

THE INFLUENCE OF LEADERSHIP AND KAIZEN CULTURE THROUGH WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE AT THE REGIONAL REVENUE AGENCY OF BADUNG REGENCY

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Abstract. The objective of this study was to analyze the influence of leadership and kaizen culture on the work environment, with the aim of understanding its effect on employee performance at the Badung Regency Regional Revenue Agency. The population of this study comprised all employees of the Badung Regency Regional Revenue Agency, with a total of 262 individuals. The sample size was determined to be 72 individuals. The technique employed to determine the respondents in this study was random sampling. A questionnaire was utilized as a data collection instrument. The research analysis technique employed included validity tests, reliability tests, classical assumption tests, and path analysis tests. The findings of this study indicated that leadership, the work environment, and kaizen culture exerted a positive and significant influence on employee performance at BAPENDA Badung Regency. However, the work environment failed to function as a mediating variable in the relationship between kaizen culture and employee performance at BAPENDA Badung Regency. The study posits that the Badung Regency Regional Revenue Agency has the potential to enhance its leadership, kaizen culture, work environment, and employee performance.

Keywords: Leadership, Kaizen Culture, Work Environment, Employee Performance

I. INTRODUCTION

Human (HR) is part of the organization that regulates and implements all company operations, so that humans are the most important company assets. Thus, organizations must have the support of quality human resources (HR) to achieve their goals.

Human resources are very important to determine and realize the success of the organization in achieving its goals. So employee performance must be improved as much as possible to improve organizational performance. Improving employee performance must begin with improving employee work ability, and the role of leaders in the organization is one of the factors that causes an increase in employee work ability. Therefore, a leader or head of an organization will be considered a good leader if he has the ability to influence and direct his subordinates towards organizational goals. Until now, one of the management issues that is still interesting to discuss is leadership. The relationship between leaders and followers is explained in leadership. How a leader leads followers will determine how well they achieve the goals or expectations of the leader. (Pumomo, 2023). Leaders help their subordinates develop and direct their abilities to achieve goals that extend far beyond the organization. (Syaharuddin, 2019). Leadership is very strategic and important to achieve the mission, vision, and goals of the organization, that is why people continue to investigate leadership.

Leaders are often considered to be the most important factor in the success or failure of an organization; the same is true for both business and public organizations; the quality of the leader is often considered to be the key to the success or

failure of the organization. (Alhudhori & Aldino, 2017). The role of leaders is so important that issues regarding leaders have become the focus and have attracted the attention of researchers in the field of organizational behavior. Leaders play a key role in formulating and implementing organizational strategies. (Nurrahmah et al., 2021). However, according to (Herfianti et al., 2024) shows that the relationship between transformational leadership and subordinate performance is often mediated by employee job satisfaction, commitment, and intrinsic motivation. Leadership may not directly affect performance, but only creates conditions that allow other factors, such as motivation, to play a greater role.

On the other hand, organizational culture also plays an important role in facilitating or inhibiting employee performance improvement. One culture that has the potential to support performance improvement is the Kaizen Culture. The Kaizen concept that originated in Japan according to Imai, M. (1986). Kaizen: The Key to Japan's Competitive Success. McGraw-Hill emphasizes continuous improvement, where every individual in the organization plays an active role in the process of improving work quality and efficiency. This culture is relevant to be applied in public sector organizations that face the challenge of improving service quality sustainably with limited resources. However, according to (Amirullah & Masrurroh, 2020) revealed that although Kaizen can increase productivity and efficiency, employee resistance is often a major obstacle. Some employees feel threatened by the continuous change demanded by the Kaizen culture, especially if they are not involved in the change process or do not understand its long-term benefits.

In addition to leadership and kaizen culture, the work environment is a contributing factor in the execution of tasks by workers (Kustini & Hidayat, 2021). According to the aforementioned definition, the work environment is defined as a condition or situation that exerts a significant influence on employees in carrying out their work or on the operation of the company. This finding contrasts with the conclusions of (Oktariani et al., 2023) who reported that the physical work environment exerts a significant influence on employee performance. Instead, factors such as self-control and the ability to manage time become the main determinants of performance. In the contemporary era of remote work, the conventional work environment has become increasingly obsolete, and performance is increasingly determined by an individual's capacity to work autonomously.

