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Examining the Impact of Macroeconomic Factors and Non-Performing Loans on Banking Sector Profitability: A Panel Data Analysis for East Africa Using the ARDL Model

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Abstract:

Can the profitability of banks in East Africa withstand the dual challenges of non-performing loans (NPLs) and volatile macroeconomic conditions? This study examines the interplay between NPLs, macroeconomic factors (money supply, GDP, inflation) and banking sector performance in Tanzania, Kenya, and Uganda over the period 2000-2022. Using panel data and the Autoregressive Distributed Lag (ARDL) model, we uncover nuanced relationships between these variables. Cointegration analysis confirms a long-term equilibrium relationship, while the Pooled Mean Group (PMG) regression results reveal a rapid adjustment to equilibrium. The findings highlight that NPLs exert a significant negative long-term impact on profitability metrics; Return on Assets (ROA) and Return on Equity (ROE), underscoring the importance of robust credit risk management. Interestingly, short-term dynamics suggest that inflation can temporarily enhance profitability, while NPLs immediately diminish ROE. These insights provide valuable guidance for policymakers and banking executives seeking to bolster the resilience and growth of the East African banking sector. Future research should broaden this analysis to include political and global economic variables for a more comprehensive understanding of banking profitability in emerging markets.

Keywords: Banking Sector Profitability, Macroeconomic Factors, Non-performing Loans (NPLs), Panel Data Analysis, ARDL Model.

1. Introduction

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In recent decades, the banking sector has emerged as a crucial component of economic development and stability across the globe ([El-Ansary and Rashwan, 2020](#); [Vrotslavskyy and Dropa, 2024](#); [Korneev et al., 2023](#)). By serving as financial intermediaries, banks allocate resources efficiently, facilitate economic transactions, and promote growth ([Levine, 1999](#); [Molyneux and Thornton, 1992](#); [Rusydiana and Ikhwan, 2024](#)). As a cornerstone of financial systems, understanding the determinants of the banking sector profitability has garnered significant attention from policymakers, researchers, and practitioners alike ([Berger and Humphrey, 1997](#); [Dietrich and Wanzenried, 2011](#)). This interest is driven by the sector's pivotal contribution to economic resilience, financial innovation, and sustainable development ([Chen et al., 2024](#); [Forcadell et al., 2019](#)).

In the global context, challenges such as economic volatility ([Fernández et al., 2016](#); [Neanidis, 2019](#)), technological disruptions ([Arenas et al., 2023](#); [Phan et al., 2020](#); [Wicaksono, et al., 2020](#)), and regulatory dynamics ([Hassan, 2019](#); [Vives, 2019](#)), have heightened the need for a nuanced understanding of banking sector performance. In particular, emerging economies face distinct pressures, including underdeveloped financial markets ([Caballero and Krishnamurthy, 2006](#); [Ndang, 2019](#); [Smith and Valderrama, 2008](#)), fluctuating macroeconomic conditions ([Akinci, 2013](#); [Lane, 2003](#); [Yildirim, 2016](#)), and structural vulnerabilities ([Hawkins and Klau, 2000](#); [Lepers and Serrano, 2020](#); [Moreno-Brid et al., 2023](#); [Ruch, 2020](#)). These factors underscore the importance of examining bank profitability within specific regional contexts, where unique socio-economic characteristics shape both opportunities and risks.

East Africa presents a compelling case for investigation, having undergone significant economic growth and financial development over the decades ([Urgaia, 2016](#)). This progress has been fueled by financial liberalization, technological advancements, and regional integration initiatives ([Beck and Cull, 2014](#); Claessens et al., 2001). Since the 1980s, the region's banking sector, particularly in countries like Tanzania, has experienced market-driven transformations, with financial sector reforms playing a central role in broader structural adjustments ([Lwiza and Nwankwo, 2002](#)). Moreover, financial inclusion has emerged as a key policy priority in economies such as Kenya, Uganda, and Tanzania, with economic growth driving improved financial access ([Thomi and Mose, 2021](#)). These developments have positioned banks as crucial drivers of economic progress, enabling savings mobilization, financing key sectors, and supporting investment in agriculture, manufacturing, trade, and infrastructure.

The East African banking sector features a diverse range of institutions, including prominent domestic players such as Kenya Commercial Bank (KCB), Equity Bank, and Cooperative Bank, alongside regional and international institutions that contribute to competition and innovation ([Beck and Cull, 2014](#)). Regulatory oversight, led by national central banks and harmonization efforts within the East African Community (EAC), aims to enhance stability, transparency, and cross-border coordination ([Quintyn and Masciandaro, 2009](#)). Moreover, innovative platforms like Kenya's M-Pesa and Uganda's MTN Mobile Money have revolutionized financial accessibility, bringing millions into the formal financial system ([Suri and Jack, 2016](#)).

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Despite these achievements, East Africa's banking sector continues to grapple with challenges such as high levels of non-performing loans (NPLs), regulatory compliance demands, and cybersecurity risks ([World Bank, 2020](#)). Concurrently, the region presents vast opportunities for growth, driven by favorable demographics, increasing urbanization, and regional integration initiatives like the East African Monetary Union (EAMU) and the African Continental Free Trade Area (AfCFTA) ([Hattingh et al., 2017](#)).

While prior research has extensively explored the determinants of bank profitability, including internal factors like size, capitalization, and efficiency ([Berger and Bouwman, 2013](#); [Goddard et al., 2004](#)), the influence of macroeconomic conditions on bank performance remains a subject of ongoing debate ([Athanasoglou et al., 2008](#); [Dietrich and Wanzenried, 2011](#)). The East African context, characterized by diverse economic structures, varying levels of financial development, and active regional integration, offers a unique lens through which to examine these dynamics.

This study aims to investigate the impact of key macroeconomic factors (money supply, GDP, inflation rates) and NPLs on the banking sector profitability in East Africa, focusing on Tanzania, Kenya, and Uganda. Using panel data analysis and the Autoregressive distributed lag (ARDL) model, the research examines both short-term and long-term dynamics influencing profitability metrics; Return on Assets (ROA) and Return on Equity (ROE). By addressing the region's unique economic and financial challenges, the study provides valuable insights for policymakers, regulators, and banking executives to enhance the stability and growth of the banking sector. Furthermore, it contributes to the literature by offering empirical evidence from the understudied East African context, serving as a foundation for future research on the interplay between macroeconomic conditions, NPLs, and bank performance in developing economies.

The remainder of the study is structured as follows: Section 2 covers the literature review and hypothesis development. Section 3 outlines the data and methodology. Section 4 presents the data analysis and discussion, and Section 5 provides the conclusion, implication, suggestion, and limitations.

2. Literature Review and Hypothesis Development

The literature suggests a complex relationship between macroeconomic factors, NPLs, and bank profitability. Studies indicate that the money supply significantly influences bank profitability, as demonstrated by metrics such as ROA ([Aulia and Nur Aisyah, 2023](#); [Hafidh and Burhan, 2021](#); [Utami and Sihotang, 2024](#)); ROE ([Noorani, 2020](#)); and net interest margin (NIM) ([Helhel, 2014](#)). This assertion is supported by [Abedin and Dawan \(2016\)](#), [Sihotang et al. \(2022\)](#), and [Omankhanlen et al. \(2021\)](#) who found a positive correlation between broad money supply growth and bank profitability, proposing that an increase in money supply could elevate profits for banks. However, the impact of money supply is nuanced, as its control through monetary policy indirectly affects profitability by influencing macroeconomic variables like inflation and exchange rates ([Okaro, 2016](#)). While money supply alone may not

significantly impact profitability, its interaction with other factors such as financing and inflation collectively shapes profitability outcomes. ([Aulia and Nur Aisyah, 2023](#)).

Overall, the discussions as mentioned earlier suggest that growth in money supply positively correlates with bank profitability, as it can enhance ROA and NIM. However, the relationship is complex and may also be influenced by other macroeconomic variables like inflation and exchange rates. Thus, the first hypothesis is stated as follows:

Hypothesis 1: *An increase in money supply has a positive impact on banking sector profitability in East Africa.*

Conversely, GDP growth has variable effects on bank profitability across different regions. In the UK, GDP growth negatively correlates with bank profitability, suggesting a decline in profitability as GDP increases ([Islam, 2023](#); [Saeed, 2014](#)). This trend contrasts with findings from Nepal and India, where GDP growth positively influences the profitability of commercial banks, suggesting that higher GDP growth rates can lead to enhanced bank performance ([Acharya and Vyas, 2022](#); [Singh, 2010](#)). Additionally, the ratio of banking sector deposits to GDP demonstrates a significantly positive effect on bank profitability in India, indicating that a greater proportion of banking sector deposits relative to GDP can bolster bank profitability ([Brahmaiah and Ranajee, 2018](#)). Also, [Athanasoglou et al. \(2008\)](#) and [Dietrich and Wanzenried \(2011\)](#) supports this positive relationship after finding that GDP growth enhances bank profitability by fostering a favorable business environment and reducing credit risk.

Furthermore, [Singh \(2010\)](#) emphasizes that macroeconomic variables, including GDP, exhibit varied effects on different bank types, with foreign banks in India being less impacted by GDP changes compared to domestic banks. In the realm of Islamic banking in Indonesia, GDP exerts a significant effect on profitability, although the precise direction of this relationship remains unspecified ([Hidayat et al., 2020](#)). Meanwhile, in India, the performance of the banking sector, as indicated by variables such as domestic credit and capital adequacy ratio, correlates with GDP growth, suggesting that a robust banking sector can contribute positively to economic growth ([Reddy et al., 2023](#)).

While the impact of GDP growth on bank profitability varies across regions, evidence from some developing economies suggests that higher GDP growth rates are associated with improved bank performance. Therefore, the second hypothesis tests whether similar trends hold true in the East African context, and states as follows:

Hypothesis 2: *GDP growth has a positive impact on banking sector profitability in East Africa.*

Inflation also plays a critical role in shaping bank performance, exhibiting a complex relationship that varies by economic context. While [Boyd et al. \(2001\)](#) and [Khue and Lai \(2020\)](#) observed a negative impact of inflation on banking sector development, particularly when inflation exceeds a certain threshold, other studies like [Tan and Floros \(2012\)](#) and [Tan \(2016\)](#) found a positive correlation between inflation and bank profitability in China. This variability persists in different economies; for instance, higher inflation rates in Malaysia contribute positively to bank profitability, whereas in South Asia, inflation's impact on profitability is negligible, shifting the focus to bank-specific characteristics ([Sufian, 2009, 2012](#)).

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Additionally, [Katircioglu et al. \(2020\)](#) highlight that inflation indirectly affects bank profitability through changes in oil prices in Turkey, with direct negative impacts stemming from reduced lending to oil-related businesses. Moreover, studies by [Fofack \(2005\)](#) and [Aydemir and Demirhan \(2009\)](#) indicate that inflation's impact on bank profitability can be significant, often eroding profit margins and increasing uncertainty in financial markets. The literature indicates that inflation can have both positive and negative effects on bank profitability, depending on the economic context. Thus, the third hypothesis explores the nature of the relationship between inflation and bank profitability in East Africa, whether it is positive, negative, or context-dependent, and states as follows:

Hypothesis 3: *The inflation rate has a significant impact on banking sector profitability in East Africa.*

NPLs are another critical factor affecting bank profitability and stability. They represent loans that are in default or close to default, and their management is a significant concern for financial institutions. Higher levels of NPLs are associated with reduced profitability in banks due to the negative impact on NIM and ROE, as well as the need for increased loan loss provisioning which can further strain bank earnings ([Bhattarai, 2020](#); [Islam, 2018](#)). Notably, banks characterized by greater capitalization and profitability tend to exhibit lower NPL ratios, suggesting that well-capitalized banks are better equipped to manage credit risks and absorb potential losses ([Ghosh, 2015](#); [Rachman et al., 2018](#)).

Empirical research consistently shows a negative relationship between NPLs and profitability, as highlighted in studies by [Fofack \(2005\)](#) and [Afriyie \(2022\)](#) who have examined credit risk management in Sub-Saharan Africa. Therefore, the fourth hypothesis will test this relationship in the East African banking sector as stated below:

Hypothesis 4: *An increase in NPLs has a negative impact on banking sector profitability in East Africa.*

Despite extensive research exploring the relationship between macroeconomic factors, NPLs, and banking sector profitability, there remains a notable gap in the literature regarding the East African context. Specifically, the existing studies predominantly focus on individual macroeconomic variables, banking systems (e.g., conventional vs. Islamic banking) or specific regions such as South Asia, the UK, and India, without a comprehensive examination of how these factors collectively influence banking profitability in East Africa. Moreover, while the critical role of NPLs in influencing bank profitability is well-documented, there is limited empirical evidence on how NPLs interact with macroeconomic factors in the East African banking sector. Additionally, the ARDL model, which is effective for analyzing dynamic relationships between variables, has not been widely applied in studies focused on this region. This gap highlights the need for research that addresses these specific issues within the East African context.

By conducting a panel data analysis for the East African region using the ARDL model, this research aims to provide a more comprehensive understanding of the complex interplay between macroeconomic factors, NPLs, and banking sector profitability in this specific

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economic and financial context. This approach will contribute to filling the research gap and offer valuable insights for policymakers, regulators, and bank managers in the East African banking sector.

3. Data and Methodology

3.1 Data and Variables

The study utilizes annual secondary data spanning from 2000 to 2022, sourced from authoritative databases including central banks, the World Development Indicators (WDI), and the World Economic Outlook (WEO) databases. The data encompass several key variables relevant to the banking sector's performance, such as profitability metrics (ROA and ROE), money supply, GDP, inflation rate, and non-performing loans (NPLs). This comprehensive dataset allows for a detailed analysis of the factors influencing banking sector profitability over an extended period. Table 1 presents the variables used, their descriptions, and the data sources for each variable.

Table 1. Variable Description

Variable	Description	Source
<i>Dependent variables</i>		
<i>ROA</i>	Return on Assets (in percentage)	BSAR
<i>ROE</i>	Return on Equity (in percentage)	BSAR
<i>Independent variables</i>		
<i>M2</i>	Money Supply (Broad money, % of GDP)	WDI
<i>GDP</i>	Gross Domestic Product (Current prices, USD)	WEO
<i>INF</i>	Inflation Rate (Average consumer prices, Percent change)	WEO
<i>NPLs</i>	Gross non-performing Loans to gross Loans (in percentage)	BSAR

Source: Author computations from Bank Supervision Annual Reports (BSAR), WDI, and WEO databases.

To ensure a comprehensive analysis of the banking sector in the East African region, data were collected from Tanzania, Kenya, and Uganda. The selection criteria focused on the availability of macroeconomic variables, non-performing loans (NPLs), and banking sector profitability metrics, specifically return on assets (ROA) and return on equity (ROE). These metrics were obtained from the annual reports of financial sector supervision authorities. This methodological approach guarantees that the selected countries represent a diverse yet thorough sample for the investigation. Tanzania, Kenya, and Uganda were chosen specifically because they had complete data for the stated period, leading to their inclusion in the study from among the eight partner states constituting the EAC.

3.2 Model Specification

The purpose of research is to examine the impact of macroeconomic factors (*M2*, *GDP*, *INF*) and *NPLs* on banking sector profitability in East Africa. This study involves deriving a mathematical and econometric model to serve as the basis for estimation, enabling the measurement of economic relationships between these variables. The mathematical model is specified as follows:

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$$\text{Profitability} = f(M2, GDP, INF, NPLs)$$

Based on the above functional relationship, where profitability is the dependent variable while $M2, GDP, INF$ and $NPLs$ are the independent variables. The following multiple regression equation can be formulated:

$$\ln(Y_{it}) = \alpha + \beta_1 \ln(M2_{it}) + \beta_2 \ln(GDP_{it}) + \beta_3 \ln(INF_{it}) + \beta_4 \ln(NPLs_{it}) + \varepsilon_{it}$$

Where Y_{it} is the profitability, $M2$ is money supply, GDP is Gross domestic product, the INF is the inflation rate, $NPLs$ are non-performing loans, ε_{it} represents an error term, while $\beta_1, \beta_2, \beta_3, \beta_4$ are the factors to be estimated.

The equation captures the logarithmic relationships between the dependent variable and the independent variables over time for each country in the panel data. Using the logarithmic form for both the dependent and independent variables ensures constant variance in the data series, which is crucial for obtaining reliable regression results (Gujarati and Porter, 2009). The logarithmic version of our dependent variable, profitability $[\ln(Y_{it})]$ is compared to the independent variables; $M2, GDP, INF$ and $NPLs$ (Wooldridge, 2013).

