



Effectiveness of the Work Environment as a Driver of Improved Employee Performance

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Abstract

This study analyzes the effectiveness of the work environment as a driver of employee performance improvement at the South Jakarta Regional Office of the Directorate General of Taxes 1 through a bibliographic literature review. Relevant literature was identified, screened, assessed for eligibility, and synthesized thematically to examine relationships between physical and non-physical work environment conditions and employee performance. The findings indicate that the work environment generally has a positive relationship with employee performance across tax, audit, and public-sector organizations. Adequate workspaces, facilities, technological resources, workplace comfort, interpersonal relationships, communication, managerial support, and organizational culture can support concentration, motivation, coordination, productivity, and professional performance. The synthesis also indicates that the relationship may occur through organizational and psychological mechanisms, including job satisfaction, motivation, communication, organizational commitment, competence, and work stress. Evidence from tax and audit institutions further shows that environmental effectiveness depends on task complexity, professional responsibilities, leadership, and organizational conditions. These findings suggest that work environment improvement should be implemented as an integrated organizational strategy rather than focusing exclusively on physical facilities. In the context of the South Jakarta Regional Office of the Directorate General of Taxes 1, effective environmental management should balance physical resources with supportive social and psychological conditions to sustain accurate, professional, and accountable employee performance. As a literature-based study, the findings provide conceptual implications rather than direct empirical evidence.

Keywords: Employee Performance, Literature Review, Organizational Environment, Tax Administration, Work Environment.



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INTRODUCTION

Employees play a strategic role in ensuring that audits, supervision, and financial and tax reporting are carried out accurately, objectively, and in accordance with applicable regulations, making employee performance a central organizational concern in institutions whose outputs depend heavily on professional judgment and procedural compliance. Within the Directorate General of Taxes (DGT), the quality of employee performance is determined not only by technical competence and work experience, but also by the supportive work environment in which employees perform complex administrative, supervisory, and audit-related responsibilities. Contemporary organizational research increasingly positions the work environment as a multidimensional organizational resource because physical conditions, interpersonal relationships, managerial support, communication, and organizational facilities jointly shape employees' capacity to sustain effective work behavior. Lestary and Harmon (2017) conceptualize the work environment as encompassing both physical and non-physical conditions surrounding employees, indicating that employee effectiveness is shaped by more than the availability of material facilities alone. Recent evidence also indicates that work environment conditions remain significantly associated with employee performance across different organizational settings, although the strength and mechanisms of this relationship may vary according to organizational and employee characteristics (Armansyah, 2024). Employee job demands related to accuracy, target achievement, time pressure, audit complexity, and the need to maintain independence and professionalism make the work environment a crucial factor to consider. A conducive work

environment can provide a sense of security, increase work comfort, facilitate communication, and create conditions that enable employees to perform their duties optimally.

The work environment essentially encompasses various aspects that influence individuals in carrying out their work, both physical and non-physical, so its contribution to performance needs to be understood as an interaction between material working conditions and the social context in which tasks are performed. The physical work environment can include the condition of the workspace, lighting, temperature, cleanliness, work facilities, and the availability of supporting technology, whereas the non-physical work environment encompasses relationships between employees, relationships with management, organizational communication, coworker support, organizational culture, and the psychological atmosphere in the workplace. Empirical evidence suggests that work environment conditions can influence employee performance directly, while their effects may also operate through employees' psychological experiences, including job satisfaction and perceived organizational support (Ayunasrah et al., 2022). Other findings demonstrate that the relationship becomes more meaningful when the work environment is considered alongside work discipline, suggesting that performance is produced through the interaction of contextual conditions and employee behavior rather than through environmental conditions alone (Basirun et al., 2022). For employees, these two aspects are highly relevant because audit work requires high levels of concentration, coordination, information exchange, analytical skills, and sound decision-making. An environment that facilitates communication and professional interaction may also strengthen auditors' ability to exercise appropriate professional judgment when dealing with complex work situations (Nugrahanti et al., 2024). An unsupportive work environment, in contrast, can create discomfort, psychological pressure, fatigue, and reduced concentration, which may ultimately interfere with the consistency and quality of employee performance.

