unit

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**ABSTRACT:** This study aims to determine the effect of employee engagement and physical work environment on employees' performance at PT PLN (Persero) Sulselrabar Main Unit. PT PLN (Persero) as a state company that is currently not only paying attention to the social mission in providing electric power services to all Indonesian citizens is also experiencing the VUCA phenomenon. Based on the results of hypothesis testing, the results show that employee engagement and the physical work environment have a positive and significant effect on employees' performance. The coefficient of determination using $R^2$ shows that there is an effect of 91.6% on employee engagement and physical work environment on employees' performance. This research concludes that the effect of employee engagement and physical work environment on employees' performance at PT PLN (Persero) UID Sulselrabar simultaneously and partially, namely employee engagement has a t-statistics value of 5.484 and a p-value of 0.00, so partially employee engagement has a significant positive effect on employees' performance; the physical work environment has a t-statistics value of 9.748 and a p-value of 0.00, so partially the physical work environment has a significant positive effect on employees' performance; employee engagement and physical work environment have an R-square value of 0.916, so simultaneously the influence of employee engagement and physical work environment on employees' engagement has a strong influence of 91.6%.

**KEYWORDS:** Employee Engagement, Physical Work Environment, Employees' Performance

## INTRODUCTION

In the current era, human resources (HR) determine the success of a business, so these human resources should be managed as well as possible. The success of the company does not only depend on technological excellence and the availability of funds, but the human factor is quite important, HR is growing along with technological developments. The performance of a company will be influenced by the work discipline of its employees (Murti, 2020). Thus, employees are the most important resource for companies, such as PT PLN (Persero) UID Sulselrabar. Human resources have an important role both individually and in groups, and human resources are one of the main drivers for the smooth running of an organization's activities, even the success of a company is determined by the existence of human resources. For this reason, every company needs to show and regulate the existence of its employees to improve good performance. Human resources that perform well will make it easier for the organization to achieve its vision, mission, and goals. This human resource factor is an important element to be considered by the organization because human resources with good performance are needed to support the successful implementation of organizational activities. Without human resources with good performance, it will be difficult for an organization to achieve the set goals (Abdi & Rasmansyah, 2020). This can also affect situations or conditions in the business environment that are experiencing turmoil or volatility, uncertainty, complexity, and ambiguity (VUCA).

VUCA was first conceived by the American military in the 1990s to describe the geopolitical situation at that time. However, because of the similarity in meaning, the term VUCA was eventually adopted by the business world. In the era of society 5.0, the term VUCA is still relevant to use. This trend can affect businesspeople related to issues of uncertainty, complexity, ambiguity, and economic turmoil. Businesspeople need to prepare reliable human resources (HR) to be ready to face the VUCA. VUCA is a challenge commonly encountered by businesspeople today. As described in the book "Grow or Fall" by Kuncoro (2021), many organizations are struggling to survive and be in harmony with VUCA trends. This can affect human resources. Readiness in dealing with VUCA is not the responsibility of the individual but of the entire team involved in the organization. The task of businesspeople is to prepare the best human resources to be able to deal with this phenomenon. The success of an organization is strongly influenced by the performance of individual employees. Every organization or company will always try to improve employee performance, with the hope that the company's goals will be achieved (Afandi & Bahri, 2020).

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One of the ways taken by the company is in improving the performance of its employees. For example, through education, training, providing proper compensation, providing motivation, and creating a conducive work environment. The success or failure of employees at work will be known if the company or organization concerned implements a performance appraisal system.

Performance is the result of work that can be achieved by a person or group of people in an organization, according to their respective authorities and responsibilities in order to achieve the goals of the organization concerned legally, not violating the law and in accordance with morals and ethics (Ardiansyah D. O., 2016). So, performance is important for the company or organization as well as for the employees themselves. Employee performance is influenced by several factors both related to the workforce itself and those related to the company or organization environment. One of the things that determine and support the success of an organization or institution is the good performance of every employee who is involved in it. Performance management is a continuous cycle of improving performance by setting goals, feedback, rewards, and positive reinforcement (Kreitner & Kinichi, 2010). Management is a process of planning, organizing, coordinating, and controlling resources to achieve goals (goals) effectively and efficiently. Effective means that goals can be achieved according to planning, while efficient means that the existing tasks are carried out correctly and according to schedule. Management is the art to manage something, both people and work. Understanding management is a process carried out to achieve an organizational goal by working in a team. In an application, management has a subject and object. The subject is the person who regulates, while the object is the one who is regulated.