At the Badung Regency Regional Revenue Agency, the main challenge faced is how to ensure that each employee can work optimally in achieving regional revenue targets. Therefore, this study needs to be conducted to understand how leadership can affect employee performance with Kaizen culture and work environment as mediators. By understanding the interaction between leadership, Kaizen culture, and work environment, it is hoped that organizations can identify the right strategies to improve performance sustainably.

Based on the results of the interview with the Head of BAPENDA Badung Regency, there are several problems faced, namely related to the work environment. In order to ensure the smooth running of BAPENDA Badung Regency employees' duties, it is necessary to prepare a good and conducive work environment, such as adequate Office Layout and supporting transportation for taxpayer inspection activities. The work environment is indeed a factor that indirectly affects employee performance. A conducive work environment provides a sense of security and allows employees to work optimally in order to achieve maximum goals in increasing regional taxes. From the results of the interview, it was found that the work atmosphere was still less conducive. Several waiting rooms for taxpayer services are still narrow so that taxpayers do not feel comfortable and service time is hampered, broken employee tables, chairs and cupboards were found, computer devices that still need to be updated both in terms of system and hardware, and the distance between employees sitting is very close because the narrow room this disturbs employee comfort. In addition to these problems, the most important thing is that BAPENDA Badung Regency has different individuals, where each employee has their own mindset and even different behavior. From the results of achieving targets and realizing regional income in the tax sector for the past 3 years, it has not reached the specified target. Where in 2022 100%, in 2023 97.37% and in 2024 the realization is still ongoing, namely 65.34%.

Judging from the Government Agency Performance Report (LKIP) from 2022 to 2023, it was not optimally realized due to less than optimal employee performance. This proves that public services and information provided to taxpayers regarding orderly tax payments are still not optimal from achieving the set targets and until now, public satisfaction with various public services is still low.

As indicated, Performance is not only seen as a result; it is also related to independence, in accordance with

organizational values, understanding responsibility, discipline, and communicating well. Kaizen culture is a philosophy that can encourage organizations to set higher performance standards to achieve better goals. The Badung Regency BAPENDA Office is trying to implement the 5S program, namely Seiri, Seiton, Seiso, Seiketsu, and Shitsuke, to ensure the rights, responsibilities, obligations, and authorities of all parties involved in the implementation of public services in accordance with Standard Operating Procedures. Employee commitment, involvement in work, and focus on the ability to try are some of the factors that determine the success of implementing a kaizen culture. Based on the background that has been described, this study aims to understand the influence of leadership on employee performance with Kaizen culture and communication as mediating variables at the Badung Regency Regional Revenue Agency.

By focusing on Kaizen culture as a mediating variable, this study offers a deeper perspective on how the concept of continuous improvement can be applied in public sector organizations to improve employee performance.

A. Previous Research

This research by (Mondiani, 2022) with the Article Title: The Influence of Transformational Leadership and Compensation on Employee Performance of PT. PLN (PERSERO) UPJ Semarang which shows that transformational leadership variables and compensation variables have a significant influence on employee performance variables.

Sutedja et al. (2022) with the title "The influence of kaizen culture on studied the impact of kaizen culture on employee performance in Bungah District, Gresik Regency, with compensation as a moderating variable. The results show that kaizen culture positively impacts employee performance, regardless of compensation.

Research by (Rohmah & Mahfud, 2021), entitled "The Influence of Kaizen Culture, Work Discipline and Competence on Employee Performance at the Ministry of Religion Office of Wonosobo Regency". These results indicate that Kaizen culture has a positive influence on employee performance. This means that the more continuous improvement there is in work culture, the better employee performance will be. Work discipline has a positive influence on employee performance. This means that the more disciplined in working, the better employee performance will be. Competence has a positive influence on employee performance. This means that the more competent an employee is, the better employee performance will be.

Research by (Qori & Banin, 2023), entitled "Implementation of Kaizen Culture and Employee Creativity in Improving Employee Performance with Work Motivation as Mediation". The results of this study indicate that the implementation of kaizen culture has a positive effect on employee performance so that employees will have high performance. Work creativity has a positive effect on employee performance so that it can also improve employee performance at PT Jeram Indah Sungai Comal. Kaizen culture has a positive effect on work motivation so that employees will also have high motivation in their work at the company.