3.3 Econometric Framework

This study employs an econometric framework to investigate the long-run and short-run relationships between banking sector profitability, and key macroeconomic factors, including $M2, GDP, INF$, and $NPLs$. The analysis is conducted using the ARDL model, which is particularly suitable for panel data as it accommodates both stationary and non-stationary variables and allows for the estimation of short-term and long-term dynamics (Pesaran et al., 2001; Pesaran and Shin, 1999). The general ARDL model is specified as:

$$Y_{it} = \alpha + \sum_{j=1}^p \beta_j Y_{i,t-j} + \sum_{k=0}^q \gamma_k X_{i,t-k} + \delta D_t + \varepsilon_{it}$$

Where Y_{it} represents the dependent variable for country i at time t ; $X_{i,t-k}$ denotes the independent variables for country i at time $t-k$; α is the constant term, β_j are the coefficients for the lagged dependent variable, γ_k are the coefficients for the lagged independent variables, D_t represents the time dummy variables to control for any structural changes over time, and ε_{it} is the error term.

In this study, the specific panel ARDL model for banking sector profitability is represented as:

$$\begin{aligned} \ln(Y_{it}) = & \alpha + \sum_{j=1}^p \beta_j \ln(Y_{i,t-j}) \\ & + \sum_{k=0}^q [\gamma_{1k} \ln(M2_{i,t-k}) + \gamma_{2k} \ln(GDP_{i,t-k}) + \gamma_{3k} \ln(INF_{i,t-k}) \\ & + \gamma_{4k} \ln(NPLs_{i,t-k})] + \delta D_t + \varepsilon_{it} \end{aligned}$$

Where $\ln(Y_{it})$ is the natural logarithm of the profitability metric, and the independent variables are also in their logarithmic forms.

To capture the short-run dynamics and the adjustment to the long-run equilibrium, the error correction model (ECM) derived from the ARDL model is specified as:

$$\Delta \ln(Y_{it}) = \alpha + \sum_{j=1}^p \beta_j \Delta \ln(Y_{i,t-j}) + \sum_{k=0}^q [\gamma_{1k} \Delta \ln(M2_{i,t-k}) + \gamma_{2k} \Delta \ln(GDP_{i,t-k}) + \gamma_{3k} \Delta \ln(INF_{i,t-k}) + \gamma_{4k} \Delta \ln(NPLS_{i,t-k})] + \phi ECM_{i,t-1} + \delta D_t + \varepsilon_{it}$$

Where $\Delta \ln(Y_{it})$ represents the first difference of the natural logarithm of the profitability metric, $ECM_{i,t-1}$ is the error correction term from the long-run relationship, and ϕ is the coefficient of the error correction term, which indicates the speed of adjustment to the long-run equilibrium. This study assumes cross-sectional homogeneity across the countries included in the panel. This assumption implies that the relationships between profitability and the independent variables are consistent across countries. Specifically, the long-run coefficients ($\gamma_{1k}, \gamma_{2k}, \gamma_{3k}, \gamma_{4k}$) and the error correction term (ϕ) are assumed to be identical for all countries. This aligns with the Pooled Mean Group (PMG) estimator used in the ARDL framework, which allows for heterogeneity in short-term dynamics while constraining long-term coefficients to be homogenous. By adopting this approach, the study aims to capture common structural patterns among the East African countries while accounting for individual short-run variations.

4. Results and Discussion

4.1 Descriptive Statistics

As shown in Table 2, the descriptive statistics indicate moderate variability in ROA, with some banks experiencing negative returns while others achieved significant profitability. ROE shows a higher mean and slightly greater variability, indicating a broader range of outcomes for bank equity holders.

Regarding macroeconomic factors, the money supply exhibited relatively low variability during the study period, suggesting stability in this economic indicator across East Africa. Economic growth, as reflected by GDP, displayed moderate variability, indicating fluctuations in the region's economic performance over time. Inflation levels showed some variability, reflecting changes in the economic environment throughout the study period.

Table 2. Descriptive Statistics

Variable	Obs	Mean	Std. dev.	Min	Max
$\ln(ROA)$	69	0.9469986	0.391308	-0.5108256	1.547563
$\ln(ROE)$	69	2.907145	0.5220619	1.05779	3.92888
$\ln(M2)$	69	3.198368	0.3326534	2.569163	3.756991
$\ln(GDP)$	69	3.467889	0.6802164	2.048467	4.733572
$\ln(INF)$	69	1.97924	0.4882791	0	2.99368
$\ln(NPLs)$	69	2.009356	0.6688807	0.7521757	3.555348

Source: The computed data

4.2 Correlation Analysis

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Table 3 presents the correlation results, highlighting the negative impact of NPLs on bank profitability. This underscores the detrimental impact that NPLs have on bank profitability, highlighting the importance of credit risk management in maintaining financial health within the banking sector. The positive correlation between GDP and money supply supports the notion that an expansion in the money supply typically accompanies economic growth.

Table 3. Correlation Analysis, ROA

	$\ln(ROA)$	$\ln(M2)$	$\ln(GDP)$	$\ln(INF)$	$\ln(NPLs)$
$\ln(ROA)$	1.0000				
$\ln(M2)$	0.0201	1.0000			
$\ln(GDP)$	0.0458	0.5513	1.0000		
$\ln(INF)$	0.1591	0.2248	0.1415	1.0000	
$\ln(NPLs)$	-0.5856	0.5187	0.1722	0.0751	1.0000

Source: The computed data

On the other hand, the analysis in Table 4 indicates that an increase in money supply positively influences ROE, likely due to enhanced liquidity that enables more lending and higher returns on equity. However, the inverse relationship between GDP growth and profitability suggests that economic expansion may bring challenges such as increased competition or rising costs, which could offset the gains from higher economic activity. The negative correlation between NPLs and profitability highlights the critical impact of bad loans on banks' financial health, as these loans tend to erode profit margins.

Table 4. Correlation Analysis, ROE

	$\ln(ROE)$	$\ln(M2)$	$\ln(GDP)$	$\ln(INF)$	$\ln(NPLs)$
$\ln(ROE)$	1.0000				
$\ln(M2)$	0.1614	1.0000			
$\ln(GDP)$	-0.2828	0.5513	1.0000		
$\ln(INF)$	0.1465	0.2248	0.1415	1.0000	
$\ln(NPLs)$	-0.2984	0.5187	0.1722	0.0751	1.0000

Source: The computed data

4.3 Unit Root Tests and Optimal Lag Selection

Table 5 summarizes the Im, [Pesaran, and Shin \(1999\)](#) (IPS) unit root test results at both level and first difference to explain the stationarity of the variables.

Table 5. Panel Unit Root Results

Variables	Level		1st Difference	
	Statistic	p-value	Statistic	p-value
$\ln(ROA)$	-1.8200	0.0344**	-4.2506	0.0000***
$\ln(ROE)$	-1.4386	0.0751*	-4.2113	0.0000***
$\ln(M2)$	-1.3673	0.0858*	-4.3283	0.0000***
$\ln(GDP)$	0.4001	0.6554	-2.2392	0.0126**
$\ln(INF)$	-2.4470	0.0072***	-7.9016	0.0000***

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$\ln(NPLs)$ -1.7302 0.0418** -3.5015 0.0002***

Note: The symbols ***, **, and * indicate the statistical significance at 1%, 5% and 10% respectively.

Source: The computed data

From the 'Level' column, it is clear that for the original data (without differencing), all variables have p-values above 0.05, except $\ln(ROA)$, $\ln(INF)$ and $\ln(NPLs)$, which indicates we cannot reject the null hypothesis of unit roots at a conventional significance level. $\ln(ROA)$, $\ln(INF)$ and $\ln(NPLs)$ are the only variables that indicate stationarity at the level, suggesting that for these variables, there is enough evidence to suggest that some panels are stationary.

After taking the first difference of the data, all variables show p-values at or very close to 0.0000, except $\ln(GDP)$, which has a p-value of 0.0126. Despite this being slightly higher than the others, it is still below the conventional 0.05 threshold, allowing to reject the null hypothesis of unit roots. This suggests that once differenced, all variables become stationary in at least some panels.

Table 6 presents the optimal lag lengths for each variable (p, q, q, q, q) across the sampled East African countries. The lag lengths were determined based on the Bayesian Information Criterion (BIC). For the dependent variables [$\ln(ROA)$ and $\ln(ROE)$] the most common and optimal lag was 1. However, for the independent variables; $\ln(M2)$, $\ln(GDP)$, $\ln(INF)$ and $\ln(NPLs)$ the optimal and most frequent lag was 0.

Table 6. Optimal Lag (1, 0, 0, 0, 0)

Country	$\ln(ROA)$	$\ln(M2)$	$\ln(GDP)$	$\ln(INF)$	$\ln(NPLs)$
Tanzania	1	0	0	0	0
Kenya	1	0	1	0	0
Uganda	1	0	0	0	0
Mode	1	0	0	0	0
Country	$\ln(ROE)$	$\ln(M2)$	$\ln(GDP)$	$\ln(INF)$	$\ln(NPLs)$
Tanzania	1	1	0	0	0
Kenya	1	0	1	0	0
Uganda	1	0	0	0	0
Mode	1	0	0	0	0

Source: The computed data

4.4 Cointegration Test and Hausman Test

Table 7 presents the cointegration test results for both ROA and ROE. For the ROA case, the panel t -statistic and group t -statistic show significant negative values, both of which are significant at the 1% level. These significant t -statistics indicate strong evidence against the null hypothesis of no cointegration, suggesting that there exists a long-run equilibrium relationship between the variables in the panel. On the other hand, the panel ρ -statistic and group ρ -statistic do not show significance at the 1% level, with the group ρ -statistic even

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having a positive value. The *adf*-statistic for the panel is slightly negative but not significant at the 1% level, while the group *adf*-statistic is positive and also not significant. The significant panel *t*-statistic and group *t*-statistic suggest the presence of cointegration, indicating that the variables may move together in the long run.

Table 7. Cointegration Test Results

Test Stats.	ROA		ROE	
	Panel	Group	Panel	Group
<i>v</i>	-0.1363	.	-0.3257	.
<i>rho</i>	-0.354	0.3159	0.02152	0.7127
<i>t</i>	-4.076***	-4.494***	-3.243***	-3.56***
<i>adf</i>	-1.913	0.5153	-1.56	-0.599

Note: The symbols *** indicate the statistical significance at 1% level.

Source: The computed data

Pedroni's cointegration tests (for the ROE case) shows the significant negative *t*-statistics for both the panel and group dimensions indicate a rejection of the null hypothesis of no cointegration at the 1% significance level. This suggests that there is some evidence of a long-run relationship among the variables in the model. However, the *rho*-statistics for both the panel and group dimensions are positive and not significant at the 1% level. Additionally, the *adf*-statistics for both the panel and group dimensions are negative but not significant at the 1% level. This emphasizes the mixed nature of the findings, indicating that while some tests provide evidence for a long-run equilibrium relationship, others do not conclusively confirm it. Overall, from the Pedroni cointegration tests above, there is evidence of a long-term relationship among the variables based on the *t*-statistic results, which are significant at the 1% level for both the panel and group tests in both cases, ROA and ROE. This suggests that the variables are likely cointegrated.

The Hausman test yielded a chi-squared value of 3.49 and a p-value of 0.2370, exceeding the significance level. Thus, we fail to reject the null hypothesis, indicating the PMG estimator is preferred for this analysis.

$$\begin{aligned}
 \text{chi2}(4) &= (b - B)'[(V_b - V_B)^{-1}](b - B) \\
 &= 3.49 \\
 \text{Prob} > \text{chi2} &= 0.2370
 \end{aligned}$$

The PMG model assumes homogeneity in long-run relationships across the panel while permitting heterogeneity in short-run dynamics. This suggests that, in this study, assuming a uniform long-run relationship between the independent variables (*M2*, *GDP*, *INF* and *NPLs*) and banking sector profitability is reasonable for the east African countries analyzed.

4.5 Interpretation and Discussion of Results

In the long run, only *NPLs* exhibit a highly significant and negative coefficient, as shown in Table 8. This suggests that an increase in *NPLs* has a substantially detrimental effect on banking profitability.

Table 8. Pooled Mean Group Regression Results, ROA

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Selected Model: ARDL (1, 0, 0, 0, 0)

D.ln(ROA)	Coefficient	Std. err.	z	P> z	[95% conf. interval]
Long-run					
ln(M2)	0.4840199	0.5272357	0.92	0.359	[-0.5493431, 1.517383]
ln(GDP)	0.0373948	0.0727783	0.51	0.607	[-0.105248, 0.1800376]
ln(INF)	0.070713	0.1113547	0.64	0.525	[-0.1475381, 0.2889642]
ln(NPLs)	-0.4416113	0.0671837	-6.57	0.000***	[-0.5732889, -0.3099337]
Short-run					
ECT	-0.7560607	0.1701552	-4.44	0.000***	[-1.089559, -0.4225625]
ln(M2)					
D1.	-0.3341243	0.5495634	-0.61	0.543	[-1.411249, 0.7430002]
ln(GDP)					
D1.	0.9573705	0.5345691	1.79	0.073*	[-0.0903656, 2.005107]
ln(INF)					
D1.	0.132167	0.0477371	2.77	0.006***	[0.038639, 0.2257301]
ln(NPLs)					
D1.	-0.0753681	0.0399168	-1.89	0.059*	[-0.1536036, -0.002867]
_cons	-0.0669289	0.0431901	-1.55	0.121	[-0.15158 to 0.0177221]

Note: The symbols ***, **, and * indicate the statistical significance at 1%, 5% and 10% respectively.

Source: The computed data

The short-run dynamics of the model are captured by the coefficients of the ECT and the first differences of the explanatory variables. The ECT has a coefficient of -0.7560607 ($p = 0.000$), which is negative as expected and signifies the speed at which the system returns to equilibrium after a shock. The significant coefficient implies that a substantial proportion of any disequilibrium is corrected relatively quickly, about 75.6% within one period. Inflation shows a positive short-run relationship with ROA, which could be due to inflation increasing nominal interest margins in the short run.

On the other hand, the results from the PMG regression shown in Table 9 provide an analysis of the factors influencing bank profitability, measured by changes in the natural logarithm of ROE across the three East African countries.

Table 9. Pooled Mean Group Regression Results, ROE

Selected Model: ARDL (1, 0, 0, 0, 0)

D.ln(ROE)	Coefficient	Std. err.	z	P> z	[95% conf. interval]
Long-run					
ln(M2)	0.1992872	0.6295445	0.32	0.752	[-1.034597, 1.433172]
ln(GDP)	-0.062573	0.073232	-0.85	0.393	[-0.206105, 0.080959]
ln(INF)	0.111463	0.1229081	0.91	0.364	[-0.1294326, 0.3523585]
ln(NPLs)	-0.2593074	0.0645212	-4.02	0.000***	[-0.3857666, -0.1328482]

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Short-run

ECT	-0.582446	0.2101881	-2.77	0.006***	[-0.9944072, -0.1704848]
<i>ln(M2)</i>					
D1.	0.1627791	0.8925372	0.18	0.855	[-1.586562, 1.91212]
<i>ln(GDP)</i>					
D1.	0.9916911	0.5892422	1.68	0.092*	[-0.1632024, 2.146585]
<i>ln(INF)</i>					
D1.	0.1806963	0.0671075	2.69	0.007***	[0.049168, 0.3122246]
<i>ln(NPLs)</i>					
D1.	-0.205874	0.0268582	-7.67	0.000***	[-0.2585152, -0.1532328]
_cons	1.567981	0.690441	2.27	0.023**	[0.2147412, 2.92122]

Note: The symbols ***, **, and * indicate the statistical significance at 1%, 5% and 10% respectively.

Source: The computed data

In the long-run results, the coefficient for NPLs is significant and negative, suggesting that an increase in NPLs will decrease ROE over time. However, other variables like Money Supply, GDP and Inflation do not show significant long-term impacts on ROE, as indicated by their p-values (greater than 0.05), suggesting their effects on bank profitability may be more subtle or complex.

In the short-run coefficients, the ECT is negative and significant, indicating a strong and rapid adjustment towards long-run equilibrium following deviations. This suggests that the East African banking sector adjusts quickly to shocks, with about 58.24% of disequilibrium corrected each period, a rapid speed of adjustment. Interestingly, short-term fluctuations in inflation have a positive and significant impact on ROE, suggesting that inflation may enhance bank profitability in the short run, potentially through the expansion of interest margins. Conversely, NPLs exert a significant negative effect in the short term, highlighting the immediate adverse consequences of loan defaults on bank profitability. Additionally, the model's constant term is significant, indicating the average change in ROE that is not accounted for by the other variables.

The findings of this study align with prior literature regarding the influence of macroeconomic variables and NPLs on banking sector profitability. For instance, the significant negative long-term impact of NPLs on profitability metrics like ROA and ROE corroborates the results of [Bhattarai \(2020\)](#) in Nepal, [Mondal and Mim \(2024\)](#) in Bangladesh, [Bhowmik and Sarker \(2024\)](#) in South Asian countries, and [Ghosh \(2015\)](#) in U.S. states, who emphasized the detrimental effects of credit risk on financial performance. These studies argue that higher NPL levels reduce net interest margins and necessitate higher provisioning, eroding profitability in developing and developed countries.