Employee performance is influenced by several factors, both those related to the workforce itself and those related to the corporate environment of an organization, one of which is the commitment of individual employees including employee engagement. Work engagement is the degree of willingness to unite oneself with work, invest time, ability, and energy for work, and regard work as a major part of one's life. The components of work engagement and social environment that influence performance are camaraderie, namely relationships with colleagues and teamwork (Dewi, 2016). This shows that employee involvement is very important in supporting organizational performance. Many people think that employee engagement must be a serious concern for top executives so that the company can survive the phenomenon of high turnover. Employee engagement is one way to make employees have high loyalty, employee engagement can make employees have higher loyalty, thereby reducing the desire to leave the company (Macen & Schneider, 2018).

Employee engagement is related to work that is characterized by sincerity (vigor), dedication (dedication), and appreciation (absorption) (Schaufeli, 2013). Employee engagement also refers to a consistent state of feeling and thinking that does not only focus on certain objects and behaviors. Employee engagement is able to provide information regarding the level of employee engagement on organizational factors. This factor encourages employees to make a maximum effort beyond what is expected. This will ultimately play a role in the level of progress of individual performance and company performance. Every employee has different thoughts, feelings, desires, and backgrounds, which differentiate one from another to form individual characteristics in employees, therefore good individual characteristics must exist in every employee so that they can make a positive contribution to the organization in achieving its goals so that it will lead to job satisfaction for employees (Mora, 2017). Recent studies investigate the effect of the physical work environment on employee satisfaction (Agbozo et al., 2017), and the effect of presence, physical work environment, and absence on productivity (Stromberg et al., 2017). They also focus on how collaborative work environments and personalities affect the performance of each employee (Mustafa & Ali, 2019). However, very few researchers emphasize motivation as a determinant of performance (Yuen et al., 2018). A suitable physical work environment must be established so that employees can carry out their responsibilities by making full use of their potential and at the same time provide quality services to customers (Masadeh et al., 2016). The above is in line with the opinion of Bangun (2012) that one of the organizational resources that has an important role in achieving its goals is human resources. Human resources in this case are employees in an organization or agency. So success in an organization is inseparable from the ability of the human resources of the individuals who work in it.

PT PLN (Persero) UID Sulselrabar has its measurement to measure the level of employee engagement with the company which is commonly called the employee engagement index. Based on the phenomenon that occurred at PT PLN (Persero) Main Unit Distribution of Sulserbar, namely, there were still several problems regarding the fluctuating employee engagement index due to complex problems in terms of human resources, especially regarding the problem of lack of work conditions which had not been realized in the company because there were still there are employees who currently also tend to demand a better physical work environment to carry out their work and the targets of the company at PT PLN (Persero) UID Sulselrabar. This study aims to determine the effect of Employee Engagement and Physical work environment on employees' performance at PT PLN (Persero) UID Sulselrabar simultaneously and partially.

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## METHOD

This study uses a causal verification descriptive research method to determine the effect of employee engagement and the physical work environment on employees' performance which is presented in the form of numbers and equipped with descriptive analysis and statistical analysis. Causally, this study will prove the hypothesis based on the theory used and previous research literature. The approach used in developing the theory is deductive, which means that the approach method is carried out by looking for research topics using literature reviewing previous research and the theory used, then forming a hypothesis to be proven true. Based on the methodology, this study uses a quantitative method, which means that this research is proven by significant numbers or by using statistical calculations, operational variables, and measurement scales. In this study, operational variables regarding employee engagement were adopted from Schaufeli in Saepudin (2021), regarding the physical work environment were adopted from Sedarmayanti in Ardhianti (2021) and employees' performance was adopted from Permadi et al., (2018).

In this study, the population to be taken is PT PLN (Persero) UID Sulselrabar, employees. As it is known that a population is an object or subject that is in an area and fulfills certain requirements related to research problems (Unaradjan, 2019).