Employee performance is a crucial indicator in assessing the effectiveness of supervisory, administrative, and audit functions because organizational objectives are ultimately translated into measurable outcomes through employees' work behavior and results. Performance is reflected not only in the quantity of work completed, but also in the quality of audit results, timeliness, adherence to procedures, accuracy, professionalism, and the employee's ability to achieve organizational targets. Research involving tax auditors has shown that performance is affected by a combination of work-related and organizational factors, illustrating that auditor effectiveness cannot be adequately explained through individual competence in isolation (Ratnawati et al., 2021). Recent research on auditors similarly demonstrates that stress, job satisfaction, work-life balance, and telework conditions can jointly shape job performance, reinforcing the importance of examining the broader conditions under which professional employees carry out demanding tasks (Henriques & Samagaio, 2025). In the context of the South Jakarta 1 Regional Office of the Directorate General of Taxes, improving employee performance is increasingly crucial because the implementation of tax duties requires personnel capable of working professionally in the face of the complexity of tax administration and the dynamics of organizational demands. The quality of employee performance therefore depends on whether organizational arrangements are capable of sustaining concentration, coordination, accountability, and professional commitment throughout the execution of tax-related duties. Creating a work environment that supports the professional and psychological needs of employees becomes a strategic component of organizational performance management rather than merely an administrative consideration.

Several previous studies have shown a relationship between the work environment and employee performance, but the accumulated evidence suggests that the relationship is multidimensional and sensitive to organizational context. A positive work environment has been associated with improved employee performance in different organizational settings, including private-sector and public-sector institutions, although the specific dimensions producing the strongest effects are not always identical (Estiana et al., 2023). Research has also demonstrated that work environment and motivation can jointly influence performance, indicating that environmental conditions may become more effective when employees possess sufficient psychological and motivational resources to respond to workplace demands (Arjun et al., 2022). Conversely, studies examining workload and the physical work environment indicate that unfavorable working conditions may undermine performance when employees face substantial task demands and limited environmental support (Farismawarni & Sumbogo, 2023). This evidence reveals an important analytical issue: the work environment should not be treated as a uniform construct whose effect on performance is automatically positive across all

organizational circumstances. Differences in organizational characteristics, type of work, work culture, respondent characteristics, work environment indicators, and research methods can produce different findings. Communication may also function as an important mechanism connecting environmental conditions with auditor performance, suggesting that the social dimension of the work environment deserves greater attention in professional organizations (Indrastuti et al., 2024). These variations make it necessary to move beyond isolated empirical findings and examine the broader pattern through which work environment conditions become a driver of employee performance.

Studies on the work environment and employee performance still have room for development, particularly regarding the integration of findings across organizational contexts and the identification of mechanisms that explain why environmental conditions generate different performance outcomes. Some studies discuss the work environment in a general organizational context, while research specifically linking it to employee job characteristics in tax institutions remains relatively limited. Research on tax auditors has demonstrated that work stress and the work environment are relevant to performance and that motivational processes can influence this relationship, indicating that the organizational context of tax-related work requires more specific attention (Wijaya et al., 2021). Evidence from auditor research further indicates that work environment characteristics can intersect with task complexity and professional competence, meaning that environmental effects may depend on the nature of the work being performed (Jaya et al., 2022). Previous research also tends to empirically examine relationships between variables in specific locations, making it difficult to obtain a comprehensive understanding of how recurring patterns across studies can explain the role of the work environment as a performance driver. This limitation is particularly important for public-sector institutions because employee performance is connected not only to individual productivity but also to service quality, regulatory compliance, accountability, and institutional effectiveness. A broader synthesis is therefore required to identify the work environment dimensions most consistently associated with performance, examine areas of convergence and divergence across empirical findings, and clarify the conceptual space that remains insufficiently addressed. Such an approach can strengthen the basis for understanding whether improvements in workplace conditions should be regarded as a direct performance strategy or as part of a broader organizational system involving motivation, communication, culture, and work demands.

The unresolved relationship between work environment and employee performance has both scientific and practical significance because organizations cannot design effective performance-improvement strategies without understanding which contextual conditions consistently support employees' capacity to perform demanding tasks. For professional institutions such as the Directorate General of Taxes, the issue becomes particularly consequential because employee performance is closely connected with accuracy, accountability, professionalism, and the quality of services and regulatory functions delivered to the public. Existing evidence indicates that organizational culture, leadership, motivation, and work environment can simultaneously shape auditor performance, suggesting that workplace conditions should be interpreted as part of a broader organizational configuration rather than as an isolated physical attribute (Imelba et al., 2025). Research examining work environment and organizational culture likewise demonstrates that employee performance is influenced by the interaction between workplace conditions and the organizational values governing employee behavior (Oktavia & Fernos, 2023). The present research is positioned within this literature by concentrating analytically on the work environment as a principal driver of employee performance while using accumulated empirical evidence to clarify how physical and non-physical conditions support effective employee functioning. Rather than assuming that a favorable environment automatically produces superior performance, the study considers the consistency of prior findings, the contextual factors that may explain differences, and the implications of these patterns for employee management in the public-sector tax institution. This position provides a bridge between general human resource management research and the more specialized demands of professional tax administration. The study aims to analyze previous research concerning the relationship between the work environment and employee performance, particularly by identifying the physical and non-physical environmental factors most consistently associated with improved performance. Theoretically, the study contributes to a more integrated understanding of the work environment as an organizational driver of performance, while methodologically it contributes a literature-based synthesis that can organize fragmented