Interestingly, the study highlights a short-term positive relationship between inflation and profitability. This finding resonates with [Tan and Floros \(2012\)](#), and [Doğan and Yildiz \(2023\)](#), who noted similar effects in the Chinese banking sector and the Turkish banking sector

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respectively. However, this contrasts with [Boyd et al. \(2001\)](#), who observed that excessive inflation diminishes banking development by increasing uncertainty and reducing real returns on loans.

Regarding GDP growth, this study finds a non-significant impact on profitability in the East African context. This diverges from evidence in India and Nepal ([Acharya and Vyas, 2022](#); [Brahmaiah and Ranajee, 2018](#)), where robust GDP growth was positively correlated with banking performance. The discrepancy may stem from structural differences in banking systems or variations in economic resilience across regions.

Additionally, the nuanced effect of money supply, which lacks statistical significance in both short- and long-term models, contrasts with findings from [Sihotang et al. \(2022\)](#) of Islamic commercial banks in Indonesia, [Shrestha \(2023\)](#) and [Ghimire et al. \(2024\)](#) of commercial banks operating in Nepal, as well as [Hafidh and Burhan \(2021\)](#) in Zanzibar, Tanzania, who reported a positive correlation between broad money growth and bank profitability. This divergence may reflect differing monetary policy environments or the indirect effects of money supply through inflation and credit availability.

These contrasts underscore the importance of regional and structural factors in shaping the dynamics of banking sector profitability. Further research incorporating political and global economic variables could provide a more comprehensive understanding of these relationships.

5. Conclusions

This research analyzed the impact of three macroeconomic factors (money supply, GDP, and inflation) and non-performing loans (NPLs) on the profitability of banks in East Africa. Utilizing annual data from three East African countries (Tanzania, Kenya, and Uganda) from 2000 to 2022, the study employed the panel ARDL technique to assess these influences. The findings reveal that only NPLs have a negative impact on both return on assets (ROA) and return on equity (ROE) in the long run, which is consistent with the broader financial literature that links poor loan performance to decreased profitability. Additionally, the responsiveness of banks to economic shocks, as indicated by the ECT, suggests that the banking sector can rapidly adjust to restore equilibrium, making it highly sensitive to immediate economic fluctuations. The findings imply that bank profitability in East Africa is significantly influenced by NPLs, alongside the capacity to adjust to economic changes rapidly. These results suggest that banks need to focus on managing credit risks to enhance profitability. The impact of inflation in the short run also indicates that banks could potentially leverage inflationary periods to improve their interest margins and overall profitability.

To optimize profitability and mitigate risks, banks should adopt several strategic measures. Firstly, enhancing risk management through the implementation of sophisticated risk assessment tools and stricter credit monitoring processes can significantly reduce the incidence and impact of NPLs. Also, considering the short-term positive impacts of inflation on profitability, banks ought to adjust their interest rates and lending practices to maximize earnings during inflationary periods. These strategies collectively could improve financial stability and enhance profit margins within the banking sector in East Africa.

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This study has limitations that may affect the broader applicability of its findings. It focuses on only three East African countries due to data constraints, limiting generalizability to other nations with different economic conditions. Additionally, factors such as political conditions, global economic shifts, and sector-specific developments were not included, and the analysis is restricted to a specific timeframe, potentially affecting the relevance of the results for future trends. Also, a multicollinearity between money supply and exchange rate posed challenges, leading to the exclusion of exchange rate from the model to enhance reliability. While this improved the stability of estimates, the exchange rate's influence may still be indirectly reflected through other variables like money supply and inflation, warranting further investigation in future research.

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The Effect of Working Environment, Leadership and Organizational Culture on Law Enforcement Officers' Performance: The case of Police Resort at Musi Rawas Regency

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Abstract

This research aims to determine the influence of the work environment, leadership, and organizational culture on the performance of Musi Rawas Resort Police Members. This type of research is associative; the variables used in this research are work environment, leadership, and organizational culture. The objects of this research are all members of the Musi Rawas Police Department. The population in this study consisted of 188 members, and the sample size was determined using the Slovin formula with a 5% error rate, resulting in a total sample of 128 members. The sampling method used was cluster sampling. The primary data used in this research were collected through a questionnaire. The analysis technique employed is multiple linear regression, utilizing the SPSS application. The research results demonstrate that 1) the work environment, leadership, and organizational culture have a positive and significant influence on the performance of members of the Musi Rawas Resort Police. 2) The work environment has a positive and significant influence on the performance of members of the Musi Rawas Resort Police. 3) Leadership has a positive and significant influence on the performance of members of the Musi Rawas Resort Police. 4) Organizational culture has a positive and significant influence on the performance of members of the Musi Rawas Resort Police. The coefficient of determination obtained indicates that the work environment, leadership, and organizational culture contribute 69.5% to performance; the remaining 30.5% is influenced by other variables not studied.

Keywords: Working Environment, Leadership, Organizational Culture, Law Enforcement Officers' Performance

1. Introduction

Human Resource Resources (HR) focuses on human resources who hold important positions and are loyal to institutions and organizations. It follows that if the human resources owned by a company or organization are a vital asset for the organization, even if the organization has significant capital and the same modern equipment, that doesn't mean there are no humans. Therefore, organizations must be able to coordinate, guide, motivate, and evaluate them so that they can develop powerful human resources and form an effective and efficient workforce. The performance of a member of the National Police is critical because it is a benchmark for the

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success of a worker or employee. According to [Afandi \(2018\)](#), performance is a result of the work process of a National Police member who has fulfilled the requirements of standard work that a government agency determines. According to Kasmir (2016), performance is influenced by several factors, including ability and skills, knowledge, work experience, personality, work motivation, leadership, organizational culture, work satisfaction, work environment, loyalty, commitment, and work discipline.

One of the variables that influences performance in a work environment. According to [Sedarmayanti \(2017\)](#), the work environment is a place where several groups collaborate to achieve the company's goals in line with its vision and mission. [Sedarmayanti \(2017\)](#) notes that working environmental conditions are optimal when people carry out their work activities healthily and safely. The appropriateness of the working environment can be considered less than good, and it cannot change the amount of work and the better time. It does not support the acquisition of an efficient work system. This result is supported by the findings of research conducted by Gitonga and Gachunga (2015), which demonstrate that the work environment affects the performance of National Police members. In addition, [Samson, Waiganjo, and Koima \(2015\)](#) demonstrated a strong relationship between the work environment and performance. This is different from the results of [Wardhani's \(2017\)](#) study, which showed that the work environment does not affect performance. Another factor that influences the performance of this research is leadership. According to [Hasibuan \(2016\)](#), leadership is an essential part of the process of leadership and management of the National Police; working well and being a member of the National Police does his task. The success of an organization is also not independent of the power of its leader because an influential leader is able to reap the resources of the company in the lead, have the ability to direct the activities of those they lead, anticipate all the changes that occur suddenly, and correct all the problems that arise, are able to bring the organization to the goals that have been agreed upon and the timeframe that has been set.

Apart from work environment and leadership, work culture also influences performance. According to Nimran in [Busro \(2020\)](#), culture is a system of meanings that is co-owned by an organization, differentiating it from other organizations. An organization's culture is a shared perception held by a members of an organization, which then influences how people work and behave in the members of an organization so that the value system of the value system is able to differentiate the other organization from the other organization.

One of the agencies that is required to improve the quality of human resources is the police agency. The Indonesian National Police are required to perform well in the community as protectors of the community. The Resort Police (Polres) are required to carry out their duties and functions to the community. Every member of the Police must comply with every regulation that has been set as a form of learning for the community, so that it is in line with the vision and mission of the organization. The Indonesian National Police is one of the Government institutions directly under the President (MPR Decree Number VII / MPR / 2000 concerning the role of the TNI and the Role of the POLRI). The function of the Police is one of the functions of the state government in the field of maintaining public security and order, law enforcement, protection, protection, and service to the community ([Article 2 of Law of the Republic of Indonesia Number 2 of 2002](#)). The Indonesian National Police aims to realize domestic security, which includes maintaining public order and security, order and enforcement of the law, protection, protection, and service to the community, and fostering public peace by upholding

human rights (Article 4 of [Law Number 2 of 2002](#)). The Indonesian National Police is a state apparatus that plays a role in maintaining public order and security, enforcing the law, and providing protection and protection to the community to maintain domestic security (Article 4 of [Law Number 2 of 2002](#)). The primary duties of the Indonesian National Police are to maintain public order and security, enforce the law, and provide protection, protection, and service to the community (Article 13 of Law Number 2 of 2002). The Indonesian National Police is one of the organizations that functions to maintain public security and order, in addition to being tasked with investigating cases, enforcing the law, and protecting and serving the community as mandated in Article 13 of [Law Number 2 of 2002](#). The researcher conducted research at the Musi Rawas Police and Polsek. Then, the researcher was interested in finding out the conditions and problems found, especially the performance of Police Members at the Musi Rawas Police.

Various strategies are carried out to improve the performance of the Police, one of which is by implementing the Regulation of the Chief of Police of the Republic of Indonesia Number 02 of 2018 concerning the performance assessment of members of the Indonesian National Police with the Performance Management System. The Regulation of the Chief of Police of the Republic of Indonesia states that to improve and develop the performance of members of the Indonesian National Police based on competency, it is necessary to provide an assessment based on objective, transparent performance standards and table accounts in order to encourage achievement, productivity, dedication, and work loyalty.

The Musi Rawas Police is one of the Polres that always tries to evaluate the performance of its members. Currently, the performance of the Police is not optimal. In relation to the performance phenomenon found during the pre-research interview with one of the members of the Musi Rawas Police, the issue of work quality, some members do not understand and do not understand how to complete the data requested by their superiors but do not try to find out and are not actively seeking solutions to this ignorance. So, there are jobs that are ultimately not completed at all and are in the hands of the member who was first given responsibility. Finally, the job is handed over to other members who are considered more competent. This means that not all members of the Police have the competence to complete the job. The phenomenon of the performance of Polri members also occurs in the ineffective use of Resources at the Musi Rawas Police, such as the placement of members who are not competent in their fields in places where criminal investigation services or handling criminal cases significantly affect performance, especially in terms of case handling services at the Polres and Polsek-polsek in the ranks of the Musi Rawas Police Resort. This can be seen from the case handling report, namely the Police Report (LP) service. Good performance can be seen from the proper completion of case handling, which is carried out consistently. There is also a comparison of the number of criminal acts (JTP) and Criminal Case Resolution (PTP) from 2020 to 2024 at the Musi Rawas Police.

Based on initial observation, the performance of criminal case resolution at the Musi Rawas Police and Polsek Jajaran may experience an increase and decrease in terms of the quality of criminal case resolution in the community, and there is an inconsistency in serving the community. Related to work competence, there is a phenomenon of a lack of investigators understanding the minutes of the examination because many members of the criminal investigation unit have not undergone criminal investigation vocational education or criminal investigation training, so they are less proficient in carrying out examinations of perpetrators, victims and witnesses of a crime. Timeliness standards are needed to present relevant

information. The phenomenon of timeliness standards significantly affects performance. From interviews with several members, it was found that during working hours, some members did not make many meaningful work contributions; more work time was spent playing on cell phones and watching TikTok and YouTube. Through initial observations conducted on several members of the Musi Rawas Police, it was also found that there was a phenomenon regarding attendance and punctuality; there were several members who still often came late and did not go to work on the grounds that their homes were very far from the office and the work hours were too early at 07.00. Still, several members only came to the office at 07.30, so they were late; absences usually occur if it rains heavily on that day, so they cannot go to the office. These things illustrate the standards of punctuality that are not met. Another factor that influences performance is the work environment. When the researcher interviewed one of the members of the Musi Rawas Police, there was a phenomenon of a non-physical work environment in relation to the attention and support of the leadership that was still felt to be lacking, such as the leadership not often providing direction, confidence, attention and appreciation to members, which indicated that the leadership had not listened to the opinions of members and was appreciated in roll call forums or meetings, even praise and appreciation were rarely expressed in every large or small meeting. In addition, the phenomenon of group cooperation, especially the relationship between fellow Polri members at the Musi Rawas Police Resort, is still problematic. Where this phenomenon still exists is jealousy between Polri members about the division of tasks in the staff section and in the operational section, which prioritizes sectoral ego so that it can affect the results of a regional or centralized operation. The results of interviews with several members of the Musi Rawas Police obtained a phenomenon about how the smoothness of communication in the work environment between one member and another or between one section and another is still less active due to the enormous workload carried by each member, resulting in their venting with bad things such as online gambling, drugs, and others. Leadership also affects the performance of Polres members. Leadership in the public sector has a very crucial role. A leader is not only a decision-maker but also a driver of change, innovator, and motivator for all levels of the organization. Effective leadership can create a shared vision, motivate employees, and build a work culture that is oriented towards improving the quality of service to the community. In the context of public service, leaders who can understand and respond to the needs of the community quickly and appropriately will significantly determine the quality of service provided.

Performance can be influenced by leadership. Although members already know their duties and responsibilities, they also need closeness, trust, and sensitivity from the leader. The leadership implemented by the leader also decreases and increases in achieving maximum member performance. Leaders are also required to be sensitive and able to analyze the weaknesses and strengths of their members, both internal and external, so that they can solve the problems faced and further improve the performance of their members. Based on initial observations of several Musi Rawas Police Members, leadership changes occur relatively fast and irregularly. Changes in leadership will cause different leadership styles, and this also has an impact on employee performance. Several leadership problems in the Police can be seen from the leadership indicators, namely affecting performance and a climate of mutual trust; in this phenomenon, the change of leadership during the handover will cause subordinates to adapt again, it will affect member performance, then the indicator of appreciation for subordinate ideas in this phenomenon is the arrogant attitude of leaders who do not want to listen to input from subordinates and are slow in making decisions, which should be taken quickly but are often

taken in a long-winded manner and take a long time. In carrying out daily tasks, leaders sometimes need to consider the feelings of subordinates; this phenomenon occurs in female police officers who are married. Sometimes, in carrying out their duties serving the community, they often clash with personal interests between family and service; this must be addressed early in arranging their time.

Leadership is the behavior of a leader that someone uses when they want to influence others. Various types of leadership can be used by a leader to influence and motivate their subordinates so that they can improve the performance of their subordinates in doing their work. The less-than-optimal performance above is also influenced by organizational culture. The researcher also interviewed one of the members of the Musi Rawas Police in relation to indicators that often commit violations, explaining that members who have had disciplinary hearings are always looked down on by the leadership as if there is no improvement in this mistake, which makes members bored to do better. This illustrates the results of work that does not get support from members and the organization.

In addition to the work environment and leadership, performance is also influenced by organizational culture factors. The organizational culture of researchers also found another phenomenon in the Musi Rawas Police office regarding the indicator of attention to detail; there are problems where there are still members of the Police who are not detailed or thorough in completing their work because there is still negligence in carrying out careful recording of criminal data, carrying out tasks that are not in accordance with SOPs, thoroughness in filling out reports, case handling processes, investigations and interactions with the community. Furthermore, some members carry out their work always oriented towards results, resulting in the phenomenon of members who work at the Musi Rawas Police and Polsek ranks working and serving as they please, following their mood in working, so that it seems like a careless work attitude and not in accordance with the expectations of the leadership or agency. This shows attitudes and values that are not yet good, so the work produced is not optimal, such as the resolution of criminal acts and the awarding of awards for uncovering major cases that are not optimal. In an organization, of course, some teams are divided to facilitate the tasks given to be in accordance with the expectations of the agency. At the same time, there are indicators of team orientation where members establish poor relationships and communication; there is a police team carrying out operations that require coordination between patrol units, criminal units, and intelligence units; this is not shown as team orientation, if they help each other share information and work together harmoniously, optimal results will be achieved. The community still expects an increase in the role and duties of the Police as guardians, protectors, and public servants, as well as clean law enforcers. Police reform is a continuous process of building and strengthening identity, realizing the rooting of visions and missions in all ranks, increasing the efficiency and effectiveness of organizational structures, developing service instruments and facilities, and consistently improving professional culture and ethics.

2. Literature Review

The Influence of Work Environment, Leadership, and Organizational Culture on the Performance of Polri Members at the Musi Rawas Police. According to [Kasmir \(2016\)](#) and [Tangkalisian \(2007\)](#), the factors that influence performance include the Work Environment, Leadership, and Organizational Culture. In a study conducted by [Afnita, Handayani \(2022\)](#), [Lousyiana, Harlen \(2015\)](#), [Reynilda \(2020\)](#), and [Kusumawati \(2008\)](#) research, the results

showed that the Work Environment had a positive and significant effect on employee performance, leadership had a positive and significant effect on employee performance, and Organizational Culture had a positive and significant effect on employee performance.