Work creativity has a positive effect on performance. Motivation so that it will increase motivation in employees. Work motivation is able to mediate the implementation of kaizen culture and work creativity on employee performance at PT Jeram Indah Sungai Comal

Research by (Ente et al., 2023) entitled "Kaizen Culture Improves Employee Performance at the Ministry of Law and Human Rights, Gorontalo Provincial Office". This study shows that the higher the kaizen culture is applied in the company, the higher the performance of employees of the Ministry of Law and Human Rights, Gorontalo Provincial Office.

Research by (D. Andriani et al., 2024) entitled "Kaizen Culture, Work Stress, and Leadership Style on Employee Performance at CV. Aisyah Catering Dewi". This study shows that kaizen culture has a positive and significant effect on employee performance at CV Aisyah Catering. Work stress and leadership style also have a positive and significant effect on employee performance at CV Aisyah Catering. Simultaneously shows that kaizen culture, work stress and leadership style have a positive and significant effect on employee performance at CV Aisyah Catering.

Research by (Prasetyo, 2023) shows that leadership style affects job satisfaction, while Kaizen culture and welfare do not. This is true for Dapoer Tempo Doloe Tegal employees. Kaizen culture does not affect job satisfaction.

Study (Raslim & Suhana, 2024) found that leadership style and organizational culture positively influence job satisfaction. They also found that leadership style, organizational culture, and job satisfaction positively influence employee performance. Job satisfaction is an intervening variable in the influence of leadership style and organizational culture on employee performance.

Research by (Latuharhary et al., 2025), found that leadership style positively influences employee performance. However, job satisfaction does not mediate this relationship. The work environment also does not have a significant direct influence on employee performance.

Study (Parwati et al., 2024) with the title *The Influence of Leadership Style and Organizational Culture on Employee Performance with Work Motivation as a Mediating Variable at PT. Mitrausaha Indonesia Group (Funding Societies)*. The results of the study prove that Leadership Style has a positive effect on Work Motivation, Organizational Culture does not affect Work Motivation. Leadership Style does not affect Employee Performance. Organizational Culture has a positive effect on Employee Performance. Work Motivation has a positive effect on Employee Performance. Leadership Style does not affect Employee Performance through Work Motivation and Organizational Culture does not affect Employee Performance through Work Motivation.

B. Theoretical Study

Leadership plays an important role in influencing employee performance. (Lontokan et al., 2023) emphasizes that leadership can improve employee motivation and performance through the development of strong relationships between leaders and subordinates. Effective leaders not only set goals, but also provide inspiration and support to employees to achieve those goals.

Kaizen is a form of organizational culture that aims to continuously improve performance in the production process, product quality, reducing operational costs and increasing work safety. (D. Andriani et al., 2024).

The work environment is defined as the physical and social context in which workers perform their assigned tasks. The work environment significantly influences employees and company operations (Akmaliyah et al., 2025).

Human resource performance is defined as the work achievement or results (output) of human resources in terms of both quality and quantity, achieved within a specific time period while carrying out work. Performance is how well an employee fulfills their job duties (Mangkunegara, 2016). Performance refers to the degree to which an employee accomplishes the tasks that make up an employee's job. Performance reflects how well an employee meets the requirements of a job (Hermawan & Arifin, 2022). It's real behavior that employees display in their work achievements (Rivai, 2018).

C. Hypothesis

Based on the formulation of the problem, discussion of theory, and framework of thought that has been described, the research hypothesis is:

- H1: Leadership has a positive influence on the work environment.
- H2: Kaizen culture has a positive influence on the work environment.
- H3: Leadership has a positive effect on employee performance
- H4: Kaizen culture has a positive effect on employee performance
- H5: The work environment has a positive effect on employee performance
- H6: work environment mediates the influence of leadership on employee performance
- H7: work environment mediates the influence of kaizen culture on employee performance

II. RESEARCH METHODS

This study of 262 BAPENDA Badung Regency civil servants used a random sampling technique in each department. The Slovin formula determined the required sample size of 72 (Sugiyono, 2019).