empirical evidence and provide a stronger basis for future research and managerial decision-making at the South Jakarta 1 Regional Office of the Directorate General of Taxes.

RESEARCH METHODS

This study employed a non-empirical research design using a bibliographic literature review approach to systematically examine the effectiveness of the work environment as a driver of improved employee performance. A literature review enables the identification, evaluation, comparison, and synthesis of findings from previous studies to develop a comprehensive understanding of theoretical developments, empirical evidence, and unresolved research issues within a particular field (Wajdi et al., 2024). The conceptual focus of the review was the relationship between the work environment as the independent construct and employee performance as the dependent construct, with particular attention to physical and non-physical environmental conditions that may facilitate or constrain employees' ability to perform their duties. The literature selection process followed four sequential stages, namely identification, screening, eligibility, and inclusion, with articles initially collected from relevant academic databases and subsequently recorded and organized for further assessment. During the screening stage, duplicate publications were removed, while titles and abstracts were examined to exclude studies that were not substantively related to work environment and employee performance, consistent with the need to establish clear relevance between selected literature and the research focus (Sari, 2023). Full-text assessment was then conducted to determine whether potentially relevant articles provided adequate information concerning the work environment, employee performance, research context, and empirical findings, while studies failing to satisfy these criteria were excluded from the final synthesis.

The analytical procedure involved a structured comparison and thematic synthesis of the selected literature to identify recurring relationships, variations in findings, and contextual factors that explain differences in the influence of work environment on employee performance. The analysis categorized findings according to major dimensions of the work environment, including physical facilities, workplace comfort, interpersonal relationships, organizational communication, managerial support, and broader organizational conditions, allowing evidence from different studies to be examined through a common conceptual framework. Previous research demonstrating the association between work environment and employee performance was interpreted alongside studies incorporating related organizational factors, enabling the review to distinguish relatively consistent patterns from relationships that may depend on mediating or contextual conditions (Armansyah, 2024). Particular attention was given to studies examining professional and audit-related employees because their work requires accuracy, concentration, coordination, professional judgment, and compliance with organizational procedures, making environmental conditions especially relevant to performance outcomes. The interpretative process also considered evidence indicating that communication can connect workplace conditions with auditor performance, while organizational and task characteristics may alter the strength or form of the relationship (Indrastuti et al., 2024). Rather than applying statistical meta-analysis, the study used qualitative bibliographic interpretation to integrate convergent and divergent findings and to formulate a theoretically grounded explanation of how a supportive work environment can function as a driver of employee performance, particularly in the context of the South Jakarta I Regional Office of the Directorate General of Taxes.

RESULTS AND DISCUSSION

The Influence of Work Environment on Employee Performance

The literature consistently identifies the work environment as an important organizational factor associated with employee performance across different institutional settings. Work environment encompasses both physical conditions, such as workspace, facilities, lighting, temperature, and technological resources, and nonphysical conditions, including relationships, communication, managerial support, and organizational climate. Lestary and Harmon (2017) emphasize that these dimensions collectively shape the conditions under which employees perform their responsibilities. A supportive environment can facilitate concentration, reduce unnecessary work obstacles, and provide employees with resources required to complete tasks accurately and efficiently. Nabawi (2019) similarly demonstrates that work environment is relevant to employee performance alongside job satisfaction and workload. The combined evidence establishes a conceptual basis for examining

workplace conditions as an important determinant of performance rather than treating the work environment merely as a supplementary organizational feature.

Empirical findings summarized in Table 1 demonstrate a generally positive association between work environment and employee performance across private, public, and professional organizations. Wulandari (2023), for example, reported a correlation coefficient of 0.728 between work environment and employee performance at the Main Auditorate of State Finance I, with the work environment explaining 53.1% of performance variation. When work facilities were considered together with the work environment, the explanatory contribution increased to 56.2%, indicating that material resources can complement broader environmental conditions. Armansyah (2024) also identified a significant positive influence of work environment on employee performance, while Iqbal (2022) reported a similar relationship in an organizational setting. Oktavia and Fernos (2023) further found that work environment and organizational culture were relevant to employee performance in a public administrative institution. These findings suggest that environmental conditions can contribute substantially to performance, although the magnitude and significance of the relationship may depend on the organizational context.