There are many complaints and complaints from the public about the quality of service because there are still members who are not optimal in carrying out their duties namely the duties and responsibilities of the work are not in accordance with their abilities, so that the quality of their work results is not in accordance with the standard operating procedures which results in work standards not being met, not consistently carrying out obligations to serve the community wholeheartedly, cooperation between members has not contributed to the performance of the Musi Rawas Police, lack of increased competence through training and education to support the career of each member, still lack firmness in implementing punishment if a member makes a mistake and lack of adequate rewards if a member reveals a case, there are no incentives that make members improve their performance. There are still many officers who, if there are differences of opinion in a job, their relationship is less harmonious because they are not open-minded or big-hearted in accepting criticism and input from other members, and collaboration is sometimes a little tricky; there are still many members who do not ask permission from their superiors if they want to leave the office and there are still many members who work double orders so that fatigue results in work that is not optimal or maximal and others. Members of the Musi Rawas Police have not shown optimal performance. This is characterized by problems related to the work environment, leadership, and organizational culture that affect their performance.

The Influence of the Work Environment on the Performance of Polri Members at the Musi Rawas Police. According to [Kasmir \(2016\)](#), one factor that influences employee performance is the work environment. The work environment has a relationship with employee performance, as [Mangkunegara \(2017\)](#) states. A research study, according to [Gitonga and Gachunga \(2015\)](#), provides research results showing that the work environment has no significant influence on performance. The phenomenon of the work environment that can be seen is that members still do not receive attention and support from leaders who are still felt to be lacking, such as leaders not often providing direction, confidence, attention, and appreciation to members, which indicates that leaders have not listened to members' opinions and are appreciated in roll call forums or meetings, even praise and gratitude are rarely expressed in every large or small meeting. There is still jealousy among members of the Indonesian National Police regarding the division of tasks in the staff section and in the operational section that prioritizes sectoral egos so that it can affect the results of a regional or centralized operation. The smoothness of communication in the work environment between one member and another or between one section and another is still less active due to the enormous workload carried out by each member, resulting in their venting about bad things such as online gambling, drugs, and others. If this continues, it will hinder the achievement of the goals of the Musi Rawas Resort Police.

The Influence of Leadership on the Performance of Polri Members at the Musi Rawas Police. Leadership is one factor in improving employee performance because leaders are the backbone of organizational development, encouraging and influencing good work enthusiasm in employees. According to [Kasmir \(2016\)](#), [Afandi \(2021\)](#), and Prawirosentono in [Damayanti \(2013\)](#), leadership influences performance. In a study conducted by [Afnita, Handayani \(2022\)](#), [Abdullah \(2022\)](#), the results of the study showed that leadership has a positive and significant effect on employee performance. [Pamungkas & Widyowati, \(2020\)](#), the test results showed that

increasing employee performance was influenced by how leaders explain how to work effectively. The phenomenon of leadership has also not shown professionalism or proportionality in leading. This is evident from the ability of the supervisor (supervisor ability), who has not been able to provide an example to all staff and employees. The unclear chain of command so that there is overlap in delegating authority to create a pleasant, cooperative relationship. There are still many who, when given ideas and suggestions, do not want to listen, are offended, or are not yet magnanimous. There is still one-way communication, so collaboration is still not optimal. There is no compensation if members have exemplary achievements. Suppose members make mistakes or fail to carry out their duties. In that case, the arrogance of the leadership will arise in the assessment of subordinates based on past evaluations that ignore work achievements so that there are still those who are not objective. There is no consideration of the feelings of subordinates, especially for female police members. There has been no provision of introductory bonuses for the work achievements of their subordinates. In relation to decisiveness, leaders have not provided decisiveness for employees who commit violations. Rewards or appreciation for those who work well and punishment for those who are lazy have not been carried out objectively.

The Influence of Organizational Culture on the Performance of Police Members at the Musi Rawas Police. According to [Kasmir \(2016\)](#), Yuwono in [Tangkalisan \(2007\)](#) also, according to [Tangkalisan \(2007\)](#), factors that influence performance include Organizational Culture. In a study conducted by [Afnita, Handayani \(2022\)](#), [Zulkarnain et al. \(2020\)](#) [Reynida \(2020\)](#), [Abdullah \(2022\)](#), the results of the study showed that Organizational Culture has a positive and significant effect on employee performance. However, according to [Fatiria and Nawawi \(2021\)](#) and [Rahajeng \(2022\)](#), organizational culture has a positive and insignificant effect on performance. The phenomenon that occurs in this organizational culture is seen in police members who are still not detailed or thorough in completing their work because there is still negligence in carrying out careful recording of criminal data, carrying out tasks that are not in accordance with SOP, thoroughness in filling out reports, case handling processes, investigations and interactions with the community. In the phenomenon of orientation to results, there are still many criminal cases that are not optimal, and the awarding of awards for uncovering major cases that are not optimal. For the phenomenon of team orientation, where there is a police team carrying out operations that require coordination between the patrol unit, criminal unit, and intelligence unit, this is not shown in team orientation if they help each other share information and work together harmoniously then optimal results will be achieved.

3. Research Method

The object of this research is the Musi Rawas Police and Polsek in the ranks of the Musi Rawas Police, which is a government institution under the President of the Republic of Indonesia, namely the Musi Rawas Police Resort located at Jl. Lintas Sumatera, Beliti Baru Village, Beliti District, Musi Rawas Regency, South Sumatra Province and Nine Polsek including Beliti Police, Kelingi Police, Lakitan Police, Jayaloka Police, BTS Ulu Cecar Police, Megang Sakti Police, Tugumulyo Police, Ulu Trawas Police. The research methods that will be used in this study are the descriptive method and the verification method. In this study, the researcher chose a quantitative research approach to answer the problem because this study aims to obtain direct data that can be calculated or managed through statistics. The dependent variable in this study is performance with indicators of quality, competence, and standards. The independent variables are the work environment, leadership, and organizational culture. The indicators of

the work environment are the attention and support of leaders, cooperation between groups, and smooth communication. The indicators of leadership are a climate of mutual trust, appreciation of subordinates' ideas, and consideration of the feelings of subordinates. The indicators of organizational culture are attention to detail, orientation to results, and orientation to the team. The population used in this study were all members of the Polsek Jajaran in Polres Musi Rawas, namely 9 Polsek, totaling 188 people. In this study, a sample of 128 respondents was used. Furthermore, the probability sampling technique was determined with the Cluster Sampling technique, namely a sampling technique that divides the population into several groups or clusters; in this case, the cluster referred to is the Work Unit (SATKER). Then, several clusters were selected randomly, and all members in the chosen cluster became samples. The data collection method used in this study was interviews and questionnaires, namely the answers from respondents to a series of questions related to the Influence of the Work Environment, Leadership, and Organizational Culture on the Performance of Polsek Jajaran Members in Polres Musi Rawas according to the indicators used by the researcher. The analysis used in this study was multiple regression analysis.

4. Findings and Discussions

Multiple linear regression analysis was used to determine the regression between the variables Work Environment, Leadership and Organizational Culture, the result can be seen in the following table:

Table 1. Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	0,798	0,176		4,526
1 Working Environment	0,192	0,033	0,346	5,826
Leadership	0,344	0,059	0,364	5,866
Organizationl Culture	0,272	0,043	0,345	6,293

Based on Table 1 above, it can be arranged into a multiple linear regression equation as follows:

$$Y = 0.798 + 0.192 X1 + 0.344 X2 + 0.272 X3$$

From the multiple regression equation, it can be described that: a) The constant value of 0.798 (positive) indicates that if the performance of Polri members remains even without the Work Environment (X1), leadership (X2) and organizational culture (X3), there is no or a value of 0 (zero), then the member's performance will remain at 0.798. b) The Work Environment coefficient value of 0.192 (positive) indicates that the Work Environment has a positive effect on member performance. This means that if there is an increase in the Work Environment, member performance will increase, and vice versa. If there is a decrease in the environment, member performance will decrease, assuming leadership and organizational culture remain the same. c) The leadership coefficient value of 0.344 (positive) indicates that leadership has a positive effect on member performance. This means that if there is an increase in leadership, member performance will increase, and vice versa. If there is a decrease in leadership, member performance will decrease, assuming the work environment and organizational culture remain the same. d) The value of the Organizational Culture coefficient of 0.272 (positive) indicates that Organizational Culture has a positive effect on member performance. This means that if

there is an increase in organizational culture, member performance will increase, and vice versa. If there is a decrease in organizational culture, member performance will decrease, assuming the work environment and leadership remain the same.

The F test is used to determine whether the variables of working environment, leadership and organizational culture simultaneously affect performance. The results can be seen in the following table:

Table 2. F-test

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	26.933	3	8.978	97.482	.000 ^b
Residual	11.420	124	.092		
Total	38.353	127			

The t-test aims to test the independent variables partially/individually against the dependent variables, with the following results: see Table 1:

The Influence of Work Environment, Leadership, and Organizational Culture Together on the Performance of Polri Members. The results of the research and simultaneous analysis conducted in this study demonstrate that the work environment, leadership, and organizational culture have a significant influence on the performance of Polres Musi Rawas members. This indicates a positive or unidirectional linear relationship between the variables of the work environment, leadership, and organizational culture and member performance, suggesting that improving these factors can have a positive impact on enhancing member performance at Polres Musi Rawas. This result is in accordance with the theory put forward by [Kasmir \(2016\)](#). According to [Tangkalisan \(2007\)](#), many factors influence employee performance, including the work environment, leadership, and organizational culture. Thus, the results of this study prove that the influence of the work environment, leadership, and organizational culture on member performance is proven theoretically. These results are in line with previous studies conducted by [Afnita, Handayani \(2022\)](#), Lousyiana and Harlen (2015), and Kusumawati's research (2008), with research results that prove a significant influence of the work environment, leadership, and organizational culture on employee performance.

The Influence of the Work Environment on the Performance of Police Members at the Musi Rawas Police. Based on the research and partial analysis carried out in this study, this study proves that the work environment significantly influences the performance of members at the Musi Rawas Police. This shows a positive or unidirectional linear relationship between work environment variables and member performance, which means that if the work environment can be improved, it will have a positive impact on improving member performance. These results are in accordance with the theory put forward by [Kasmir \(2016\)](#) that many factors affect performance, one of which is the Work Environment. Likewise, according to Robbins in [Maulana \(2015\)](#), one of the factors that affect employee performance is the work environment. So, the results of this study prove that the work environment influences member performance, as proven theoretically. These results are in line with the research conducted by [Afnita, Handayani \(2022\)](#), [Zulkarnain et al. \(2020\)](#), [Reynilda \(2020\)](#), the results of their research prove that there is a significant influence of the work environment on employee performance. However, this is different from Rismawati's research (2016), which shows that the work environment does not influence performance. In addition, the results of Diana Pramudya's

research (2017) show that the work environment does not influence performance. Based on the problems that arise related to the work environment, the researcher suggests that the leader's attention to subordinates be prioritized, especially in providing awards in the form of incentives if there are members who succeed in making innovations or uncovering major cases. Together with members once a week, hold a coffee break to foster good cooperation so that each member has responsibility in each of their jobs and foster an attitude of collaboration and empathy if there are members who are on duty who are unable to attend due to illness, the reserve duty can replace them, this requires mutual communication in social media groups in the police station group such as WhatsApp, both between colleagues, superiors and subordinates so as to help smooth the implementation of tasks to serve the community.

The Influence of Leadership on the Performance of Police Members at the Musi Rawas Police Resort. Based on the results of research and partial analysis that have been carried out in this study, it proves that there is a dominant (dominance) and significant influence of leadership on the performance of members at the Musi Rawas Police. This shows a positive or unidirectional linear relationship between leadership variables and member performance, which means that if leadership can be improved, it will have a positive impact on enhancing member performance. These results are in accordance with the theory put forward by [Kasmir \(2016\)](#), [Afandi \(2021\)](#), and Prawirosentono in [Damayanti \(2013\)](#); many factors influence performance, one of which is leadership; according to [Hasibuan \(2016\)](#), leadership and essential thing in management, because of leadership the management process will run well, and members of the Police will be enthusiastic in carrying out their duties. The results of this study prove that leadership influences member performance, which is proven theoretically. These results are in line with previous research conducted by [Afnita, Handayani \(2022\)](#), [Abdullah \(2022\)](#), with research results proving that there is an influence that leadership has on employee performance. In addition, this study is also in line with research conducted by [Pamungkas & Widyowati, \(2020\)](#), and Wahyuningsih (2015) state that leadership has a significant influence on employee performance.

5. Conclusion

The Influence of Organizational Culture on the Performance of Police Members at the Musi Rawas Police Resort. Based on the results of research and partial analysis that have been carried out in this study, it proves that there is a significant influence of organizational culture on the performance of members at the Musi Rawas Police. This shows a positive or unidirectional linear relationship between organizational culture variables and member performance, which means that if organizational culture can be improved, it will have a positive impact on enhancing member performance. This result is in accordance with the theory put forward by [Kasmir \(2016\)](#) and Yuwono in [Tangkalisan \(2007\)](#). According to [Tangkilisan \(2007\)](#), many factors influence performance, including organizational culture. So, the results of this study prove that there is an influence of organizational culture on member performance, proven theoretically. These results are in line with previous studies conducted by [Afnita, Handayani \(2022\)](#), [Zulkarnain et al. \(2020\)](#) [Reynida \(2020\)](#), [Abdullah \(2022\)](#), with research results proving that there is a significant influence of organizational culture on employee performance. In contrast to the research of [Mewahaini \(2022\)](#), organizational culture does not influence performance.

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The Effect of Leadership, Working Environment and Workload on Employee Performance: The case of Human Resource Development Agency of South Sumatera Province Region (BPSDM)

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Abstract

This study aims to determine 1) The Influence of Leadership, Work Environment, and Workload on the Performance of Employees of the Regional Human Resources Development Agency of South Sumatra Province 2) The Influence of Leadership on the Performance of Employees of the Regional Human Resources Development Agency of South Sumatra Province 3) The Influence of Work Environment on the Performance of Employees of the Regional Human Resources Development Agency of South Sumatra Province 4) The Influence of Workload on the Performance of Employees of the Regional Human Resources Development Agency of South Sumatra Province. This type of research is Associative. The variables used by the researcher are leadership, work environment, workload, and employee performance. The sample in this study was 96 employees of the Regional Human Resources Development Agency of South Sumatra Province who were selected using Simple Random Sampling. The primary data used in this study was collected through a questionnaire. The data analysis technique used was Multiple Linear Regression. The results of this study indicate that (1) leadership, work environment, and workload together have a positive and significant effect on employee performance, (2) leadership has a positive and significant effect on employee performance, (3) work environment has a positive and significant effect on employee performance (4) workload has a positive and significant effect on employee performance.

Keywords: Leadership, Working Environment, Workload, Employee Performance

1. Introduction

Human resources can be interpreted as people who provide energy, expertise, creativity, and effort in managing assets owned by an organization. It is undisputable that this is one of the valuable assets that is then a central factor in managing an organization. Without human resources as system managers, an organization will certainly fail to achieve its goals. However, not only a sense of belonging but also these human resources should be qualified with the

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principle of 'the right man in the right place at the right time,' which means that the right person should be assigned to the right job at the right time, ensuring maximum productivity and efficiency. Competent human resources with good performance can support an organization's success. On the other hand, incompetent human resources with poor performance are a competitive problem that can put the company in a losing condition ([Potu, 2013](#)).

A company or agency's success hinges on the potential of its human resources. When leaders and employees make exemplary contributions and carry out their duties optimally, the company's goals are within reach. The individual performance of employees is a key determinant of an organization's success, which is why continuous improvement is a priority to ensure the company's goals are met.

The South Sumatra Provincial Human Resources Development Agency was first established in 1985 under the name of the South Sumatra Provincial Education and Training Agency. Then, in the context of implementing [Law Number 22 of 1999](#) concerning regional government and Government Regulation Number 84 of 2000, the South Sumatra Provincial Education and Training Agency changed to become the South Sumatra Provincial Education and Training Agency in accordance with South Sumatra Regional Regulation Number 12 of 2000 concerning the technical, organizational structure of the South Sumatra Provincial Government. In 2008, the Education and Training Agency changed its organizational structure, which previously had 22 structural positions, downsized to 13 structural officials, in accordance with Regional Regulation Number 9 of 2008 concerning the organization and work procedures of the inspectorate, regional development planning agency, and the South Sumatra Provincial Technical Institution. In 2017, the South Sumatra Provincial Education and Training Agency changed its nomenclature to become the South Sumatra Provincial Human Resources Development Agency in accordance with Regional Regulation Number 14 of 2016 concerning the formation and composition of the South Sumatra Provincial Regional apparatus. This change is to implement the provisions of Law Number 23 of 2014 concerning regional government and Government Regulation Number 18 of 2016 concerning regional apparatus. In 2017, the Regional Human Resources Development Agency of South Sumatra Province began implementing the financial management pattern of the regional public service agency (PPK-BLUD) based on the Decree of the Governor of South Sumatra Number 201/KPTS/BPKAD/2017 concerning the determination of the status of the financial management pattern of the regional public service agency of the Regional Human Resources Development Agency of South Sumatra Province. Employee Performance, According to Afandi (2018), is the result of the thoughts and energy of an employee towards the work he does. The performance of employees greatly influences the success of an agency. If employee performance is good, the performance of the agency/company will increase. However, high-performance expectations can sometimes lead to increased stress and pressure on employees, potentially causing burnout and decreased job satisfaction. Conversely, if employee performance is poor, it can cause a decline in the performance of the agency/company. High performance will make employees more loyal to the organization, more motivated, work with a happy feeling, and have an impact on achieving high work productivity ([Chandra & Priyono, 2016](#)). However, sometimes, it can cause individuals to be unable to free themselves from the pressure they face. If this condition continues, it can lead to workload ([Nurhendar, 2007; Alkubaisi, 2015](#)).