This study used a research implementation design, starting from the hypothesis to the conclusion and suggestions. The proposed hypothesis depends on the research variables. The independent variables are leadership, kaizen culture, and work environment.

Leadership is the ability of the BAPENDA department head to influence, direct, guide, and motivate employees to achieve organizational goals. Leadership is measured through indicators of decision-making ability, motivational ability, communication ability, control ability, and subordinates' ability to control emotions.

Kaizen Culture is the application of the principle of continuous improvement in daily work processes, including efforts to improve efficiency, effectiveness, and quality of

public services at BAPENDA Badung Regency. Kaizen Culture is measured by the indicators Seiri (Compact), Seiton (Neat), Seiso (Clean), Seiketsu (Maintain), and Shitsuke (Diligent).

The work environment is a physical and non-physical condition in BAPENDA Badung Regency that can affect employee comfort and productivity. The work environment in this study was measured by indicators of physical facilities, cleanliness and security, physical conditions of the environment, social relations, and work-life balance.

While the dependent variable in this study is employee performance. Employee performance is the level of achievement of employee work results in carrying out their duties in accordance with the targets set in BAPENDA Badung Regency. Employee performance is measured by indicators of Work Performance, Quality, Quantity, Cooperation, and Responsibility (Risqi & Murahman, 2023). Research instruments and respondents are determined by the research variables. Next, data is collected through observations, interviews, and questionnaires. The data is processed and analyzed using descriptive and inferential statistical analysis techniques. Research hypothesis testing uses "path analysis." The processed data is discussed and interpreted. Finally, conclusions and suggestions are drawn from the discussion and interpretation of the research results.

III. RESULTS AND DISCUSSION

A. Respondent Characteristics

The sample used in this study was obtained from distributing questionnaires to 72 respondents. The characteristics of the respondents explain the level of age, gender, last education, and length of service which are presented in table 1 below.

TABLE I
RESPONDENT CHARACTERISTICS

No	Characteristics	Number of people	Percentage (%)
1	Age Level		
	• >21 years	9	12.5
	• 21-30 years	26	36.1
	• 31-40 years	25	34.7
	• >40 years	12	16.7
2	Gender		
	• Man	37	51.4
	• Woman	35	48.6
3	Last education		
	• High School/Vocational	7	9.7
	• School	9	12.5
	• School	56	77.8
	• Diploma		
	• Bachelor		
4	Years of service		
	• <3 years	8	11.1
	• 3-5 years	33	45.8
	• 6-15 years	27	37.5
	• >15 years	4	5.6

Table 1 shows that respondents from the Regional Revenue Agency (BAPENDA) of Badung Regency were male as many as 51.4% and female as many as 48.6% indicating an almost even gender distribution. The majority of respondents were in the age range of 21-30 years at 36.1% followed by 31-40 years at 34.7% indicating the dominance of productive age employees. Most employees have a final education level of Bachelor (S1) as many as 77.8% reflecting good academic qualifications in the work environment. In terms of length of service, employees with a work period of 3-5 years dominate with a percentage of 45.8% followed by employees with a work period of 6-15 years at 37.5%. These results indicate that BAPENDA Badung Regency employees are dominated by productive age, the majority have higher education, and sufficient work experience, thus providing great potential in supporting organizational performance.

B. Data Analysis Results

After conducting a descriptive test, this study conducted a research instrument test in the form of a validity test and a reliability test. The results of this research instrument test indicate that all question items from the four variables studied are declared valid and have a good level of reliability. Thus, this research instrument can be categorized as a valid and reliable data collection tool.

The regression model will be more appropriate to use and produce more accurate calculations, if the following assumptions can be met. The classical assumption tests that must be met in simple linear regression analysis include normality tests, multicollinearity tests and heteroscedasticity tests which are summarized in Table 2 below:

TABLE 2
SUMMARY OF CLASSICAL ASSUMPTION TEST RESULTS

Normality Test Results	Variables	Test Results Multicollinearity		Heteros Test Results
		Tolerance	VIF	Significance
0.200	X1	0.604	1,655	0.171
	X2	0.647	1,547	0.536
	Y1	0.695	1,439	0.588

Source: Processed data, 2025

Based on table 2, it can be concluded that the Asymp. Sig. (2-tailed) value is $0.200 > 0.05$. This result means that the data has a normal distribution and has met the normality requirements in the regression model. The results show that the tolerance value of the leadership, Kaizen culture, and work environment variables is greater than 0.10, while the VIF value is < 10 , so it can be concluded that there is no multicollinearity symptom in the regression model. The heteros test shows the significance value of the workload, competence, and job satisfaction variables > 0.05 , so it can be concluded that according to the decision making from the Glejser test there is no heteroscedasticity in the regression model. All classical assumption tests in Table 2 are feasible to test, so the path analysis model can be carried out further.

