

## **ABSTRACT**

*Human Resources (HR) play a key role in the success of PT. Transcosmos Indonesia. HR competency is a capability in carrying out or acting on a job or task according to expertise and capacity and is also encouraged by work behavior required by the profession itself. The physical work environment plays a very important role in employee productivity, well-being and performance. This study examines how job satisfaction functions as an intervening variable in the relationship between employee competency and the physical work environment, using PT. Transcosmos Indonesia employees as a case study..*

*The study's population comprised all PT. Transcosmos Indonesia customer service employees, numbering up to 96. To choose which members of the population are included in the sample, the research sampling methodology uses a census in conjunction with a non-probability sampling strategy. The research results show that the physical work environment has a significant negative effect on employee performance. Employee competency has no effect on employee performance. The physical work environment has a positive effect on job satisfaction. Employee competency has a significant effect on job satisfaction. Job satisfaction has a positive effect on employee performance.*

*The physical work environment is recognized to have an indirect influence on employee performance since it has a significant impact on job satisfaction and employee performance. A significant correlation has been found between employee competence and job satisfaction indicating an indirect effect of job satisfaction on employee performance.*

**Keywords:** *Physical Work Environment, Employee Competency, Job Satisfaction Employee Performance.*