Table 1. Summary of Empirical Evidence on the Relationship Between Work Environment and Employee Performance

Study	Context	Key Evidence	Implication
Wulandari (2023)	Main Auditorate of State Finance I, Audit Board	Work environment → performance: $r = 0.728$; $R^2 = 53.1\%$; facilities + environment: $R^2 = 56.2\%$	Adequate facilities and environmental conditions can substantially support employee performance
Armansyah (2024)	PT HPA Tanjungpinang	Work environment has a significant positive influence on employee performance	Environmental improvement can strengthen employee performance
Ayunasrah et al. (2022)	Environmental Agency of Bener Meriah Regency	Work environment is associated with performance through job satisfaction	Environmental conditions should be considered together with employee satisfaction
Jaya et al. (2022)	South Sumatra Regional Inspectorate	Work environment examined with task complexity and competence in relation to auditor performance	Environmental effectiveness depends partly on professional task and competency conditions
Indrastuti et al. (2024)	Riau Provincial Inspectorate	Work environment influences auditor performance through communication	Effective communication can strengthen the performance benefits of a supportive environment
Iqbal (2022)	PT Sriwijaya, South Sumatra	Work environment has a positive relationship with employee performance	Workplace conditions remain relevant to performance in organizational settings
Oktavia and Fernos (2023)	Population and Civil Registration Office of Padang City	Work environment and organizational culture are examined as determinants of employee performance	Environmental improvement should be integrated with organizational conditions
Pratama et al. (2023)	PT Navya Indonesia	Work environment examined with leadership style and work discipline; environmental	Workplace conditions should be evaluated alongside other organizational determinants

effect varies by
model/context

The physical dimension of the work environment provides a direct foundation for employees to perform their duties because inadequate facilities can create operational barriers even when employees possess sufficient competence and motivation. Workspace adequacy, lighting, temperature, cleanliness, equipment, and technological facilities can influence comfort, concentration, and the efficiency of task completion. Farismawarni and Sumbogo (2023) identify the physical work environment as a significant determinant of employee performance, demonstrating the importance of material workplace conditions when evaluating performance outcomes. Wulandari (2023) provides complementary evidence by showing that work facilities combined with the work environment explained 56.2% of employee performance variation in an audit institution. These findings are particularly relevant to tax and audit employees whose responsibilities depend on document processing, information systems, data verification, and sustained attention. Physical environmental improvement can therefore serve as a foundational component of performance management when workplace resources are directly connected to employees' operational requirements.

The nonphysical dimension of the work environment operates through interpersonal and organizational conditions that influence how employees coordinate tasks and experience their workplace. Relationships between employees and supervisors, coworker support, communication, organizational culture, and managerial treatment can affect employees' willingness to cooperate and sustain performance. Irwan and Irfan (2021) demonstrate the relevance of work environment conditions to employee performance, while Indrastuti et al. (2024) provide more specific evidence that communication functions as an important pathway connecting work environment with auditor performance. A workplace with effective communication can reduce ambiguity, facilitate information exchange, and support coordination when employees face complex responsibilities. Organizational culture also influences whether supportive workplace practices become consistent behavioral norms rather than isolated managerial initiatives. The effectiveness of nonphysical environmental improvement consequently depends on the extent to which organizational relationships and communication systems reinforce employees' ability to perform their responsibilities.

The positive relationship identified in many studies does not imply that work environment produces identical performance outcomes across all organizations. Pratama et al. (2023) demonstrate that the effect of work environment can vary when leadership style and work discipline are considered simultaneously, indicating that environmental conditions operate within a broader set of organizational determinants. Basirun et al. (2022) likewise examine work environment together with work discipline, while Jaya et al. (2022) emphasize task complexity and competence in the context of auditor performance. These findings indicate that the effectiveness of workplace conditions depends partly on whether employees possess the capabilities and organizational support needed to utilize available resources. An improved workspace may have limited effects when employees encounter excessive task complexity, weak discipline, inadequate communication, or insufficient managerial support. The work environment should therefore be interpreted as one component of an organizational system whose performance effects are shaped by interactions with other individual and organizational factors.