TABLE 3
DIRECT AND INDIRECT EFFECT TEST RESULTS

Relationship Between Variables	Effect Direct	Total Effect	Sig	Conclusion
Leadership(X1) → Work environment (Y1)	0.372	0.372	0.003	H1 accepted
Kaizen Culture(X2) → Work environment (Y1)	0.250	0.250	0.043	H2 accepted
Leadership(X1) → Employee Performance (Y2)	0.245	0.245	0.032	H3 accepted
Kaizen Culture(X2) → Employee Performance (Y2)	0.369	0.369	0.001	H4 accepted
Work environment(Y1) → Employee Performance (Y2)	0.228	0.228	0.032	H5 accepted
	Effects of No Direct	Total Effect	Sig	Conclusion
Leadership(X1) → Work environment(Y1) → Employee Performance (Y2)	0.085 (0.372* 0.228)	0.085	-	H6 rejected
Kaizen Culture(X2) → Work environment(Y1) → Employee Performance (Y2)	0.057 (0.250* 0.228)	0.057	-	H7 rejected

Based on the results of the substructure 1 and substructure 2 tests, the final path model can be described as shown in Figure 1 below

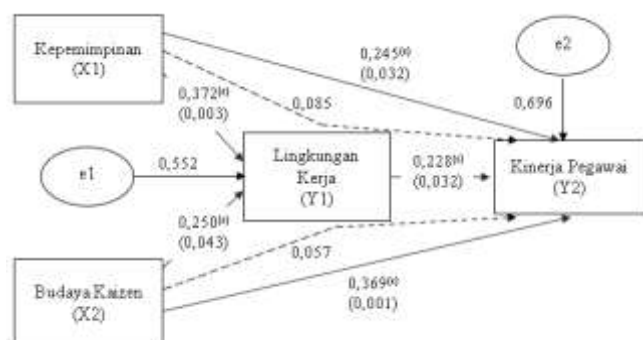


Fig.1 Path Analysis Model

C. Discussion

1) The Influence of Leadership on the Work Environment at BAPENDA Badung Regency.

Leadership has a positive effect on the work environment at BAPENDA Badung Regency. The results of the analysis are shown from the direct effect value of leadership on the work environment of 0.372 with a t-test value of 3.068 and a significance level of $0.003 \leq 0.05$. The results of the analysis prove that the better the leadership, the better the effect on improving the quality of the work environment at BAPENDA Badung Regency. The results of this study are in line with the research (Danthi, 2017) which states that leadership has a positive and significant effect on the work environment. Good leadership quality can create a conducive and supportive work atmosphere.

Effective leadership includes the ability to make decisions, provide motivation, communicate effectively, control subordinates, and maintain emotional stability. The ability to make decisions firmly helps leaders provide clear direction so that a structured and efficient work environment is created. The ability to motivate also plays an important role in encouraging employee morale, which in turn will increase their productivity. In addition, good communication skills create an open work atmosphere, minimizing conflict or misunderstanding. On the other hand, the ability to control subordinates allows leaders to maintain smooth implementation of tasks, while emotional control ensures good interaction and reduces psychological stress in the work environment. Based on the results of the analysis, leadership at BAPENDA Badung Regency has shown good quality that contributes significantly to creating a work environment that supports employee performance. Thus, efforts to improve leadership competency are a strategic step in ensuring the creation of a quality work environment, which ultimately has a positive impact on achieving organizational goals at BAPENDA Badung Regency.