The Regional Human Resource Development Agency of South Sumatra Province, as part of the

work unit of South Sumatra Province, is guided by a clear vision and mission. The vision is to establish the agency as a center for enhancing the competence of civil servant resources in the region. The mission is to improve the quality and quantity of training facilities and infrastructure, enhance the quality and quantity of training implementation, and elevate the quality of civil servant resources. These guiding principles shape the work of the agency and its efforts to develop and support the region's human resources.

Based on the initial observations of employees of the Regional Human Resource Development Agency of South Sumatra Province, there is a phenomenon of problems in each variable, including performance, leadership, work environment, and workload. The performance phenomenon consists of work quality, work quantity, and punctuality. The quality of work, where employees feel less satisfied with the results of their work because the results of the work carried out by employees are often not assessed well by the community and leaders, can be seen from the quality of work from how effective the training and development provided to local government officials is, in this case measuring whether the results of the training can improve employee competence and contribute to improving the quality of public services. The quantity of work where budget or human resource limitations cause the number of training or development activities carried out not to reach the target. Timeliness is where delays in program implementation are due to administrative, logistical, or even external factors, such as changes in government policy or the unpreparedness of participants. The leadership phenomenon consists of analytical skills, communication skills, courage, listening skills, and assertiveness. The limitations of leaders indicate analytical skills in conducting in-depth analysis related to training needs or human resource development, which causes the policies taken to be not entirely adequate or relevant to conditions in the field. Communication skills are indicated by ineffective communication between leaders and staff with other agencies; this can hinder the coordination of training programs, development, policies, or task implementation. Courage is indicated by leaders who tend to avoid decisions that can cause controversy so that programs or policies that are actually needed are delayed or implemented optimally. Listening skills are indicated by leaders who do not listen enough to the needs or complaints of staff, so the decisions taken may be late. Assertiveness is indicated by the lack of clarity in communication between leaders and staff and between BPSDM and related parties, which can reduce assertiveness in decision-making.

The phenomenon of the work environment consists of lighting, air, and sound. Insufficient lighting can cause eye fatigue, decrease concentration, and affect employee health. While indoor air quality significantly affects employee comfort and health, if the indoor air is not fresh or has poor circulation, this can result in decreased concentration and decreased productivity. Not only that, but high noise or loud sounds in the office can also interfere with employee focus and concentration. The Workload phenomenon consists of time load, effort load, and pressure load. Time load is indicated by the delegation of work that is not the employee's main job, which results in additional workload outside of carrying out routine tasks. Effort load is indicated by a high workload that is not balanced with the employee's physical abilities, causing stress, which results in many tasks being neglected. Pressure load is indicated by limited time to complete dense tasks, especially during specific periods such as when holding extensive training or annual evaluations, high levels of stress, or mental fatigue due to repetitive and intensive tasks, especially when many training programs must be implemented in a relatively short time. The phenomenon related to workload among workers deserves special attention. Basically, employee performance can be improved in various ways, one of which is by

minimizing the level of stress that is likely to be experienced by each individual while working, in the sense that employee performance in an agency will be good if the workload felt by employees is low or under control.

2. Literature Review

Performance is the result or level of success of a person as a whole in carrying out tasks during a certain period compared to various possibilities, such as work result standards, targets, or goals that have been determined in advance and agreed upon together. Leadership, a crucial factor in influencing performance, is essentially the embodiment of a leader's behavior and their ability to guide. This embodiment typically takes on a specific pattern or form.

Leadership is the process of influencing or giving examples by leaders to their subordinates in an effort to achieve organizational goals ([Handoko, 2011](#)). To achieve maximum performance, the company must be able to create conditions that can encourage and enable employees to develop and improve their abilities and skills optimally. According to [Slamet \(2007\)](#), leadership is the strength, spirit, and ability possessed by a person who can influence others who follow the results of his thoughts or do what is expected as determined. Leaders need to be involved in two-way communication so that it has a good impact on channeling employee aspirations, providing support and encouragement to employees, making it easier for employees to interact, and involving employees in decision-making.

The behavior pattern of an agency leader is a crucial determinant of the agency's success in achieving its goals. This is because it is intricately related to the application of cultural values to all members. Leaders and organizational culture form a unified entity that significantly influences the achievement of the agency's goals. The work environment, another significant factor influencing performance, encompasses all elements that surround employees during their work, whether physical or non-physical, direct or indirect. It can have a profound impact on individuals during their work ([Potu, 2013](#)). The work environment is the collective atmosphere experienced by employees when working together in an organization—a set of environmental conditions that employees directly or indirectly perceive. Creating a conducive work environment is not a task that an organization can achieve easily. The organization must be able to motivate its employees so that they are inspired to fulfill their duties and enhance overall productivity.

As [Kasmir \(2019\)](#) points out, a comfortable work environment is a key factor in boosting employee motivation. A clean, quiet, and well-lit workspace can significantly enhance employee productivity. Conversely, a dirty, noisy, and poorly lit workspace can lead to decreased motivation and productivity. The workload is also one of the factors that influence performance in an agency, as it can be said to arise from the interaction between task demands and the work environment, the skills possessed, behavior, and perceptions of workers ([Kasmarani, 2012](#)). Workload is a significant factor that influences an agency's performance. It can be seen as a form of a person's response, both physically and mentally, to a change in their environment that is perceived as disturbing and causes them to feel threatened. Every aspect of the workforce can be a workforce that determines the extent of the situation faced.

The Influence of Work Environment Leadership and Workload on Employee Performance at the South Sumatra Provincial Human Resources Development Agency. According to [Kasmir \(2019\)](#), several factors influence performance, namely ability and expertise, knowledge, work plan, personality, motivation, leadership, leadership style, organizational culture, job

satisfaction, work environment, loyalty, commitment, and work discipline. This is supported by research by [Muawwanah & Liana \(2024\)](#), who conducted a study, "The Influence of Leadership Style, Work Environment, and Workload on Employee Performance at PDAM Tirta Moedal Semarang." Her research found that leadership style, work environment, and workload together have a positive and significant effect on employee performance—the Influence of Leadership on Employee Performance at the South Sumatra Provincial Human Resources Development Agency. According to [Rivai \(2013\)](#), who stated that leadership is a series of characteristics used by leaders to influence subordinates to achieve organizational goals, or it can be said that leadership style is a model of behavior and strategy that is preferred and often adopted by leaders. This is supported by the research of [Zebua \(2022\)](#), who conducted a study, "The Influence of Work Environment and Leadership on Employee Performance with Work Discipline as an Intervening Variable at the Public Works and Spatial Planning Service of Nias Regency." Based on the results of the research test conducted show that the work environment variable has a positive and significant effect on work discipline, the leadership variable has a positive and significant impact on work discipline, and the work environment and leadership variables simultaneously have a positive and significant effect on work discipline.

The work environment variable has a positive and significant impact on employee performance, while the leadership variable also has a positive and significant effect on employee performance. Furthermore, the simultaneous interaction of the work environment and leadership variables has a positive and significant effect on employee performance. Work discipline can mediate between the work environment and employee performance. Work discipline is able to mediate between leadership and employee performance. The Influence of the Work Environment on Employee Performance at the Regional Human Resource Development Agency of South Sumatra Province. According to Armstrong ([Kisworo, 2012](#)), "the work environment consists of the system of work, the design of jobs, working conditions, and the ways in which people are treated at work by their managers and co-workers." The work environment consists of the work system, job design, working conditions, and the ways in which people are treated at work by their managers and co-workers. This is supported by research by Indri [Tolo et al. \(2016\)](#), who conducted a study, "The Effect of Work Skills, Work Discipline, and Work Environment on Employee Performance at the Manado Youth and Sports Service (Diaspora). The results of the study showed that work skills, work discipline, and work environment simultaneously have a significant influence on employee performance. The results of the study partially showed that work skills and work discipline have a substantial effect on employee performance.

In contrast, the work environment does not have a significant effect on employee performance—the Effect of Workload on Employee Performance at the Regional Human Resources Development Agency of South Sumatra Province. According to [Abang et al. \(2018\)](#), internal and external factors are the main factors. Internal factors have indicators of gender, age, motivation, health conditions, perceptions, and satisfaction and desires. External factors have indicators of work attitudes and procedures, complexity or difficulty, job responsibilities, and distance from the workplace. This is supported by research by [Surapto et al. \(2024\)](#), who conducted a study, "The Influence of Leadership, Workload, and Job Satisfaction on Employee Performance at Universitas Terbuka; the results of the study showed that there was a positive effect of agile leadership and work stress on employee performance, the results of the analysis test on job satisfaction on employee performance.

3. Research Method

The object of the study is Human Resource Development Agency of South Sumatera Province Region. The research method used is the associative method, which is a study to test the alleged relationship (influence) between one variable and another. The variables in question are to determine the effect of work discipline and work environment on employee performance, with motivation as an intervening variable at a Private Hospital in Palembang. The dependent variable is employee performance. Work quality, quantity, and punctuality are indicators of employee performance. The independent variables are leadership, working environment and workload. Analytical skills, communication skills, and courage are indicators of leadership. Lighting, air, and sound are indicators of the work environment. Time load, effort load, and pressure load are indicators of workload. The population in this study was all employees of the Regional Human Resources Development Agency of South Sumatra Province, totaling 110 permanent employees. The sample in this study used the Slovin formula with a 5% error rate, which resulted in a sample size of how many employees there were. In this study, the researcher took a random sample (simple random sampling) of 96 respondents from a population of 110 employees. To obtain data related to Work Environment Leadership and Workload on Employee Performance, an instrument in the form of a questionnaire was used. In this study, the primary data was primary data because the primary data was obtained through the distribution of questionnaires to respondents. The data analysis method used in this study is regression analysis.

4. Findings and Discussions

This multiple linear regression analysis is used to determine the influence of leadership variables, work environment, and workload on employee performance. The results of the multiple linear regression analysis can be seen in the following table:

Table 1. Regression Result

		Coefficients ^a		
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	6.177	1.904	
	Leadership	.237	.085	.290
	Working Environment	.314	.084	.386
	Workload	.258	.069	.267

a. Dependent Variable: Employee Performance

Based on the table of multiple linear regression result: $Y = 6.177 + 0.237 X_1 + 0.314 X_2 + 0.258 X_3$. Table 1 shows a constant value of 6.177, which indicates that if leadership, work environment, and workload are equal to zero, then employee performance remains at 6.177. The leadership regression coefficient value of 0.237 (positive) indicates that leadership has a positive effect on employee performance at the South Sumatra Provincial Human Resources Development Agency. This figure shows that if leadership increases, employee performance will increase, and vice versa; if leadership decreases, employee performance will decrease. The work environment regression coefficient value of 0.314 (positive) indicates that the work environment has a positive effect on employee performance at the South Sumatra Provincial Human Resources Development Agency. This figure shows that if the work environment increases, employee performance will increase, and vice versa; if the work environment

decreases, employee performance will decrease. The workload regression coefficient value is 0.258 (positive), indicating that workload has a positive effect on the performance of BPSDM employees in South Sumatra Province. This figure shows that if the workload increases, employee performance will increase, and vice versa; if the workload decreases, employee performance will also decrease.

The F test is used to determine whether the variables of leadership, work environment, and workload simultaneously affect employee performance. The results can be seen in the following table:

Table 2. F-test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3299.887	3	1099.962	64.146	.000 ^b
	Residual	1577.602	92	17.148		
	Total	4877.490	95			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Leadership, Working Environment, Workload

Determining the F-Table with a confidence level of 95% and an error rate (α) of 5% = 0.05, with degrees of freedom (df) $V1 = k-1 = 4-1 = 3$ and $V2 = 96-4 = 92$ so the F-Table value = 2.70. Based on Table 2 F Test (Anova), the F-value is $64.146 > F\text{-Table } 2.70$ with a Sig F level of $0.000 < 0.05$, then H_01 is rejected, meaning that there is a significant influence of leadership, work environment and workload on employee performance.

The t-test aims to test the independent variables partially/individually against the dependent variables, with the following results:

Table 3. t-test

Coefficients ^a			
Model		t	Sig.
1	(Constant)	3.245	.002
	Leadership	2.805	.006
	Working Environment	3.720	.000
	Workload	3.736	.000

a. Dependent Variable: Employee Performance

Determine the t-table with a confidence level of 95%, an error rate (α) of 5% = 0.05, and degrees of freedom (df) = $n-k$. Then (df) = $0.05 / 2 (96-4)$ is (df) = 0.025 (92), so the t-table value is 1.986. Based on Table 3 t-test (partial), it can be seen as follows: the t-value for leadership is $2.805 > t\text{-table } 1.986$ with a sig.t level of $0.006 < 0.05$ (significant), then H_02 is rejected, meaning that there is a significant influence of leadership on the employee performance. The t-value for the work environment is $3.720 > t\text{-table } 1.986$ with a sig t level of $0.000 < 0.05$ (significant), then H_03 is rejected, meaning that there is a significant influence of the work environment on employee performance. The t-value for workload is $3.736 > t\text{-table } 1.986$ with a sig t level of $0.000 < 0.05$ (significant), then H_04 is rejected, meaning that there is a significant influence of workload on employee performance.

The Influence of Leadership, Work Environment and Workload on Employee Performance at

the Regional Human Resources Development Agency of South Sumatra Province. Based on the results of the multiple linear regression analysis obtained, the coefficient values of the leadership, work environment, and workload variables show a positive influence. This means that if leadership, work environment, and workload improve or increase, it will improve employee performance. Conversely, if leadership, work environment, and workload decrease, it will decrease employee performance. The results of the hypothesis test together show that leadership, work environment, and workload have a significant influence on employee performance at the Regional Human Resources Development Agency of South Sumatra Province. These results can explain that with leadership, work environment, and workload, employees can work optimally, which affects employee performance. The considerable Adjusted R Square value in the regression model shows the significant contribution of leadership, work environment, and workload to employee performance at the Regional Human Resources Development Agency of South Sumatra Province. This study shows that leadership, work environment, and workload can explain employee performance at the Regional Human Resources Development Agency of South Sumatra Province at 66.6%. This is in accordance with the theory put forward by [Kasmir \(2019\)](#) that several factors influence employee performance, including leadership and work environment. The results of this study are in line with previous studies by [Muawwanah & Liana \(2024\)](#), [Zebua \(2020\)](#), [Tolo et al. \(2016\)](#) and [Surapto et al. \(2024\)](#) show that leadership, work environment, and workload have a significant influence on employee performance.

The Influence of Leadership on Employee Performance at the BPSDM Regional Office of South Sumatra Province. The results of the partial hypothesis test show a significant influence of leadership on employee performance at the BPSDM Regional Office of South Sumatra Province. These results explain that the good or bad leadership possessed by employees will determine the good or bad performance of the employees produced. Good leadership encourages employees to work productively and achieve organizational goals. In this study, leadership was shown to contribute significantly partially to employee performance. This is in accordance with the theory put forward by [Kasmir \(2019\)](#) that several factors influence employee performance, including leadership. Previous research studies conducted by [Muawwanah & Liana \(2024\)](#), [Zebua \(2020\)](#) showed that leadership has a positive and significant influence on employee performance. The results of the respondents' answers show that leadership has a significant effect on employee performance. It can be seen in the distribution of answers from respondents that there are the following problems: a. Analyst ability indicator, where there are still employees who state that leaders do not provide guidance to each member in working; b. Communicative indicator, where there are still employees who state that leaders do not have the initiative to communicate; c. Courage indicator, where there are still employees who state that leaders are influenced by pressure or other people's opinions when making a decision. As a result, this problem has an impact on employee performance in that there are still employees who cannot do a job carefully, and there is still a quantity of work that employees produce that does not show effectiveness in utilizing working time. There are still employees who are not used to completing work before the deadline. As a practical implication, the researcher suggests that leadership is expected to improve leadership. What needs to be improved regarding the analytical ability possessed by a leader is expected to be able to provide guidance to employees in carrying out work, improve communicative skills by always taking the initiative to give direction and communication to members, and increase courage in making decisions so as not to be influenced by other people's opinions. If these

improvements are made, it is expected to improve performance, especially since employees will try to work carefully, work targets can be achieved effectively, and employees can utilize time to complete work targets.