**Table 1. Population of PT PLN (Persero) UID Sulselrabar Employees**

| Position Level | Number of Employees |
|---|---|
| Top Management | 1 |
| Middle Management | 4 |
| Basic Management | 17 |
| Top Supervisors | 21 |
| Funcional | 108 |
| **Total** | **151** |

Source: Processed data, 2022

The sample to be used is PT PLN (Persero) UID Sulselrabar employees with a total of 151 employees and the sample size is calculated using the Slovin technique. Sugiyono (2018) states that the sample is part of the number of characteristics possessed by the population. The data analysis technique used is descriptive analysis in which the analysis is carried out after the data has been collected by Agustina et al., (2015). To find out how big the percentage of employees' perceptions of PT PLN (Persero) UID Sulselrabar is regarding the physical work environment variables, employee engagement, and employee performance, measurements were carried out using a questionnaire. This questionnaire contains statements accompanied by five answer choices that are selected and considered by what is felt by the respondent, including Strongly Disagree (STS), Disagree (TS), Less Agree (KS), Agree (S), and Strongly Agree (S). The research scale in this discussion uses a Likert scale. According to Sugiyono (2018), the measurement scale is an agreement that is used as a reference to determine the length and shortness of the intervals in the measuring instrument, so that when this measuring instrument is used in measurement it will produce quantitative data. The type of measurement scale used in this study is an ordinal measurement scale with the Likert scale type because it will measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena. So with a Likert scale, variables can be measured and translated into variable indicators then these indicators are used as a starting point for compiling instrument items which can be in the form of statements or statements. The Likert scale numbers in this study are divided into a scale of 1-5. Value is determined from a scale of one negative result to a scale of five positive results as shown in Table 2 below:

**Table 2. Likert Scale**

| Positive Statement | |
|---|---|
| **Scale** | **Category** |
| 1 | Totally Disagree (STS) |
| 2 | Disagree (TS) |
| 3 | Quite Agree (CS) |
| 4 | Agree (S) |
| 5 | Strongly Agree (SS) |

## RESULT

In this study, an analytical tool was used in the form of Structural Equation Modeling (SEM) based on Partial Least Square (PLS). According to Ghozali (2009), Structural Equation Modeling (SEM) is an evolution of multiple equation models developed from econometric principles and combined with regulatory principles from psychology and sociology, SEM has emerged as an integral part of academic managerial research. According to Ghozali (2009), PLS is an alternative approach that shifts from a covariance-based SEM approach to a variant-based one. Covariance-based SEM generally tests causality or theory, while PLS is more of a

predictive model. However, there is a difference between SEM which is covariance-based, and component-based PLS in the use of structural equation models to test theory or theory development for prediction purposes. Model evaluation in PLS consists of two stages, evaluation of the inner model or structural model (structural measurement), and evaluation of the measurement model is grouped into reflective models and formative models. The second stage is evaluating the outer model or measurement model in this model is evaluated to determine its validity and reliability through individual loading, internal composite reliability, average variance extractor, and discriminant validity. If the data meets the requirements in the measurement model, then it will be tested for significance with the path coefficient, t-statistic, r-squared value, and p-value (Haryono, 2017).

Hypothesis testing is a procedure for accepting or rejecting a hypothesis about a particular pattern or relationship. The proposed pattern or relationship needs to be tested to conclude whether it is a correct relationship (Hair et al., 2020: 153). Hypothesis testing in PLS-SEM is carried out by comparing t-statistics values with t-tables and paying attention to p-values and path coefficient values (Hair et al., 2017). P-value aims to determine whether there is significance or not in a hypothesis. If the p-value is $< 0.05$ then the variable has a significant effect and if the p-value is $> 0.05$ then the variable has no significant effect (Hair et al., 2017). The path coefficient value serves to find out whether a variable has a positive or negative effect (Hair et al., 2017).

The data in this study are values obtained from 129 respondents regarding the variables of employee engagement, physical work environment, and employee performance. Then, researchers will discuss each variable in this study based on the interpretation of the results of the questionnaire. Respondents in this study were all employees at PT PLN (Persero) Sulselrabar Main Unit Distribution divided by characteristics, namely gender, age, position level, last education, and length of service. Following are the results of the characteristics of the respondents obtained. Descriptive analysis is a descriptive description of the characteristics of research data to see the conclusions (Sujarweni, 2019: 122). This study will describe an overview of the variables of employee engagement, physical work environment, and employee performance obtained from the results of distributing questionnaires to employees of PT PLN (Persero) Main Unit of Sulselrabar Distribution.