2) The Influence of Kaizen Culture on the Work Environment at BAPENDA Badung Regency

Kaizen culture has a positive effect on the work environment at BAPENDA Badung Regency. The results of the analysis are shown by the direct effect value of kaizen culture on the work environment of 0.250 with a t-test value of 2.067 and a significance level of $0.043 \leq 0.05$. The results of the analysis prove that the more effective the implementation of Kaizen culture is, the more it affects the improvement of environmental quality at BAPENDA Badung Regency. The results of this study are in line with the research (Tri et al., 2019) and (Ardiansah & Rochdianingrum, 2022) which states that the implementation of Kaizen culture can increase work efficiency and employee participation in the improvement process. This culture also creates an open work environment and encourages two-way communication between management and employees.

The Kaizen culture that includes the principles of Seiri (Concise), Seiton (Neat), Seiso (Clean), Seiketsu (Maintain), and Shitsuke (Diligent) has a real impact on creating a more productive and organized work environment. Seiri helps to prioritize work by eliminating unnecessary things, while

Seiton ensures that all equipment and documents are well organized, making daily work easier. In addition, Seiso encourages workplace cleanliness which not only improves comfort but also work safety. Seiketsu ensures that these good practices are maintained through standardization, while Shitsuke strengthens employee discipline to comply with established procedures. The results of the study found that the implementation of the Kaizen culture at BAPENDA Badung Regency has created a comfortable, clean, and productivity-supporting work environment. Such a work environment has positive impacts such as increased efficiency, better communication between employees, and higher work enthusiasm. With the Kaizen culture, BAPENDA Badung Regency has succeeded in creating a conducive work environment to achieve organizational goals and improve employee performance.

3) *The Influence of Leadership on Employee Performance at BAPENDA Badung Regency*

Leadership has a positive effect on employee performance at BAPENDA Badung Regency. The results of the analysis are shown from the direct effect value of leadership on employee performance of 0.245 with a t-test value of 2.186 and a significance level of $0.032 \leq 0.05$. The results of the analysis prove that the better the leadership, the better the effect on improving employee performance at BAPENDA Badung Regency. The results of this study are in line with research The Greatest Showman (2022); Aprilia et al., (2020); Jesajas & Arweni (2022); Laela et al., (2021); Listiaty & Marini (2021); Rambe et al., (2021); Tjahyanti & Chairunnisa, (2021) states that leadership has a direct influence on performance, especially when accompanied by effective communication and trust between members of the organization.

Effective leadership is one of the main factors in improving employee performance. A leader's ability to make decisions accurately and firmly ensures clear work direction and efficient problem solving. The ability to motivate employees also plays an important role in encouraging work enthusiasm and creating a productive work atmosphere. Good communication skills enable leaders to convey the organization's vision, mission, and goals in a way that is easy to understand, and encourage openness in providing input and feedback. Leaders who are able to control subordinates can ensure that tasks are carried out according to the organization's plans and targets. Meanwhile, the ability to control emotions has a positive impact on interpersonal relationships, creates emotional stability in the work environment, and reduces the potential for conflict. The results of this study indicate that leadership at BAPENDA Badung Regency has succeeded in creating a positive influence on employee performance. Effective leadership in this organization is one of the strategic factors in increasing productivity, work efficiency, and achieving organizational goals. Therefore, the development of sustainable leadership competencies is very important to maintain and improve employee performance.

4) *The Influence of Kaizen Culture on Employee Performance at BAPENDA Badung Regency*

Kaizen culture has a positive effect on employee performance at BAPENDA Badung Regency. The results of the analysis are shown from the direct effect value of Kaizen culture on employee performance of 0.369 with a t-test value of 3.403 and a significance level of $0.001 \leq 0.05$. The results of the analysis prove that the more effective the implementation of Kaizen culture is, the more it will affect employee performance at BAPENDA Badung Regency. The results of this study are in line with research (Ardiansah & Rochdianingrum, 2022; Ente et al., 2023; Prasetyo, 2023; Qori & Banin, 2023; Rohmah & Mahfud, 2021; Sutedja et al., 2022) who found that Kaizen culture is positively related to increased employee performance through continuous improvement and active employee participation in every work process.