The Influence of the Work Environment on Employee Performance at the BPSDM Regional Office of South Sumatra Province. The results of the partial hypothesis test show a significant influence of the work environment on the performance of employees of the BPSDM Regional Office of South Sumatra Province. These results explain that the good or bad work environment owned by the company will determine the good or bad performance of the employees produced. In this study, the work environment was shown to contribute significantly partially to employee performance. This indicates that the fulfillment of the work environment, both physically and non-physically, can help employees in carrying out their work so that they can work optimally. This is in accordance with [Kasmir's theory \(2019\)](#) that several factors, including the work environment, influence employee performance. The results of this study are in line with previous research by [Muawwanah & Liana \(2024\)](#). [Tolo et al. \(2016\)](#) showed that the work environment has a significant influence on employee performance. This is in contrast to the research conducted by [Nabawi \(2019\)](#), which showed that the work environment has a positive but insignificant influence on the performance of employees of the PUPR Office of Aceh Tamiang Regency. The reason for the different results of [Nabawi's \(2019\)](#) research is that it is based on several aspects: The difference in indicators in [Nabawi's \(2019\)](#) research uses indicators of lighting, air temperature, use of color, and movement space. This study uses indicators of lighting, air circulation, and noise. The sample used in [Nabawi's \(2019\)](#) research was 81 respondents, while in this study, it used 96 respondents. The sampling technique for the research of [Rahmawan et al. \(2016\)](#) used the saturated sampling technique method, while this study used simple random sampling. The results of the respondents' answers show that the work environment has a significant effect on employee performance. It can be seen in the distribution of answers to respondents that there are the following problems: a. Lighting indicator, where there is still dim light, so that it does not speed up employees' completion of work; b. Air circulation indicator, where there are still employees who feel less productive when the air in the workspace feels fresh and comfortable; c. Noise indicator, where there is still a level of noise in the workplace that is not managed correctly so that it affects work productivity. As a result of this problem, employee performance is affected: There are still employees who cannot do a job carefully, there is still a quantity of work that employees produce that does not show effectiveness in utilizing working time, and there are still employees who are not used to completing work before the deadline. As a practical implication, the researcher suggests that the work environment is expected to improve the current work environment. What needs to be improved is the lighting in the workspace, air circulation, and noise in the work environment that can disturb employees. Hence, improvements need to be made with routine inspections of the work environment. If these improvements are made, it is expected to improve performance, especially since employees will try to work carefully, work targets can be achieved effectively, and employees can use their time to complete work targets.

The Effect of Workload on Employee Performance at the BPSDM Regional Office of South Sumatra Province. The results of the partial hypothesis test show a significant effect of workload on the performance of BPSDM Regional Office of South Sumatra Province employees. These results explain that the good or bad workload of employees will determine the good or bad performance of the employees produced. This study proves that the hypothesis that was written at the beginning has been proven to have a significant effect on the workload

performance of BPSDM Regional Office of South Sumatra Province employees. The results of this study are in line with previous research conducted by [Muawwanah & Liana \(2024\)](#). [Surapto et al. \(2024\)](#) showed that workload has a significant effect on employee performance. This contrasts with the research conducted by [Keban et al. \(2023\)](#), which showed that workload has a positive but insignificant effect on the performance of employees of the Population and Civil Registration Service of Sikka Regency. The reason this study is different from the research of [Keban et al. \(2023\)](#) is that it is based on several aspects, namely: There are differences in the indicators used in the study of [Keban et al. \(2023\)](#) using indicators of targets to be achieved, work conditions and work standards. This study uses indicators of time load, mental load, and pressure load. Then, there is a difference in the sample used by [Keban et al. \(2023\)](#), which was 55 employees, while in this study, a sample of 96 employees was used. The sampling technique for the study by [Keban et al. \(2023\)](#) used the saturated sampling technique, while this study used simple random sampling. Based on the results of the respondents' answers show that workload has a significant effect on employee performance. It can be seen in the distribution of answers to the respondents that there are the following problems: a. Time load indicator in which there are still employees who state that they do not have to complete work according to the time determined by the leader; b. Metal load indicator, where there are still employees who state that the workload faced exceeds the employee's work ability; c. Pressure load indicator, where there are still employees who state that excessive work makes employees easily emotional. The impact of this problem impacts employee performance, namely that there are still employees who cannot do a job carefully, there is still a quantity of work that employees produce that does not show effectiveness in utilizing working time, and there are still employees who are not used to completing work before the deadline. As a practical implication, the researcher suggests that regarding employee workload, there should be a balance between the use of working time, the mental burden from giving work, and work pressure so that employees do not feel burdened by the tasks given. If these improvements are made, performance is expected to improve, especially because employees will try to work carefully, work targets can be achieved effectively, and employees can utilize time in completing work targets.

5. Conclusion

Based on the results of the study from the discussion, it can be concluded that 1. Leadership, work environment, and workload have a significant influence on the performance of BPSDM employees in the South Sumatra Province; 2. There is a significant influence of leadership on the performance of BPSDM employees in the South Sumatra Province; 3. The work environment significantly influences the performance of BPSDM employees in the South Sumatra Province. 4. There is a significant influence of workload on the performance of BPSDM employees in the South Sumatra Province. BPSDM employees in the South Sumatra Province should pay attention to leadership, work environment, and workload because these factors have been proven to have a significant effect on employee performance. Regarding leadership, it is expected to improve leadership, regarding the analytical skills possessed by a leader, it is expected to be able to provide guidance to employees in carrying out work, improve communicative skills by always taking the initiative to give direction and communication to members and increase courage in making decisions so as not to be influenced by other people's opinions. Regarding the work environment, it is expected to improve the current work environment, including lighting in the workspace, air circulation, and noise in the workplace environment that can disturb employees. Improvements need to be made with routine inspections of the work environment. Regarding employee workload, there should be a balance

between the use of working hours, the mental burden from being given work, and work pressure so that employees do not feel burdened by the tasks given.

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Influence of Leadership and Culture on the Performance of Village Apparatus with Motivation Work as Variables Mediation in the Subdistrict Makarti Jaya

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ABSTRACT

This study aims to determine 1) the influence of leadership on the work motivation of village apparatus in Makarti Jaya Subdistrict. 2) The influence of organizational culture on the work motivation of village apparatus in Makarti Jaya Subdistrict. 3) The influence of leadership on the performance of the village apparatus in Makarti Jaya Subdistrict. 4) The influence of organizational culture on the performance of the village apparatus in Makarti Jaya Subdistrict. 5) The influence of motivation on the performance of village apparatus in Makarti Jaya Subdistrict. This type of research is Associative. The variables used by researchers include leadership, organizational culture, motivation, and performance. The sample in this study consisted of the village apparatus in Makarti Jaya District, comprising 110 people selected through Cluster Random Sampling. The data used in this study were primary data collected using a questionnaire. The data analysis technique employed was Structural Equation Modeling (SEM) using the LISREL Program Application. The results of this study indicate that (1) Leadership has a positive and significant effect on work motivation (2) Organizational culture has a positive and significant effect on work motivation (3) Leadership has a positive but not significant effect on performance (4) Organizational culture has a positive and significant effect on performance (5) Motivation has a positive and significant effect on performance (6) Work motivation does not strengthen the influence of leadership on performance (7) Work motivation does not strengthen the influence of organizational culture on performance

Keywords : Leadership, Organizational Culture, Motivation, and Performance

1. Introduction

The success of an organization in achieving its goals is inseparable from its relationship with good and quality management of Human Resources (HR) owned by the organization. HR is a personal individual who works in an organization as a manager in achieving organizational goals. Every organization needs quality and competent HR in their respective fields, in order to face challenges and meet the expectations and objectives of the organization continuously. .

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One of the factors that influences the success of an organization is the performance of its members as workers or employees/staff in the organization. Workforce performance is crucial for organizations or agencies as a measure of success in achieving their objectives, as the higher the performance of each employee, the greater the opportunity to achieve organizational goals. The organization expects each employee/staff member to deliver good performance and high-quality work. In the context of Human Resource Development (HRD), several factors of individual organizational behavior play a vital role as human assets, especially in managing human resources within their subordinates. Organizations in the smallest government agencies, such as village governments, also require the best performance of related village apparatus employees in order to support the goals and success of the village government. In the dynamics of village development in Indonesia, the village apparatus plays an essential role as the spearhead of government at the local level.

Performance is influenced by several factors, including ability and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline ([Kasmir 2019: 189-193](#)). Measurable performance can be used as a basis for assessing work achievements, both in the planning, implementation, and completion stages of activities. Through these variables and indicators, an organization has a clear level and measurement instrument for assessing the success or failure of its activities.

One of the factors that can affect performance is work motivation. According to [Busro \(2020:51\)](#), work motivation is a driving force from within an individual to carry out certain activities in achieving goals. Leadership is also a factor that affects employee performance. Apart from work motivation and leadership, organizational culture is also a factor that can affect performance. Organizational culture refers to the pattern of shared beliefs, behaviors, assumptions, and values ([Edison et al., 2017, p. 120](#)). It encompasses the way members behave and interact, as well as how they work together. Organizational culture can create an environment that fosters improved individual performance. Organizational culture is believed to be the set of values developed by the organization, thereby guiding the behavior of its members.

Village apparatus employees are the key to achieving welfare and efficiency of public services in the village government. Although the government has differentiated the status of village apparatus employees from that of civil servants (PNS), in practice, they share many similarities with the State Civil Apparatus (ASN) in terms of public services and sources of income. Village apparatus are part of the government administrators in the village and have the task of assisting the village head in carrying out the duties and authorities of the village head, as well as providing village government services, and supporting the community in the village where their place of duty is located. In accordance with Law Number 06 of 2014 concerning Villages, it is explained that the authority to appoint and dismiss a part of the village government is vested in the village head. However, in carrying out this authority, the village head must comply with the regulations outlined in applicable laws or regulations.

Every government agency, including the village government, in achieving its goals will be faced with problems. Researchers observed and found a phenomenon of problems in village government related to the performance of village apparatus employees in the Makarti Jaya sub-

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district. The initial phenomenon that occurred in the village government of Makarti Jaya sub-district, the discovery of problems in the results of the implementation of the work of regional apparatus and village apparatus, can be seen in the following table:

There are still many goals and performance targets of the regional and village government apparatus in Makarti Jaya sub-district that have not been achieved optimally. This indicates that the goals have not been appropriately achieved as set. Based on the performance targets, which serve as a manifestation of the goal indicators, several conditions can be described in relation to the existing reality. If observed closely, there are targets with performance indicators that have not been met optimally. There is target 1 for the Government Agency Performance Accountability System (SAKIP) value, with a target of 72.00% and realized 30.74%, meaning it is still in the predicate of less for good standards/targets. Performance on Public Satisfaction with Regional/Village Apparatus Services with a target of 90.00% and realized 80.50%, meaning it is not optimal for good standards/targets. There is target 3 for the Percentage of Public Complaint Resolution with a target of 95.00% and realized 84.45%, meaning it is not optimal for good standards/targets. Furthermore, on target 4 for the Percentage of Implementation of General Government Affairs in Regions/Villages, with a standard/target indicator of 95.00% and realized 82.51%, meaning that it has not been able to optimally exceed the standard/target.

2. Literature Review

2.1. Employee Performance

Based on several expert opinions, such as [Mangkunegara \(2017\)](#), [Busro \(2018\)](#), it can be concluded that performance is the result of work by an employee or group of employees, in an effort to achieve organizational goals in accordance with their respective authorities and responsibilities.

2.2. Factors Affecting Performance

According to [Kasmir \(2019:189-193\)](#), 13 factors influence performance, namely: (1) Ability and expertise, (2). Knowledge, (3). Work design (4). Personality (5). Work motivation (6). Leadership, (7). Leadership style (8). Organizational culture (9). Job satisfaction (10). Work environment (11). Loyalty, (12). Commitment (13). Discipline

Performance Indicators According to [Wibowo \(2016:89\)](#) there are 8 performance indicators as follows: (1). Objectives; (2). Tools or Facilities; (3). Increasing the results achieved; (4). Enthusiasm; (5). Self-development (6). Quality (7). Efficiency (8). Competence.

Meanwhile, according to [Sedarmayanti \(2017:369\)](#), several indicators must be followed in performance assessment, namely: 1) *Quantity of work* (quantity/amount of work), 2) *Quality of work* (quality of work), 3) *Job knowledge* (knowledge about work), 4) *Creativeness* (creativity), 5) *Cooperation* (cooperation), 6) *Initiative* (initiative)

2.2. Work Motivation

Based on several expert opinions such as [Busro \(2018\)](#), [Sedarmayanti \(2017\)](#), it can be concluded that work motivation is a set of internal drivers that create a person's passion for

work, enabling them to be willing to work effectively and maintain integrity throughout various human behavioral processes aimed at achieving organizational goals.

According to [Afandi \(2018: 29-30\)](#), the indicators contained in work motivation include:

1. **Remuneration** is anything in the form of goods, services or money given by the company to employees.
2. **Working conditions** refer to the various environmental factors within a company that affect its employees' work.
3. **Work facilities** encompass all the facilities and infrastructure within the company that employees can utilize, both directly related to their work and essential for the smooth operation of the work.
4. **Work performance** is a work result achieved by a person in carrying out the tasks assigned to him by the company.
5. **Recognition from superiors** is one of the factors that drives employee motivation which can make employees happy.
6. **The job itself** is a situation where employees find interesting tasks, opportunities to learn and opportunities to take responsibility for their work.

2.2. Leadership

According to [Sutrisno \(2020:213\)](#) Leadership is the activity of moving others to achieve the expected results by leading, guiding, and influencing others. Meanwhile, according to [Robbins & Judge \(2015:249\)](#), leadership is defined as the ability to influence a group towards achieving a predetermined vision or goal.

Based on several expert opinions, it can be concluded that leadership is the process of influencing, providing examples, motivating, and guiding others to achieve organizational goals. As for the indicators from Leadership, according to [Kartono \(2017: 34\)](#) is as follows: Communication Skills. Ability to Motivate, Decision-Making Ability and Ability to Control Subordinates.

2.4. Culture Organization

Based on several expert opinions such as [Sedarmayanti \(2016:99\)](#), [Edison \(2016\)](#), and [Busro \(2020\)](#) it can be concluded that organizational culture is social knowledge and the creative work of an organization's community that is attempted to be transformed to the organization's citizens, and used as a guideline in every action.

Based on [Robbins & Judge \(2015:355\)](#) several indicators of organizational culture, namely:

1. **Innovation and Courage to Take Risks.** It is the extent to which the organization encourages employees to be innovative and dare to take risks. Apart from that, how the organization appreciates risk-taking actions by employees and generates employee ideas.
2. **Attention to Detail.** The extent to which the organization expects employees to demonstrate precision, analysis and attention to detail.
3. **Results Orientation.** The extent to which management focuses on results rather than on the techniques and processes used to achieve them.
4. **People Orientation.** Is the extent to which management decisions take into account the effects of outcomes on people within the organization. organization

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5. **Team Orientation.** Is the extent to which activities Work organized around teams , not individuals.
6. **Attitude Aggressive.** Is the extent to which people in the organization are aggressive and competitive in carrying out the organizational culture as best as possible.
7. **Stability.** The extent to which organizational activities emphasize the status *quo* (maintaining what is good enough) rather than growth.

2.5. Framework Thinking

The framework of thought is a temporary explanation of the symptoms that are the object of the problem. The relationship between theoretical concepts, previous research, and supporting phenomena is used as a systematic arrangement of research

The influence of leadership on work motivation

According to Saydam and Kadarisman in [Erri & Fajrin \(2018\)](#), two factors influence motivation, namely internal factors and external factors. One of the external factors that comes from outside the employee is leadership. Through good leadership, it will drive activities and motivate others to achieve the expected results and goals. In this context, leadership is crucial to provide work motivation to employees.

Research conducted by [Nelson et al. \(2016\)](#), titled "*The Influence of Leadership on Organizational Culture, Work Motivation, and Performance of Timor Leste Office Employees,*" demonstrates that leadership variables have a significant impact on work motivation variables.

The influence of organizational culture on work motivation

According to Saydam and Kadarisman in [Erri & Fajrin \(2018\)](#) there are two factors that influence motivation, namely internal factors and external factors. One of the external factors that influences employees is organizational culture. Organizational culture plays a big role in motivating employees. Employees who feel comfortable with the organizational culture tend to be more motivated in doing their work. In a positive organizational culture, employees feel appreciated, motivated, and have a sense of belonging to the organization.

The influence of leadership on performance

According to [Kasmir \(2019:189-193\)](#), one of the factors that can affect performance is leadership. Leadership is one of the most crucial factors that affect the performance and success of an organization. A good leader is able to provide direction, maintain team motivation, and ensure that all parts of the organization are moving towards the same goal. Effective leadership not only plays a role in achieving targets, but also creates employee productivity.

Research conducted by [Budyawan et al. \(2022\)](#), entitled *The Influence of Leadership on Village Apparatus Performance with Satisfaction and Commitment as Mediating Variables*, found that leadership has a significant influence on employee performance.

The influence of organizational culture on performance

According to [Kasmir \(2019:189-193\)](#), one of the factors that can affect performance is organizational culture. A strong organizational culture serves as a guide for employees in navigating changes and challenges, ultimately enhancing their performance. Employees will

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refer to the existing values and norms within the organization to inform their decisions and enhance performance in alignment with the organization's goals.