From a systems perspective, the findings position work environment as an interconnected organizational component that contributes to employee performance through physical resources and social-organizational conditions. Triastuti (2019) demonstrates the relevance of work environment alongside competence and organizational climate, supporting an integrated interpretation of workplace conditions and performance. The evidence in Table 1 also shows that environmental effects are observed across private organizations, public institutions, and professional audit settings, although the strength and pathways of these effects differ. For tax and audit institutions, the relevance of the work environment is amplified by requirements for accuracy, confidentiality, regulatory compliance, and sustained professional concentration. The South Jakarta I Regional Office of the Directorate General of Taxes therefore requires an environment that supports both the operational and interpersonal dimensions of employee work. An effective work environment should provide adequate facilities while also maintaining communication, supportive relationships, organizational discipline, and conditions that allow employees to apply their competencies effectively.

Organizational and Psychological Mechanisms Linking Work Environment to Performance

The literature indicates that the influence of the work environment on employee performance does not operate solely through direct effects but also through organizational and psychological mechanisms. Job satisfaction, work motivation, organizational commitment, communication, work stress, and professional competence can determine how employees respond to workplace conditions. A supportive environment can improve employees' psychological readiness to complete demanding responsibilities, whereas unfavorable conditions may reduce concentration, motivation, and work engagement. Handoko et al. (2021) demonstrate that job satisfaction provides an important pathway through which the work environment is associated with employee performance. Ayunasrah et al. (2022) similarly position job satisfaction as a mediating variable, indicating that employees' perceptions of their workplace can be translated into performance outcomes through their level of satisfaction. This mechanism is particularly relevant in professional organizations because performance depends not only on available facilities but also on how employees psychologically experience and evaluate their working conditions.

Communication represents another important mechanism linking the work environment with employee performance, particularly in organizations where tasks require coordination and continuous information exchange. An environment that encourages open communication enables employees to clarify responsibilities, exchange relevant information, obtain feedback, and coordinate the completion of complex assignments. Indrastuti et al. (2024) found that communication mediates the relationship between the work environment and auditor performance, indicating that environmental support can produce stronger performance when communication processes function effectively. The importance of communication becomes more evident in tax and audit institutions because employees frequently coordinate document verification, regulatory interpretation, case assessment, and reporting activities. Schein (2010) explains that organizational culture influences communication patterns, behavioral expectations, and interaction among organizational members, making culture an important factor in determining how workplace conditions are experienced. The relationship between work environment and performance therefore needs to account for the organizational processes that transform environmental support into coordinated employee behavior.

Table 2. Empirical Evidence on Mediating and Contextual Factors in the Work Environment–Performance Relationship

Study	Context	Key Evidence	Implication
Handoko et al. (2021)	Organizational employees	Job satisfaction is examined as an intervening variable between work environment and performance	Employee satisfaction can translate supportive environmental conditions into better performance
Ayunasrah et al. (2022)	Environmental Agency of Bener Meriah Regency	Job satisfaction mediates the relationship between work environment and employee performance	Environmental improvement should address employees' satisfaction with their work conditions
Wijaya et al. (2021)	Tax auditors, Directorate General of Taxes	Work environment and work stress are examined in relation to performance with motivation as a mediator	Motivation can determine how workplace conditions are converted into tax auditor performance
Indrastuti et al. (2024)	Auditors, Riau Provincial Inspectorate	Communication mediates the relationship between work environment and auditor performance	Effective communication strengthens the performance value of a supportive environment
Jaya et al. (2022)	Auditors, South Sumatra Regional Inspectorate	Work environment is examined with task complexity and competence in relation to auditor performance	Environmental effects depend partly on professional capabilities and task characteristics

Ratnawati et al. (2021)	Tax employees, Directorate General of Taxes	Organizational commitment and job satisfaction support performance, while work stress constrains it	Environmental improvement should include psychological and organizational support
Henriques & Samagaio (2025)	Auditors	Stress, job satisfaction, work–life balance, and telework are associated with auditor job performance	Performance depends on combinations of workplace and psychological conditions
Imelba et al. (2025)	Internal auditors	Organizational culture, leadership style, work environment, and motivation are examined jointly in relation to performance	Environmental improvement is more effective when supported by culture, leadership, and motivation

