## **ABSTRACT**

This study aims to examine the influence of the physical work environment and job stress on employee productivity at PT Persada Sokka Tama. The research background is based on initial observations that indicated employees' complaints regarding uncomfortable physical work conditions and the presence of job stress caused by high workloads and strict work targets, potentially reducing employee productivity.

This study aims to examine and analyze the influence of the physical work environment and job stress, both partially and simultaneously, on employee productivity at PT Persada Sokka Tama.

This research employs a quantitative approach with descriptive and verificative methods. The population comprises all employees at PT Persada Sokka Tama, with a saturated sampling technique resulting in 171 respondents. Data analysis is performed using Structural Equation Modeling-Partial Least Square (SEM-PLS) to test the relationships between the research variables.

The findings indicate that the physical work environment significantly and positively influences employee productivity, suggesting that improving the quality of the physical work environment will enhance productivity. Conversely, job stress shows a significant negative impact, indicating that higher levels of job stress lead to lower employee productivity.

The study concludes that creating a conducive physical work environment must be optimally pursued by the company through ergonomic work facilities and comfortable environmental conditions. Additionally, the company needs to manage employee job stress effectively by balancing workloads, providing stress management training, and fostering a positive organizational culture. This study also recommends future research to explore additional variables such as work motivation and work-life balance, which may further influence employee productivity.

*Keywords*: Physical Work Environment, Job Stress, Employee Productivity, SEM-PLS, PT Persada Sokka Tama.