Previous research conducted by [Hasbullah \(2024\)](#); with the research title: The Influence of Organizational Culture and Work Motivation on the Performance of Village Apparatus in West Kelumbayan District, Tanggamus Regency, revealed that organizational culture has a significant influence on employee performance.

The influence of motivation on performance

According to [Kasmir \(2019:189-193\)](#), one of the factors that can affect performance is motivation. Work motivation can spur employees to work hard so that it can increase employee work productivity and will affect the achievement of organizational goals. The role of employee motivation in working is very important because motivation is closely related to performance, if motivation is high, employee performance is also high. Conversely If motivation low , employee performance is also low.

Previous research conducted by [Hasbullah \(2024\)](#); with the research title: The Influence of Organizational Culture and Work Motivation on the Performance of Village Apparatus in West Kelumbayan District, Tanggamus Regency, proved that the work motivation variable has a significant effect on the performance variable.

Based on description on the relationship between the influences of the variables above, the following illustrates the research framework.

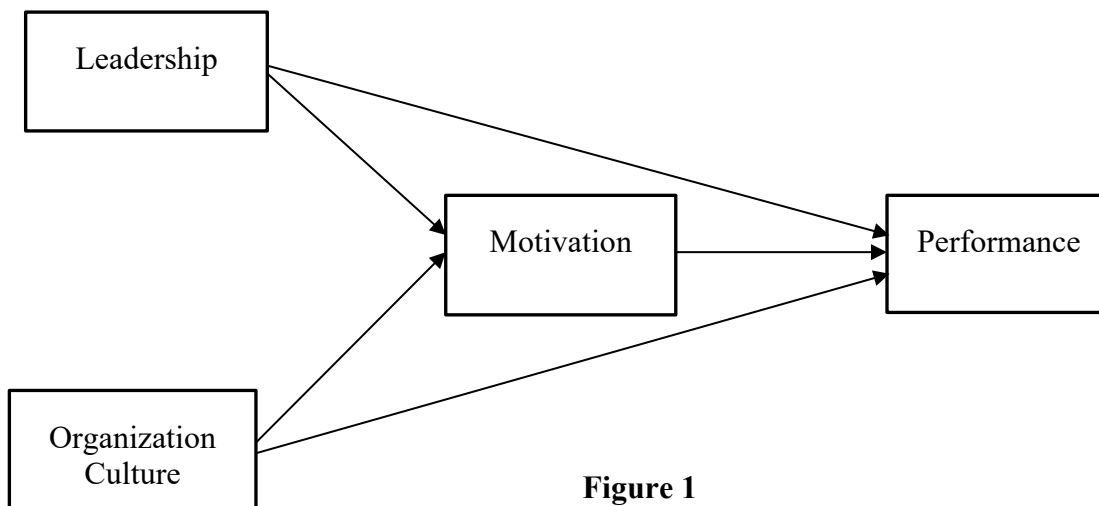


Figure 1
Research Framework

2.6. Hypothesis

1. significant influence of leadership on the work motivation of village officials in Makarti Jaya sub-district.
2. There is a significant influence of organizational culture on the work motivation of village officials in Makarti Jaya sub-district.
3. There is a significant influence of leadership on the performance of village officials in Makarti Jaya sub-district.

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4. There is a significant influence of organizational culture on the performance of village officials in Makarti Jaya sub-district.
5. There is a significant influence of work motivation on the performance of village officials in Makarti Jaya sub-district.

3. Research Methodology

3.1. Operationalization of Variables

Table 1. Operational Variables

Research Variables	Operational Definition	Indicator	Statement items
Performance (η_2)	It is the result of work by an employee or group of employees, in an effort to achieve organizational goals in accordance with the authority and responsibility of each village apparatus in Makarti Jaya sub-district.	1. Purpose 2. Tools and Facilities 3. Initiative	1-3 4-6 7-9
Work motivation (η_1)	It is a set of internal drivers that create a person's work enthusiasm, so that they are willing to work, be effective and have integrity in a series of human behavioral processes in achieving organizational goals in village apparatus in Makarti Jaya sub-district.	1. The work itself 2. Work Performance 3. Recognition from superiors .	10-12 13-15 16-18
Leadership (ξ_1)	It is a process of influencing, giving examples and motivating and controlling other people, so as to be able to achieve organizational goals in the village apparatus in Makarti Jaya sub-district.	1. Ability to make decisions 2. Ability to motivate 3. Ability to control subordinates	19-21 22-24 25-27
Organizational culture (ξ_2)	It is social knowledge and the creative work of an organization's community that is attempted to be transformed to the organization's citizens, and used as a guideline in every action of the village apparatus in Makarti Jaya sub-district.	1. Attention to detail 2. Result orientation	28-31 32-35

Source: Processed data, 2024

3.2. Population and Sample

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The population in this study was all village apparatus employees in Makarti Jaya sub-district, namely 121 people. This study involved 11 indicators, so referring to the guidelines above, a minimum sample size of 10 x 11 or 110 respondents is required. After obtaining the total number of representative samples, the next step is to calculate the proportion of the sample. The results of the proportion calculation using the *proportionate method*, obtained the number of proportion samples with the sample distribution, as follows:

Table 2. Sample Proportion

No	Area	Population	Calculation	Sample
1	Purwosari	9	$(9 / 120) \times 110$	8
2	New Cape	12	$(12 / 120) \times 110$	11
3	New Estuary	12	$(12 / 120) \times 110$	11
4	Prosperous Upang	10	$(10 / 120) \times 110$	9
5	Cape Town	12	$(12 / 120) \times 110$	11
6	The Pangestu	10	$(10 / 120) \times 110$	9
7	Noble Honor	11	$(11 / 120) \times 110$	10
8	Ant River	12	$(12 / 120) \times 110$	11
9	Golden Water	11	$(11 / 120) \times 110$	10
10	Delta Upang	10	$(10 / 120) \times 110$	9
11	The Hall of Harjo	12	$(12 / 120) \times 110$	11
	Amount	121		110

Source: Processed data, 202 4

The technique used in sampling is *cluster. random sampling*. *Cluster random sampling* is an area/regional sampling technique used to determine samples when the object to be studied is very large, for example the population of a country, province or district ([Sugiyono, 2019: 94](#)).

The data collection methods used were interviews and questionnaires, namely the respondents' answers to a series of questions and statements, related to the influence of leadership and organizational culture on employee performance with work motivation as a mediating variable on village apparatus employees in Makarti Jaya District, Banyuasin Regency.

According to [Sugiyono \(2019:142\)](#), a questionnaire is a data collection technique carried out by giving a set of written statements or questions to respondents to answer. Instrument collection data Which used that is questionnaire. The questionnaire contains a number of statements on a *Likert scale*. The instrument items can be statements or questions. The answers to each instrument item using a *Likert scale* have a gradation from positive to negative. Determination of the score or weight of each statement is done with different answer alternatives, namely: Strongly agree 5, Agree 4, Neutral 3, Don't agree 2, Strongly disagree 1

Data analysis and testing techniques used in research is *structural equation modeling* (SEM) modeling. SEM modeling is a development of *path analysis*. In the SEM method, the quality relationship between independent variables (exogenous) and dependent variables (endogenous) is fully established. In the use of SEM, not only the direct and indirect quality relationships on

the variables are detected, but also the components that contribute to the formation of the construct can be determined in magnitude.

3.3. Data Analysis Design

3.3.1. Data Test

Validity Test

Validity test is used to determine the accuracy of the measuring instrument against the concept being measured. The validity test stage of each indicator in SEM is carried out on each exogenous and endogenous construct. A variable is declared to have good validity if *the Average Variance Extract* (AVE) is greater than 0.50. The minimum recommended AVE value is 0.50, but 0.4 is acceptable because if AVE is less than 0.5, but *the composite reliability* is higher than 0.6, ([Huang, et al., 2014](#)). Validity testing in this study is the result of calculations from the output of the *Lisrel application*.

In addition, according to [Wijanto \(2015:64\)](#), Validity is related to whether a variable measures what it should measure. The criteria that can be used in this test are : (with = 30 respondents)

- 1) The t value of the factor loading is greater than the critical value (or ≥ 1.96).
- 2) Standardized loading *factors* ≥ 0.50 .

Reliability Test

According to [Arikunto \(2015:1554\)](#), the reliability test is intended to determine whether the research instrument can be trusted to be used as a data collection tool. To measure reliability in SEM, Composite Reliability Measure and Variance Extracted Measure are used. The reliability test used in this study is the result of calculations from the output of the *Lisre application*.

3.3.2. Model Testing

According to [Joreskog and Sorbom \(2018\)](#), the model suitability test is carried out using several Goodness-of-Fit-Test (GOF) model suitability measures. A structural model is declared fit if it meets at least five types of GOF, namely:

Table2. Model Suitability Criteria

No	Degree of Match Size	Acceptable Match Level
1	<i>Goodness of Fit Index (GFI)</i>	The range is between 0-1, with higher values being better, $GFI \geq 0.9$ is good-fit, while $0.8 \leq GFI \leq 0.9$ is marginal fit.
2	<i>Root Mean Square Error Of Approximation</i>	$RMSEA \leq 0.08$ is a good fit, while $RMSEA < 0.05$ is a close fit.

3	<i>Expected Cross Validation Index (ECVI)</i>	The expected GOF on another sample of the same size. The assessment is based on a comparison between models. The smaller the better.
4	<i>Tucker-Lewis Index or Non Normed Fit Index (TLI or NNFI)</i>	Values range from 0-1, with higher values being better. $TLI \geq 0.9$ is a good fit while $0.8 \leq TLI < 0.9$ is a marginal fit.
5	<i>Normed Fit Index (NFI)</i>	Values range from 0-1, with higher values being better. $NFI \geq 0.9$ is a good fit, while $0.8 \leq NFI < 0.9$ is a marginal fit.
6	<i>Adjusted Goodness of Fit Index (AGFI)</i>	The value range is between 0-1, AGFI ≥ 0.9 is a good fit, while $0.8 < AGFI < 0.9$ is a marginal fit.
7	<i>Incremental Fit Index (IFI)</i>	The value ranges between 0-1, with a higher value being better. IFI ≥ 0.9 is good fit, while $0.8 < IFI < 0.9$ is marginal fit.
8	<i>Comparative Fit Index (CFI)</i>	Values range from 0-1, with higher values being better. CFI ≥ 0.9 is a good fit, while $0.8 < CFI < 0.9$ is a marginal fit.
9	<i>Normed ChiSquare</i>	The ratio between Chi-Square divided by the degree of freedom. Recommended values, lower limit = 1.0, upper = 2.0 or 3.0 and looser 5.0
10	<i>Critical N</i>	Estimate the sample size sufficient to produce an adequate model fit for the Chi Square test. CVN > 200 already indicates that a model

Source: [Hairs, et al , 2014](#)

4. Hypothesis Coefficient Test

Hypothesis testing is done by looking at the *Critical Ratio* (CR) value and the *p value*. The hypothesis is said to have an influence when the CR value produced is > 1.96 . Then, for the *p-value*, it is said to have an influence when the *p-value* produced is ≤ 0.05 . If the CR-value is less than 1.96, then H_0 is accepted. If the CR- value is > 1.96 , then H_0 is rejected ([Ghozali, 2017:68](#)).

Results and Discussion

1.1. Respondent Description

This research was conducted on Village Apparatus in Makarti Jaya District. Using four variables, namely Leadership (X1), Organizational Culture (X2), Motivation (Y1) and

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Performance (Y2). The sample in this study amounted to 110 respondents, so the questionnaire that has been distributed is complete with good and correct answers so that it is worthy of being tested to manage the data.

The general description of respondents can be seen through the demographics of respondents which include gender, age and education. These demographic factors are considered to influence consumer loyalty which is the topic of the study.

The author will describe the characteristics of the respondents as follows:

By Gender

The first characteristic is based on the gender of the respondents. To find out what the genders of the respondents are, see the following table:

Table 3. Respondent Characteristics Based on Gender

No	Gender	Number of Respondents	Percentage (%)
1	Man	82	85 %
2	Woman	28	15 %
	Total	110	100%

Source. Research Data Processing Results, 2024

Table 3 shows the gender characteristics of Village Officials in Makarti Jaya District, where there are more male employees, this is because few women are interested in becoming village officials.

Age

Table 4. Respondent Characteristics Table Based on Age

No	Age	Number of Respondents	Percentage (%)
1	< 21 years	1	1%
2	21 – 30 years	32	29%
3	31 – 40 years	32	29%
4	41 – 50 years	35	32%
5	51 – 60 years	10	9%
	Total	110	100%

Source. Research Data Processing Results, 2024

Table 4 shows the age characteristics of Village Officials in Makarti Jaya District, who are mostly aged 41-50 years, because many village officials have served for a long time and based on experience are mature as village officials .

Based on Education

Table 5. Respondent Characteristics Table Based on Education

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No	Education	Number of Respondents	Percentage (%)
1	SENIOR HIGH SCHOOL	82	75%
2	D3	2	2%
3	S1	25	22%
4	S 2	1	1%
	Total	110	100%

Source. Research Data Processing Results, 2024

Table IV.2 shows the educational characteristics of Village Officials in Makarti Jaya District, most of whom are high school graduates because in Makarti Jaya District, in carrying out work, they do not only require educational qualifications but also prioritize experience as a village official and the minimum requirement is a high school level to be able to become a Village Official in Makarti Jaya District .

Research Data Analysis

Confirmatory Factor Analysis (CFA)

This analysis was conducted on all constructs separately in order to test *the measurement model* through evaluation of construct validity and construct reliability.

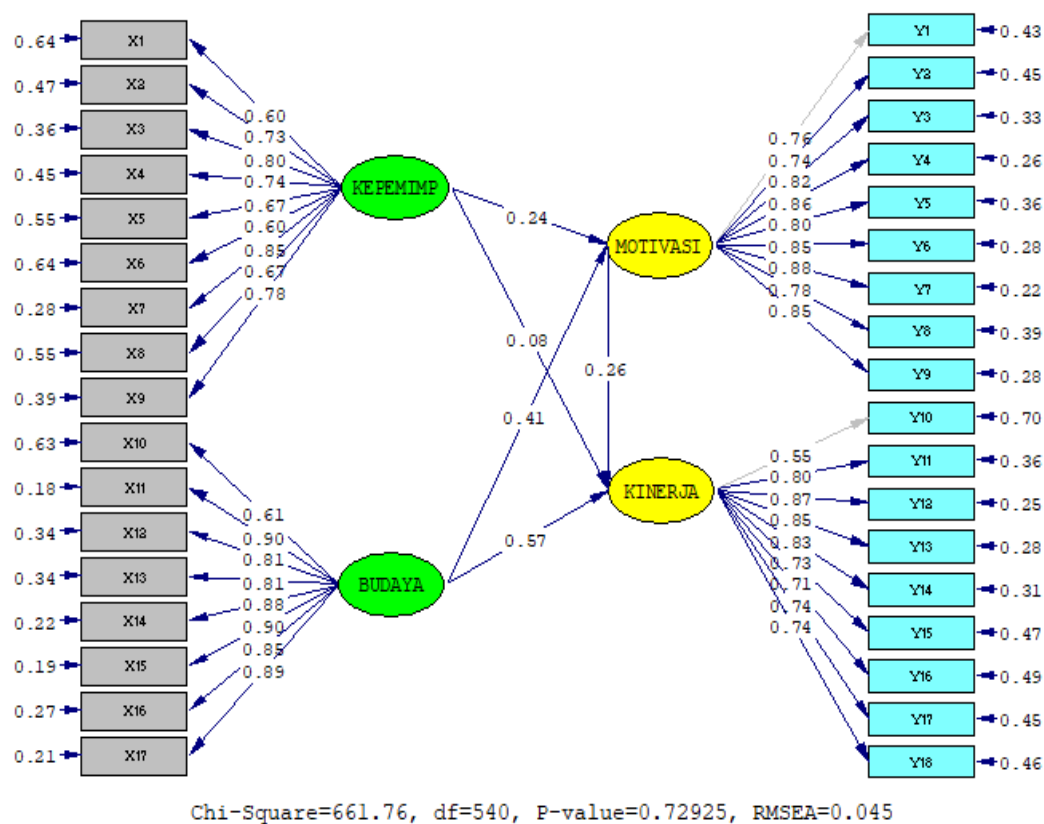


Figure 2. Confirmatory Factor Analysis (CFA) Image

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Based on Figure 2 above, it shows that all *loading factor variables* have values greater than the error value. This shows that the CFA (*Confirmatory Factor Analysis*) test at the initial stage shown in Figure 2 above has met the requirements for the next stage of testing.