The evidence presented in Table 2 demonstrates that job satisfaction and motivation are important psychological pathways through which workplace conditions can affect performance. Employees who perceive their workplace as comfortable, supportive, and adequately resourced are more likely to develop positive evaluations of their jobs. Wijaya et al. (2021) place motivation as a mediating mechanism between work environment and tax auditor performance, suggesting that environmental conditions can influence performance by shaping employees' willingness and psychological energy to perform their responsibilities. Ratnawati et al. (2021) similarly identify organizational commitment, job satisfaction, and work stress as important factors in explaining performance among tax-related employees. Henriques and Samagaio (2025) further show that auditor performance is associated with stress, job satisfaction, work–life balance, and telework conditions, illustrating that performance can emerge from the interaction of several workplace and psychological conditions. These findings indicate that improving physical facilities alone may be insufficient when employees continue to experience low motivation, limited satisfaction, weak organizational attachment, or unfavorable psychological conditions.

Work-related stress constitutes an additional mechanism because workplace conditions can either reduce or intensify the psychological demands associated with professional responsibilities. Tax and audit employees frequently work under conditions requiring accuracy, confidentiality, compliance, professional judgment, and adherence to deadlines, which can increase psychological pressure when organizational support is inadequate. Ratnawati et al. (2021) identify job stress as relevant to tax-related employee performance, while organizational commitment and job satisfaction provide more favorable conditions for maintaining performance. Henriques and Samagaio (2025) also emphasize stress and work–life balance as relevant factors in understanding auditor performance. Rialdy et al. (2025) further examines auditor performance through organizational commitment and work stress while considering locus of control as a contextual factor. These findings suggest that an effective work environment should address not only physical comfort but also psychological demands that may affect employees' ability to sustain concentration and professional performance. The work environment can therefore function as a resource for performance when organizational demands are accompanied by adequate support, communication, and employee capacity.

Competence, organizational culture, leadership, and individual characteristics provide further explanations for variations in the relationship between work environment and performance. Jaya et al. (2022) show that auditor performance should be interpreted alongside task complexity and competence, indicating that environmental support may produce different outcomes depending on employees' capabilities and assignment characteristics. Imelba et al. (2025) integrate organizational culture, leadership style, work environment, and motivation in explaining internal auditor performance, demonstrating that workplace conditions operate within a broader organizational system. Rahayu and Rushadiyati (2021) likewise indicate that individual characteristics are relevant when examining employee performance together with work environment conditions. Donaldson's (2001) Contingency Theory of Organizations provides a theoretical basis for this variation by emphasizing the importance of organizational fit with contextual conditions rather than assuming that one organizational arrangement is optimal in every setting. For the South Jakarta I Regional Office of the Directorate General of Taxes, this perspective suggests that improvements to the work environment should

correspond with employee competencies, task complexity, communication practices, managerial support, and the specific demands of tax administration.

The organizational and psychological mechanisms identified in the literature position the work environment as a multidimensional system that extends beyond physical facilities. Job satisfaction and motivation can transform favorable workplace conditions into stronger work engagement, communication can convert environmental support into effective coordination, and organizational culture can determine whether supportive practices become part of everyday organizational behavior. Conversely, excessive stress, weak commitment, inadequate communication, and mismatches between employee capabilities and task demands can reduce the performance benefits expected from environmental improvements. Evidence from tax and audit institutions is particularly important because professional performance involves accuracy, regulatory compliance, ethical responsibility, professional judgment, and sustained concentration rather than productivity alone. Schein (2010) emphasizes that organizational culture and leadership shape how organizational members interpret workplace conditions and develop patterns of behavior. An effective work environment should therefore be understood through the interaction between physical conditions, psychological responses, organizational processes, and contextual characteristics that collectively determine whether employees can maintain high-quality performance.

Effectiveness of Work Environment Improvement in Tax and Audit Institutions

The effectiveness of work environment improvement becomes particularly important in tax and audit institutions because employees perform responsibilities requiring accuracy, accountability, confidentiality, professional judgment, and compliance with regulations. These characteristics distinguish tax and audit work from many routine administrative activities because errors in processing information or interpreting requirements can affect the quality of organizational decisions and public services. Ratnawati et al. (2021) show that performance among tax-related employees is associated with organizational and psychological factors, indicating that workplace conditions should support both professional responsibilities and employee well-being. Wijaya et al. (2021) similarly demonstrate the relevance of work environment and work stress to tax auditor performance, with motivation providing an additional pathway through which workplace conditions can affect outcomes. The effectiveness of environmental improvement therefore depends on whether workplace resources and organizational conditions are aligned with the demands of professional tasks. This perspective places work environment improvement within the broader framework of institutional performance rather than treating it simply as an effort to increase employee comfort.