## A. Respondents' Responses to Employees Engagement

Employee engagement was first put forward by the Gallup research group (Endres & Smoak, 2018). They claim that employee engagement can predict increased employee performance, profitability, employee retention, customer satisfaction, and success for the organization (Baumruk & Gorman, 2006). The word engage has various meanings and many researchers have different understandings of engagement (Albrecht, 2010). When an individual cares deeply about what he is doing and is committed to doing it as best he can, he will feel compelled to act rather than remain silent. Employee engagement is the passion of organizational members for their work where they work and express themselves physically, cognitively, and emotionally while doing work (Albrecht, 2010). The employee engagement variable (X1) has 3 dimensions namely vigor, dedication, and absorption. Following are respondents' responses to employee engagement based on each dimension.

Based on the calculation of respondents' responses to all dimensions, the results of employee engagement variable recapitulation are as follows:

**Table 3. Employee Engagement Variable Results**

| Dimensions | Percentage | Category |
|---|---|---|
| *Vigor* | 82,95% | Good |
| *Dedication* | 82,71% | Good |
| *Absorption* | 83,51% | Good |
| **Variable Percentage Average** | **83,06%** | |
| **Variable Category** | **Good** | |

**Source:** Processed data, 2023

Table 3 illustrates the recapitulation of employee engagement variables in each dimension. Based on the recapitulation results, the percentage was 82.95% in the good category on the vigor dimension, 82.71% in the good category on the dedication dimension, and 83.51% in the good category on the absorption dimension.

From the recapitulation, it can be concluded that the absorption dimension is the dimension with the highest percentage, namely 83.51% in the good category, and the dedication dimension is the dimension with the lowest percentage, namely 82.71% in the good category. The results of the overall recapitulation of employee engagement variables are illustrated with a continuum line in Figure 1 below.

**The Effect of Employee Engagement and Physical Work Environment on Employee Performance at PT PLN (Persero) Sulselrabar Main Distribution Unit**



**Figure 1. Employee Engagement Variable Continuum Line Results**
**Source:** Processed data, 2023

Based on the interpretation of the continuum line above, it shows that the level of employee engagement at PT PLN (Persero) Sulselrabar Main Unit is 83.06% in the good category. The conclusion from the recapitulation of employee engagement variables is that the implementation of employee engagement at PT PLN (Persero) Sulselrabar Main Unit is good.

**B. Respondents' Responses to the Physical Work Environment**

The physical conditions of the work environment are among the more obvious factors that can affect the behavior of workers are the physical conditions of the work environment, including the level of lighting, the usual temperature, the level of noise, the amounts and the types of airborne chemicals and pollutants, and aesthetic features such as the colors of walls and flowers, and the presence (or absence) of artwork, music, plants decorative items which roughly means that factors that are more real than other factors can influence behavior employees is the physical condition, which includes the level of lighting, air temperature, noise level, the amount and type of air radiation originating from chemicals and pollutants, aesthetic characteristics such as the color of walls and floors and levels of whether or not there is art in work, music, plants or things that decorate the workplace (Davis & Newstrom, 2006).

The physical work environment is all the conditions that exist around the workplace, which include temperature, humidity, air circulation, lighting, noise, mechanical vibration, odors, colors, and others which in this case affect the results of human work ( Handoko, 2015). The work environment for employees will have no small influence on the course of company operations. This work environment will affect the company's employees both directly and indirectly and can affect the company's productivity.

The physical work environment variable (X2) has 5 dimensions, namely work equipment, air circulation, lighting, noise, and work layout. Following are the respondents' responses to the physical work environment based on each dimension. Based on the calculation of respondents' responses to all dimensions, the results of the physical work environment variable recapitulation are as follows:

**Table 4. Results of Physical Work Environment Variables**

| Dimensions | Percentage | Category |
|---|---|---|
| Work Equipment | 83,72% | Good |
| Air Circulation | 83,76% | Good |
| Lighting | 82,40% | Good |
| Noise | 84,44% | Very Good |
| Workspace Layout | 82,53% | Goord |
| **Variable Percentage Average** | **83,37%** | |
| **Variable Category** | **Good** | |

**Source:** Processed data, 2023

Table 4 illustrates the recapitulation of the physical work environment variables in each dimension. Based on the recapitulation results, the percentage was 83.72% in the good category in the dimensions of work equipment, the percentage was 83.76% in the good category in the air circulation dimension, the percentage was 82.40% in the good category in the dimensions of lighting, the percentage was 84.44% in the very category. both on the dimensions of noise and the percentage of 82.53% with a good category on the dimensions of workspace.