Kaizen culture that includes the principles of Seiri (Concise), Seiton (Neat), Seiso (Clean), Seiketsu (Maintain), and Shitsuke (Diligent) has a significant impact on shaping more focused and productive employee performance. Seiri encourages employees to focus resources on essential things, while Seiton ensures order in the management of work tools and documents. Seiso improves the cleanliness of the work environment which has an impact on employee health and comfort. Seiketsu maintains the consistency of best practices that have been implemented, while Shitsuke strengthens employee work discipline to follow established procedures. The results of the study found that the implementation of Kaizen culture at BAPENDA Badung Regency has succeeded in creating a more efficient work system, improving the quality of work results, and encouraging employee enthusiasm and motivation in carrying out their duties. Thus, Kaizen culture is an effective strategy in supporting the achievement of optimal performance at BAPENDA Badung Regency.

5) *The Influence of the Work Environment on Employee Performance at BAPENDA Badung Regency*

The work environment has a positive effect on employee performance at BAPENDA Badung Regency. The results of the analysis are shown from the direct effect value of the work environment on employee performance of 0.228 with a t-test value of 2.184 and a significance level of $0.032 \leq 0.05$. The results of the analysis prove that the more conducive the work environment is, the more it affects the increase in employee performance at BAPENDA Badung Regency. The results of this study are in accordance with (Adha et al., 2019; Ahmadi et al., 2023; Harisandi & Wajdi, 2024; Mustika, 2022; Silalahi et al., 2021; Suryani, 2019) found the work environment has a positive effect on performance.

A conducive work environment includes several important indicators such as physical facilities, cleanliness and safety, physical conditions of the environment, social relationships, and work-life balance. Adequate physical facilities such as comfortable workspaces and complete equipment make it easier for employees to carry out their tasks optimally. Cleanliness and safety of the work environment create a safe and comfortable atmosphere so that employees can work

without disturbance and worry. Physical conditions of the environment including adequate lighting, good air ventilation, and comfortable room temperature help maintain employee focus and energy throughout the work day. Harmonious social relationships between employees and between employees and superiors encourage effective communication. Work-life balance is an important factor that helps employees manage stress and fatigue so that they can maintain productivity in the long term. The results of the study found that a conducive work environment at BAPENDA Badung Regency has created a comfortable, safe work atmosphere that supports a balance between work and life. Such a work environment has positive impacts such as increased productivity, harmonious social relationships between employees, and higher motivation and work enthusiasm.

6) *The Influence of Leadership on Employee Performance through the Work Environment at BAPENDA Badung Regency*

Leadership has a positive effect on employee performance through the work environment at BAPENDA Badung Regency. The results of the analysis are shown from the indirect effect value of leadership on employee performance through the work environment of 0.085. Based on the results of the Sobel Test calculation, the Z value = 1.78 is smaller than the value of 1.98 with a significance level of 5%, these results indicate that the work environment variable has not been able to act as an intervening variable in the influence of leadership on employee performance at BAPENDA Badung Regency. The results of this study are not in accordance with (Deddy, 2022; Solehudin, 2022; WINARTI, 2022) who found that the work environment mediates the influence of leadership on employee performance.

The work environment has not been able to act as an intervening variable in the relationship between leadership and employee performance at BAPENDA Badung Regency. This indicates that employees consider that the influence of leadership on their performance is not fully mediated by the conditions of the work environment. This means that effective leadership can directly improve employee performance without having to go through significant changes in the work environment. Employees feel that good leadership, such as clear direction, effective communication, and support from superiors, directly affect their ability to complete tasks well. Strong leadership also increases employee motivation and work discipline so that performance becomes more optimal. By always ensuring a conducive work environment, management still needs to be directed at strengthening the quality of leadership through training and development of leadership skills. Strengthening effective leadership will have a direct impact on improving employee performance and achieving organizational goals at BAPENDA Badung Regency.

7) *The Influence of Kaizen Culture on Employee Performance through the Work Environment at BAPENDA Badung Regency*

Kaizen culture has a positive effect on employee performance through the work environment at BAPENDA Badung Regency. The results of the analysis are shown from the indirect effect value of Kaizen culture on employee performance through the work environment of 0.057. Based on the results of the Sobel Test calculation, the Z value = 1.50 is smaller than the value of 1.98 with a significance level of 5%, this result shows that the work environment variable has not been able to act as an intervening variable in the influence of kaizen culture on employee performance at BAPENDA Badung Regency. The results of this study are not in accordance with (Ahmadi et al., 2023; Andriani et al., 2023; Saukani & Meria, 2021) who found that the work environment mediates the influence of Kaizen culture on employee performance.