Comparative evidence from tax, audit, and public-sector organizations demonstrates that the contribution of the work environment varies according to institutional characteristics and the nature of employee responsibilities. Wulandari (2023) reported a correlation of 0.728 between work environment and employee performance in the Main Auditorate of State Finance I, with the work environment explaining 53.1% of performance variation, while work facilities and work environment jointly explained 56.2%. This evidence indicates that physical resources can make a substantial contribution to performance in professional public-sector institutions. In tax institutions, Ratnawati et al. (2021) and Wijaya et al. (2021) show that environmental conditions operate alongside psychological factors such as commitment, satisfaction, stress, and motivation. Audit institutions similarly require environmental conditions that support communication, competence, task completion, and professional judgment. The comparative pattern indicates that workplace improvement is most effective when it responds directly to the operational and psychological requirements of each institutional setting.

Table 3. Comparative Evidence from Tax, Audit, and Public-Sector Organizations

Study	Context	Key Evidence	Implication
Ratnawati et al. (2021)	Directorate General of Taxes	Organizational commitment and job satisfaction support performance, while work stress constrains performance	Tax workplace improvement should address both organizational support and psychological demands

Wijaya et al. (2021)	Tax auditors, Directorate General of Taxes	Work environment and work stress are examined in relation to tax auditor performance with motivation as a mediator	Environmental improvement should be accompanied by conditions that maintain employee motivation
Wulandari (2023)	Main Auditorate of State Finance I, Audit Board	Work environment → performance: $r = 0.728$; $R^2 = 53.1\%$; facilities + environment: $R^2 = 56.2\%$	Adequate facilities and environmental conditions can substantially support performance
Jaya et al. (2022)	South Sumatra Regional Inspectorate	Work environment is examined with task complexity and competence in relation to auditor performance	Environmental improvement should correspond with professional capabilities and task demands
Indrastuti et al. (2024)	Riau Provincial Inspectorate	Communication mediates the relationship between work environment and auditor performance	Communication should be strengthened as part of environmental improvement
Nugrahanti et al. (2024)	Indonesian audit setting	Auditor work environment is associated with professional judgment	Workplace conditions should support professional decision-making
Imelba et al. (2025)	Internal audit setting	Organizational culture, leadership, work environment, and motivation are examined jointly in relation to internal auditor performance	Environmental improvement should be integrated with culture, leadership, and motivation
Sofyan (2013)	Bappeda public-sector employees	Work environment is associated with employee performance	Environmental management is relevant to public-sector performance
Yuliantari and Prasasti (2020)	LLDIKTI Region III Jakarta	Work environment is associated with employee performance	Supportive workplace conditions are relevant to public administrative performance

The evidence in Table 3 indicates that improvements in tax institutions should address both the physical and nonphysical dimensions of the workplace. Adequate workspace, technological infrastructure, equipment, and comfortable working conditions can facilitate the processing of complex tax information and reduce operational barriers. At the same time, communication, managerial support, organizational relationships, and psychological conditions determine whether employees can use these resources effectively. Ratnawati et al. (2021) demonstrate that organizational commitment, job satisfaction, and work stress are relevant to performance among employees in the Directorate General of Taxes, showing that environmental effectiveness cannot be separated from employees' psychological experiences. Wijaya et al. (2021) further indicates that motivation provides an important mechanism in the relationship between work environment, work stress, and tax auditor performance. An effective workplace in a tax institution therefore needs to combine adequate material resources with organizational conditions that support concentration, motivation, communication, and sustainable work performance.

Audit institutions provide further evidence that work environment improvement should support cognitive and professional requirements in addition to routine task completion. Wulandari (2023) demonstrates a strong relationship between environmental conditions and performance in a state audit institution, while Jaya et al. (2022) highlights the relevance of task complexity and competence when examining auditor performance. Nugrahanti et al. (2024) adds professional judgment as an important outcome associated with the auditor work environment, indicating that workplace conditions can influence aspects of performance that extend beyond productivity. Indrastuti et al. (2024) demonstrates that communication serves as a mediating mechanism between work environment and auditor performance, reinforcing the importance of information exchange and coordination. These findings

indicate that an audit workplace should provide employees with sufficient resources, effective communication channels, appropriate managerial support, and conditions that facilitate careful professional judgment. Environmental improvement is therefore more meaningful when it strengthens the capacity of auditors to process information, coordinate assignments, and make professionally sound decisions.