From the recapitulation, it can be concluded that the dimension of noise is the dimension with the highest percentage, namely 84.44% in the very good category, and the lighting dimension is the dimension with the lowest percentage, namely 82.40% in the good category. The results of the overall recapitulation of physical work environment variables are depicted with a continuum line in Figure 1 below.

**The Effect of Employee Engagement and Physical Work Environment on Employee Performance at PT PLN (Persero) Sulselrabar Main Distribution Unit**



**Figure 2. Results of the Continuum Line of Physical Work Environment Variables**
**Source:** Processed data, 2023

Based on the interpretation of the continuum line above, it shows that the level of the physical work environment at PT PLN (Persero) Sulselrabar Main Unit is 83.37% in the good category. The conclusion from the recapitulation of the physical work environment variable is that the implementation of the physical work environment at PT PLN (Persero) Sulselrabar Main Unit is good.

**C. Respondents' Responses to Employees' Performance**

Performance is a set of results achieved in quantity and quality from achieving tasks assigned by a person, or group of people, referring to the standards and criteria for achievement and implementation of the work applied (Sinambela, 2019). Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties by the responsibilities given to him (Mangkunegara, 2017).

Performance is the result achieved from the behavior of organizational members (Gibson & Ivancevich, 2018). The results that the organization wants from the behavior of the people in it are referred to as organizational performance. Organizational performance as a concept has undergone various measurement and definition developments. The understanding and definition of organizational performance in the academic literature and some management research vary widely, so it remains an issue and continues to experience development (Barney & Hesterly, 2019).

Based on the above understanding, it can be concluded that employee performance is a set of results achieved from work that is the responsibility of a person or group of people assessed for quantity and quality concerning the standards and criteria for achieving the work that must be carried out by employees to achieve organizational goals. The employees' performance (Y) variable has 6 dimensions, namely work quality, work quantity, punctuality, work effectiveness, independence, and the desire to develop. The following is the respondent's response to employees' performance based on each dimension.

Based on the calculation of respondents' responses to all dimensions, the results of the recapitulation of the employees' performance variable are as follows:

**Table 5. Results of Employees' Performance Variables**

| Dimensions | Percentage | Category |
|---|---|---|
| *Work Quality* | 83,26% | Good |
| *Work Quantity* | 84,03% | Very Good |
| *Punctuality* | 83,57% | Good |
| *Work Effectiveness* | 83,91% | Good |
| *Independency* | 84,15% | Very Good |
| *The Desire to Develop* | 83,64% | Good |
| **Variable Percentage Average** | **83,76%** | |
| **Variable Category** | **Good** | |

**Source:** Processed data, 2023

Table 5 illustrates the recapitulation of the employees' performance variables in each dimension. Based on the recapitulation results, the percentage was 83.26% in the good category on the work quality dimension, the percentage was 84.03% in the very good category on the work quantity dimension, the percentage was 83.57% in the good category on the punctuality dimension, the percentage was 83.91% in the category good on the work effectiveness dimension, the percentage is 84.15% with a very good category on the independence dimension and a percentage of 83.64% with a good category on the desire to develop dimension.

From the recapitulation, it can be concluded that the dimension of independence is the dimension with the highest percentage, namely 84.15% in the very good category, and the dimension of work quality is the dimension with the lowest percentage, namely 83.26% in the good category. The results of the overall recapitulation of the employees' performance variables are depicted with a continuum line in Figure 3 below.

**The Effect of Employee Engagement and Physical Work Environment on Employee Performance at PT PLN (Persero) Sulselrabar Main Distribution Unit**
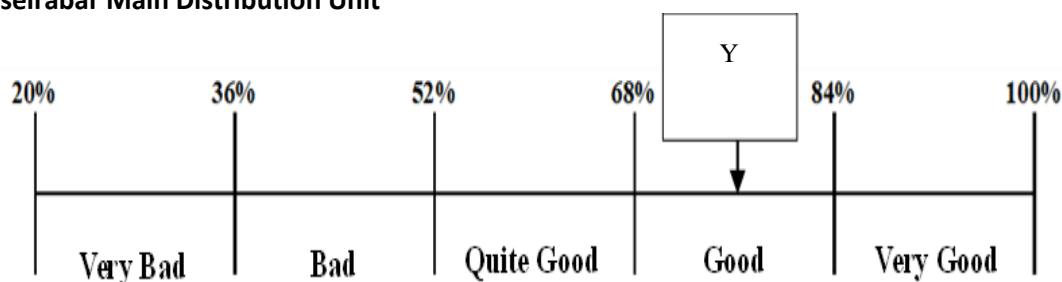