The work environment has not been able to act as an intervening variable in the relationship between Kaizen culture and employee performance at BAPENDA Badung Regency. This indicates that the influence of Kaizen culture on employee performance is not fully mediated by the conditions of the work environment. This means that the effective implementation of Kaizen culture can directly improve employee performance without having to go through significant changes in the work environment. Employees assess that the Kaizen culture that is applied such as the principles of Seiri, Seiton, Seiso, Seiketsu, and Shitsuke directly helps improve their efficiency, discipline, and work quality. Thus, Kaizen culture has an important role in encouraging direct employee performance improvements. Although the work environment has a role in supporting performance, the main focus needs to remain directed at the consistent and comprehensive implementation of Kaizen culture. Thus, BAPENDA Badung Regency can achieve improved employee performance as well as achieving organizational goals.

IV. CONCLUSIONS

Based on the results of the analysis and discussion, it is concluded that Kaizen leadership and culture have a positive and significant effect on the Work Environment at BAPENDA Badung Regency. This result means that the better the leadership and the better the implementation of kaizen culture will be able to improve the work environment at BAPENDA Badung Regency. Kaizen Leadership and Culture have a positive and significant effect on employee performance at BAPENDA Badung Regency. This result means that the better the leadership and the better the implementation of kaizen culture will be able to improve employee performance at BAPENDA Badung Regency. Furthermore, the work environment has a positive and significant effect on employee performance at BAPENDA Badung Regency. This result means that the more conducive the work environment will be able to improve employee performance at BAPENDA Badung Regency. The results also show that the work environment has not been able to be a mediating variable on the influence of leadership on employee performance at BAPENDA Badung Regency, and the work environment has not been able to be a mediating variable on

the influence of kaizen culture on employee performance at BAPENDA Badung Regency.

Based on the conclusions obtained from this study, it is expected that BAPENDA Badung Regency can improve leadership through improvements in the ability to control emotions and decision-making abilities. This can be done by participating in an emotional intelligence training program for structural officials so that they can be more aware of personal and other people's emotions. Encourage a leadership style that is more active listening and open to the perspectives of subordinates and partners. Increase team involvement in the internal policy formulation process so that decisions are more comprehensive and sustainable. And hold regular consultative forums (eg cross-field evaluation meetings) to test the validity and potential impact of a decision.

It is expected that BAPENDA Badung Regency can improve the kaizen culture through improvements in the Seiri (Concise) indicator. This can be done by conducting regular audits of workspaces, document storage, and digital systems, to ensure that only value-added elements remain in the work environment. Provide training or socialization to all employees regarding the importance of the Seiri principle in supporting productivity, service accuracy, and ease of data retrieval. Establish standard operating procedures (SOPs) that support a concise and efficient work culture, including guidelines for archive destruction, office space management, and information system optimization.

It is expected that BAPENDA Badung Regency can improve the work environment in terms of increasing cleanliness and security. This can be done by setting standards for cleanliness of work spaces and public service areas through a clear routine cleaning schedule and regular supervision by cleaning staff or internal teams. Improve the physical security system of the office, including monitoring entry/exit access, installing CCTV in strategic areas, and the presence of alert and trained security officers.

It is expected that BAPENDA Badung Regency can improve employee performance in terms of increasing the quantity and quality of work. This can be done by setting clear, measurable, and realistic performance targets for each employee according to their duties and responsibilities, and conducting regular monitoring. Organizing routine training and competency development, both in the form of technical workshops, task guidance, and soft skills training to improve employee work capacity. And optimizing the use of information technology and digital systems to speed up work processes, minimize errors, and improve accuracy and efficiency of services.

This study has several research limitations where the study was only conducted at BAPENDA Badung Regency where the results of this study are contextual and cannot necessarily be generalized widely to other organizations or government agencies that have different characteristics. This study only focuses on three independent variables (leadership, kaizen culture and work environment) without considering other factors that affect employee performance.

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