Public-sector organizations provide a broader institutional context for interpreting the effectiveness of environmental improvement. Sofyan (2013) and Yuliantari and Prasasti (2020) demonstrate the relevance of work environment to employee performance in public administrative institutions, supporting the importance of workplace conditions within organizations characterized by formal procedures and public accountability. Imelba et al. (2025) further shows that work environment operates together with organizational culture, leadership, and motivation in the context of internal auditor performance and fraud prevention. These findings indicate that physical workplace improvements may have limited effects when leadership practices, organizational culture, communication, or employee motivation remain inadequate. The organizational environment must provide sufficient support for employees to translate available resources into effective work behavior. Environmental improvement in public institutions should therefore be designed as an integrated organizational intervention rather than a standalone facility-development program.

The comparative literature also suggests that environmental improvement should be evaluated according to the specific performance requirements of the institution. Tax employees require conditions that support accuracy, regulatory compliance, information processing, and sustained concentration, while auditors additionally require environments conducive to professional judgment, communication, and complex analytical work. Public-sector employees require workplace conditions that facilitate coordination, procedural consistency, service delivery, and accountability. These different requirements explain why the effectiveness of a particular environmental intervention cannot be assumed to be identical across organizational settings. Donaldson's (2001) Contingency Theory of Organizations supports this interpretation by emphasizing the importance of organizational arrangements that fit specific contextual conditions. For the South Jakarta I Regional Office of the Directorate General of Taxes, environmental improvement should therefore be aligned with the characteristics of tax administration, employee competencies, workload demands, communication patterns, and professional responsibilities.

The synthesis of tax, audit, and public-sector evidence confirms that an effective work environment is multidimensional and institutionally contingent. Physical facilities provide the operational foundation for performance, while communication, leadership, organizational culture, motivation, commitment, and psychological support determine how effectively employees utilize those resources. The strongest evidence does not position environmental improvement as an isolated solution but as part of an organizational system that supports employee capability and professional performance. For tax and audit institutions, this integrated approach is especially important because performance quality involves accuracy, accountability, regulatory compliance, professional judgment, and reliability of information. The South Jakarta I Regional Office of the Directorate General of Taxes can therefore benefit from work environment strategies that simultaneously strengthen physical facilities and nonphysical organizational conditions. Such an approach provides a stronger basis for sustaining employee performance while ensuring that workplace improvement remains responsive to the specific demands of tax administration.

CONCLUSION

The literature analysis confirms that the work environment is an important organizational factor in supporting and improving employee performance, particularly in tax, audit, and public-sector institutions. Both physical and nonphysical dimensions of the work environment contribute to the conditions required for employees to perform their responsibilities effectively. Adequate workspace, facilities, technological resources, workplace comfort, interpersonal relationships, communication, managerial support, and organizational culture can create conditions that facilitate concentration, coordination, motivation, and professional performance. The reviewed evidence also indicates that the relationship between work environment and performance may operate through psychological and organizational mechanisms, including job satisfaction, motivation, communication, organizational commitment, and work stress. In tax and audit institutions, these mechanisms become particularly

relevant because employees face demands for accuracy, regulatory compliance, professional judgment, confidentiality, and sustained concentration. A conducive work environment can therefore serve as an organizational strategy for strengthening employee performance when physical resources are accompanied by supportive social and psychological conditions. For the South Jakarta I Regional Office of the Directorate General of Taxes, the synthesis supports the importance of balancing adequate workplace facilities with an organizational environment that facilitates effective communication, collaboration, motivation, professional responsibility, and manageable work demands.

The findings further indicate that the effectiveness of work environment improvement is contingent on institutional characteristics, employee competencies, task complexity, leadership, organizational culture, and psychological conditions. Improvements in physical facilities alone may not produce optimal performance when employees experience excessive stress, weak communication, insufficient motivation, or inadequate organizational support. Environmental strategies should therefore be designed as integrated interventions that address both material workplace resources and the social-psychological conditions surrounding employees' daily responsibilities. The literature also demonstrates that tax and audit institutions require particular attention because employee performance encompasses not only productivity but also accuracy, accountability, compliance, and professional judgment. These findings provide a conceptual basis for strengthening work environment management as part of employee performance improvement at the South Jakarta I Regional Office of the Directorate General of Taxes. However, because the present study adopts a non-empirical bibliographic literature review, the findings cannot be interpreted as direct empirical evidence describing the actual conditions or causal relationships among employees at that specific office. Future research should therefore conduct empirical testing to examine how physical and nonphysical work environment dimensions directly or indirectly influence employee performance through mediating or contextual variables within the Directorate General of Taxes.

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