**Figure 3. Results of the Employees' Performance Variable Continuum Line**
**Source:** Processed data, 2023

Based on the interpretation of the continuum line above, it shows that the level of employees' performance at PT PLN (Persero) Sulselrabar Main Unit is 83.76% in the good category. The conclusion from the recapitulation of the employees' performance variable is that the implementation of employees' performance at PT PLN (Persero) Sulselrabar Main Unit is good.

**DISCUSSION**

Based on the results of the research from respondents' responses to the questionnaire and SEM analysis, several test results were obtained, namely evaluating the outer model, evaluating the inner model, and testing the hypothesis through the path coefficient. The discussion is divided based on the variables used in this study, namely servant leadership, workload, employee engagement, and performance. This discussion will discuss the influence of employee engagement and the physical work environment on employees' performance so as to be able to answer the research objectives that have been formulated previously.

**A. Analysis of Employee Engagement on Employees of PT PLN (Persero) Sulselrabar Main Distribution Unit**

This study uses employee engagement as an independent variable. This research was conducted at PT PLN (Persero) Sulselrabar Main Distribution Unit with a total of 129 employees as respondents. There are 3 dimensions to employee engagement variables, namely vigor, dedication, and absorption. From the results of respondents' responses regarding employee engagement, it was found that the employee engagement variable had an average value of 83.06% in the category of the continuum line, namely good.

The employee engagement variable has 8 question items. Of the 8 question items that have been distributed, the dedication dimension has the lowest percentage value, while the absorption dimension has the highest percentage value. The question item with the lowest score is "I am willing to work outside working hours." It can be interpreted that employees of PT PLN (Persero) UID Sulselrabar feel less willing to work outside working hours. There are 3 question items with the highest scores, namely "I like the work I do," "I enjoy the work I do" and "I feel the work I do is meaningful." It can be interpreted that UID Sulselrabar employees feel like and enjoy the work they do and feel that the work they do is meaningful.

**B. Analysis of Physical Work Environment for Employees of PT PLN (Persero) Sulselrabar Main Unit**

This study uses physical work environment variables as independent variables. This research was conducted at PT PLN (Persero) Sulselrabar Main Distribution Unit with a total of 129 employees as respondents. There are 5 dimensions to the physical work environment variable, namely work equipment, air circulation, lighting, noise, and work layout. From the results of respondents' responses regarding the physical work environment, it was obtained that the physical work environment variable had an average value of 83.37% with the category of the continuum line, namely good.

The physical work environment variable has 14 question items. Of the 14 question items that have been distributed, the lighting dimension has the lowest percentage value, while the noise dimension has the highest percentage value. The question item with the lowest score is "The lighting level in my workplace is already bright." It can be interpreted that employees of PT PLN (Persero) UID Sulselrabar feel that the lighting in the workplace is not bright enough. As for the question item with the highest score, namely "I feel my workspace is far from distractions." It can be interpreted that UID Sulselrabar employees feel that the workspace is far from distractions.

**C. Analysis of Employees' Performance on Employees of PT PLN (Persero) Main Unit of Sulselrabar Distribution**

This study uses employees' performance as an independent variable. This research was conducted at PT PLN (Persero) Sulselrabar Main Distribution Unit with a total of 129 employees as respondents. There are 6 dimensions to the employees' performance variable, namely work quality, work quantity, punctuality, work effectiveness, independence, and the desire to develop. From the results of respondents' responses regarding employees' performance, the results of the employees' performance variable have an average value of 83.76% with the category of the continuum line, namely good.

The employees' performance variable has 20 question items. Of the 20 question items that have been distributed, the work quality dimension has the lowest percentage value while the independence dimension has the highest percentage value. The

question item with the lowest score is "I don't like delaying work that needs to be completed." It can be interpreted that employees of PT PLN (Persero) UID Sulselrabar feel like procrastinating on work that must be completed. As for the question item with the highest score, namely "I can focus on completing work even though I am not supervised by a supervisor." It can be interpreted that UID Sulselrabar employees feel able to focus on completing work even though they are not supervised by supervisor.

**D. Analysis of the Influence of Employees Engagement on Employees' Performance of PT PLN (Persero) Employees in the Suselrabar Main Unit**

Partial hypothesis testing is carried out using the path coefficient. Based on the results of partial testing using the path coefficient, the t-statistics results for the employee engagement variable on employees' performance are 5.484. When compared with the t-table value in this study, which is equal to 1.984. Then the value of t-statistics is greater than the t-table. With a p-value of 0.00 which is smaller than the significance value of 0.05, the hypothesis is accepted. So, employee engagement has a significant influence on employees' performance.

Thus, the results of this study are in line with previous studies related to the effect of employee engagement on employees' performance. Research conducted by Aditya Fathur Rohman (2021) found that employee engagement has a positive and significant effect on employee performance at Telkom University. This is the same as the research conducted by Yona Melia (2020) which found that employee engagement has a significant effect on employee performance at the Insurance Company Indonesia. In accordance with what was stated by Baumruk and Gorman (2006) that employee engagement can predict increased employee performance, profitability, employee retention, customer satisfaction, and success for the organization.

**E. Analysis of the Effect of the Physical Work Environment on Employees' Performance in Employees of PT PLN (Persero) Sulselrabar Main Unit**

Partial hypothesis testing is carried out using the path coefficient. Based on the partial test results using the path coefficient, the t-statistics results for the physical work environment variable on employees' performance are 9.748. When compared with the t-table value in this study, which is equal to 1.984. Then the value of t-statistics is greater than the t-table. With a p-value of 0.00 which is smaller than the significance value of 0.05, the hypothesis is accepted. So, the physical work environment has a significant influence on employees' performance.

Thus, the results of this study are in line with previous studies related to the effect of the physical work environment on employees' performance. Research conducted by Yen Efawati (2020) found that the physical work environment has a positive and significant effect on employee performance in the Bandung Fashion Industry. This is the same as research conducted by Yudi Nur Supriadi (2022) who found that the physical work environment has a significant effect on employee performance in the Electronic Transaction Service Industry in DKI Jakarta and Banten Provinces.

**F. Analysis of the Effect of Employee Engagement and Physical Work Environment on Employees' Performance in Employees of PT PLN (Persero) Sulselrabar Main Unit Distribution**

Test the coefficient of determination of employee engagement and physical work environment variables on employees' performance to get an R2 of 0.916 or 91.6%. This shows that the employees' performance variable that can be explained by employee engagement and physical work environment is 91.6%, while the remaining 8.4% is determined by other factors outside of this study. So simultaneously the influence of employee engagement and physical work environment on employee engagement has a strong influence of 91.6%.

Thus, the results of this study are in line with previous studies related to the effect of employee engagement and the physical work environment simultaneously on employees' performance. According to research conducted by Nadia Shabrina Amalia (2021) found that employee engagement and the physical work environment simultaneously have a positive and significant effect on employee performance at the hospital.

**CONCLUSIONS**

Based on the description of the background, theory, research results, and discussion that has been previously described using descriptive analysis and the Structural Equation Modeling method regarding the effect of employee engagement and physical work environment on employees' performance at PT PLN (Persero) UID Sulselrabar, it can be concluded that employee's engagement at PT PLN (Persero) UID Sulselrabar was 83.06% in the good category. The conclusion from the recapitulation of employee engagement variables from employee perceptions at PT PLN (Persero) UID Sulselrabar is good; the physical work environment at PT PLN (Persero) UID Sulselrabar is 83.37% in the good category. The conclusion from the recapitulation of the physical work environment variables from the perceptions of employees at PT PLN (Persero) UID Sulselrabar is good; employees' performance at PT PLN (Persero) UID Sulselrabar was 83.76% in the good category. The conclusion from the recapitulation of the employees' performance variables from the perceptions of employees at PT PLN (Persero) UID Sulselrabar is good; the effect of employee engagement and physical work environment on employees' performance at PT PLN (Persero) UID Sulselrabar simultaneously and partially, namely employee engagement has a t-statistics value of 5.484 and a p-value of 0.00, so partially

employee engagement has a positive influence significant impact on employees' performance; the physical work environment has a t-statistics value of 9.748 and a p-value of 0.00, so partially the physical work environment has a significant positive effect on employees' performance; employee engagement and physical work environment have an R-square value of 0.916, so simultaneously the effect of employee engagement and physical work environment on employees' engagement has a strong influence of 91.6%.

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