Construct Validity Test

manifest variable is an evaluation of the factor loading of the variable against its latent variable. A variable is said to have good validity against its construct variable or latent variable, if the *Average Variance Extract* (AVE) is greater than 0.50. The results of testing each variable are:

Performance Validity Test Results

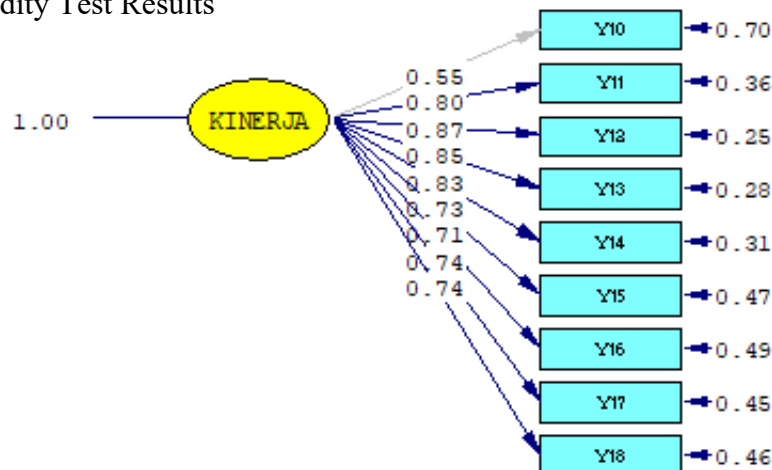


Figure 3. Performance Factor Loading Test

Based on Figure IV.2 of the 9 statements of the validity test of the performance instrument construct, each is greater than 0.05 and overall the *Average Variance Extract* (AVE) value is ≥ 0.50 . The results show that all performance variable indicators have passed the validity test, because they have met the requirements, namely the *loading factor value* ≥ 0.05 so that the instrument is declared valid and can be used as a valid measuring tool in further analysis.

Motivation Validity Test Results

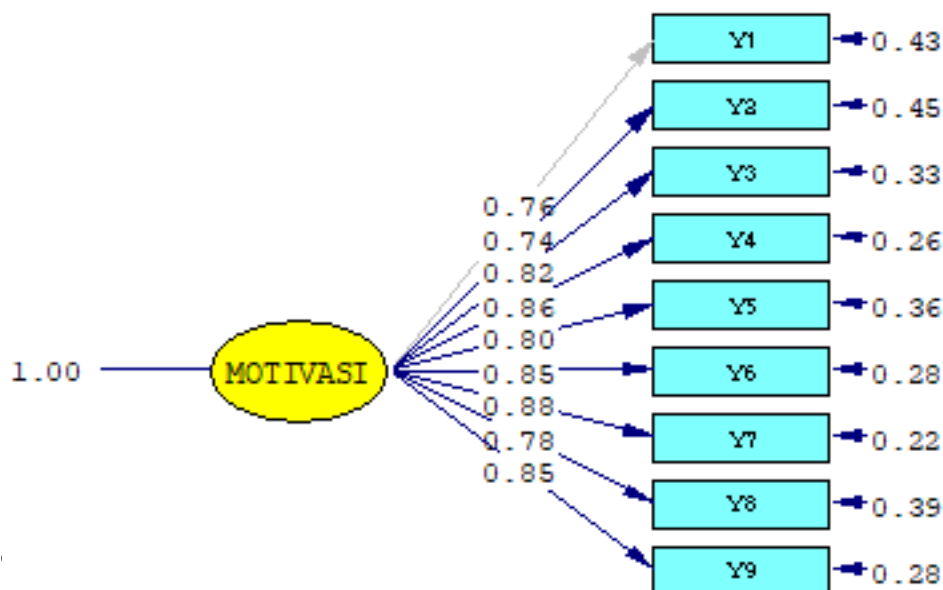


Figure 4. Testing of Motivation Factor Loading

Based on Figure IV.3 of the 9 statements of the construct validity test of the motivation instrument, each is greater than 0.05 and overall *the Average Variance Extract (AVE)* value is ≥ 0.50 . The results show that all indicators of the motivation variables have passed the validity test, because they have met the requirements, namely the *loading factor value* ≥ 0.05 so that the instrument is declared valid and can be used as a valid measuring tool in further analysis

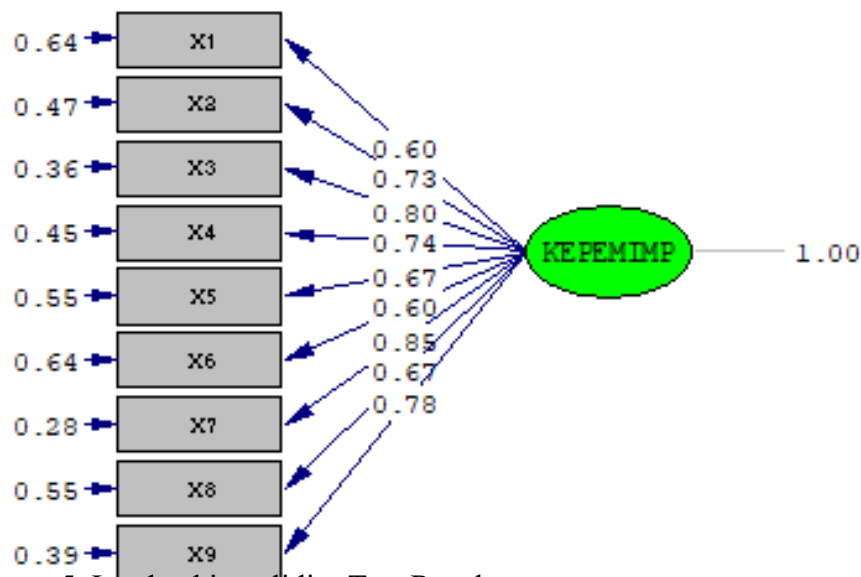


Figure 5. Leadership validity Test Result

Based on Figure 5 of the 9 statements of the validity test of the leadership instrument construct, each is greater than 0.05 and overall *the Average Variance Extract (AVE)* value is ≥ 0.50 . The results show that all indicators of the leadership variables have passed the validity test, because they have met the requirements, namely the *loading factor value* ≥ 0.05 so that the instrument is declared valid and can be used as a valid measuring tool in further analysis.

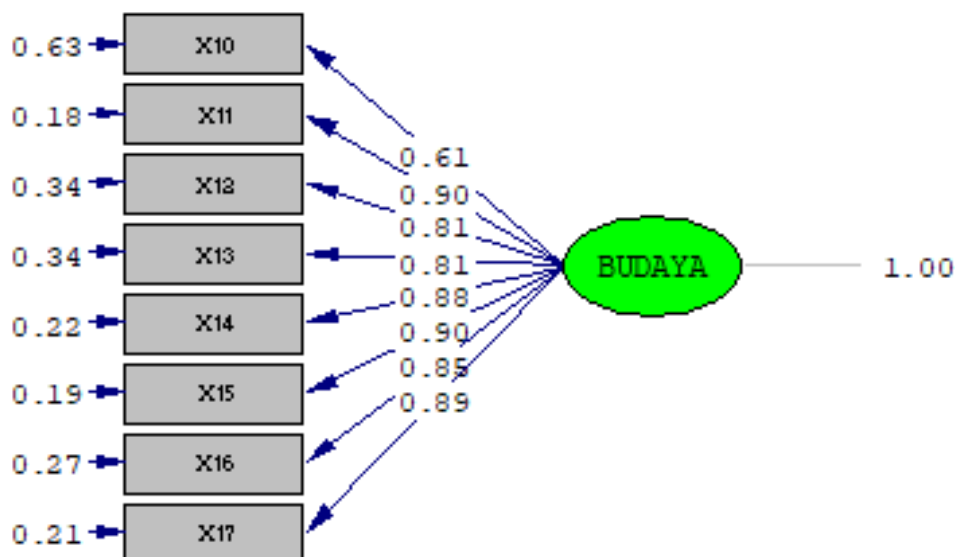


Figure 6. Organizational Culture Validity Test Results

Based on Figure 6. of the 8 statements of the construct validity test of the organizational culture instrument are each greater than 0.05 and overall *the Average Variance Extract* (AVE) value is ≥ 0.50 . The results show that all indicators of organizational culture variables have passed the validity test, because they have met the requirements, namely *the loading factor value* ≥ 0.05 so that the instrument is declared valid and can be used as a valid measuring tool in further analysis.

Construct Reliability Test

Reliability measurement can be done using the following methods: Construct reliability is said to be good if its value is equal to or greater than 0.70. A good measure of variance extraction is if its value is 0.50. The variance extraction reflects the amount of overall variance in the indicator explained by the latent construct. Based on Table IV. 8 above, it shows that the results of the CR value calculation are > 0.70 so it can be concluded that all constructs in *the full model loading factor* for the variables of leadership, organizational culture, motivation and employee performance in this study are acceptable and reliable.

Model Fit Test

the Goodness of Fit appendix , a summary of the model suitability test results can be made as follows:

Table 6. *Goodness of Fit Index*

<i>Goodness Of Fit Index</i>	<i>Cut Of Value</i>	<i>Analysis Results</i>	<i>Model Evaluation</i>
P-Value	≥ 0.5	0.73	Good Fit
RMSEA	≤ 0.1	0.045	Good Fit
GFI	≥ 0.90	0.74	Fit
NNFI	≥ 0.90	0.98	Good Fit
SRMR	≤ 0.1	0.068	Good Fit
IFI	≥ 0.90	0.98	Good Fit
CFI	≥ 0.90	0.98	Good Fit
RFI	≥ 0.90	0.92	Good Fit
NFI	≥ 0.90	0.93	Good Fit

Source. Research Data Processing Results, 2024

Based on Table IV.9, it can be concluded that the model is good because the overall *goodness of fit index criteria are in the good fit category* .

Structural Equation Modeling (SEM) Analysis

Structural Model

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Next, a structural model test will be conducted, namely testing the significance of the influence. The image below is the result of the structural equation based on LISREL software.

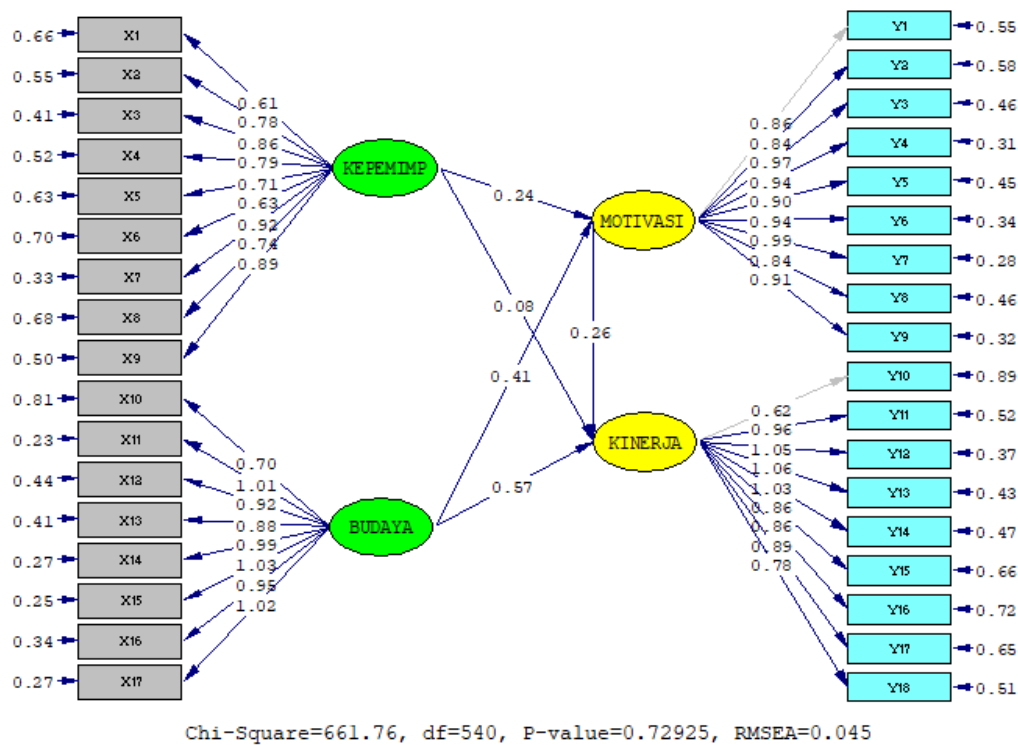


Figure 7. Path Analysis

Information:

Motivation = $0.24 \times \text{leadership} + 0.41 \times \text{organizational culture}$

Performance = $0.08 \times \text{leadership} + 0.57 \times \text{organizational culture} + 0.26 \times \text{motivation}$

1) Hypothesis Testing (T-Values)

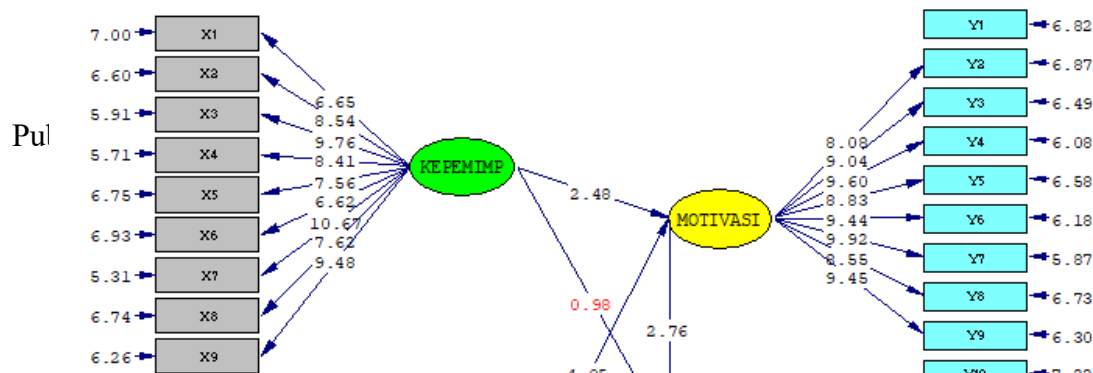
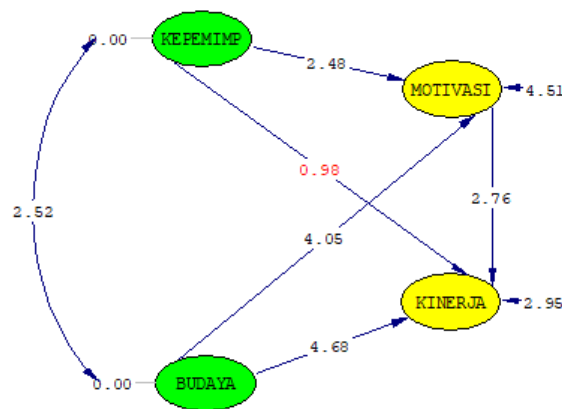


Figure 8. T-Values Test Results



Chi-Square=661.76, df=540, P-value=0.72925, RMSEA=0.045

Figure 9. Drawings X Models T-Values

Based on Figure IV.7 and Figure IV.8, the path coefficient *and* T -Values can be displayed in the following table:

Table 7. Hypothesis Test Table

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No	Variables	T-Values	Cr Rate	Information
1	Leadership - Motivation	2.48	> 1.96	Significant
2	Culture – Motivation	4.05	> 1.96	Significant
3	Leadership Performance -	0.98	< 1.96	Not Significant
4	Culture - Performance	4.68	> 1.96	Significant
5	Motivation Performance	2.76	> 1.96	Significant

Source. Research Data Processing Results, 202 5

Based on Figure 9 and Table 8, the following research hypothesis test

was carried out:

a) The Influence of Leadership on Motivation

Ho1: There is no significant influence of leadership on the work motivation of village officials in Makarti Jaya sub-district .

Ha1: There is a significant influence of leadership on the work motivation of village officials in Makarti Jaya sub-district.

Based on Figure 6 and Table 7, it can be seen that the calculation result of T-Values is $2.48 > 1.96$ so that Ha is accepted. This means that it can be concluded that leadership has a significant effect on motivation.

The Influence of Organizational Culture on Motivation

Ho2: There is no significant influence of organizational culture on the work motivation of village officials in Makarti Jaya sub-district .

Ha2: There is a significant influence of organizational culture on the work motivation of village officials in Makarti Jaya sub-district .

Based on Figure 8 and Table 7, it can be seen that the calculation result of T-Values is $4.05 > 1.96$ so that Ho is accepted. This means that it can be concluded that organizational culture has a significant effect on motivation.

The Influence of Leadership on Performance

Ho3: There is no significant influence of leadership on the performance of village officials in Makarti Jaya sub-district .

Ha3: There is a significant influence of leadership on the performance of village officials in Makarti Jaya sub-district .

Based on Figure 8 and Table 7, it can be seen that the calculation result of T-Values is $0.98 < 1.96$ so that Ha is accepted. This means that it can be concluded that leadership has no significant effect on performance.

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The Influence of Organizational Culture on Performance

Ho4: There is no significant influence of organizational culture on the performance of village officials in Makarti Jaya sub-district .

Ha4: There is a significant influence of organizational culture on the performance of village officials in Makarti Jaya sub-district .

Based on Figure 8 and Table 7, it can be seen that the calculation result of T-Values is $4.68 > 1.96$ so that Ha is accepted. This means that it can be concluded that organizational culture has a significant effect on performance.

The Influence of Motivation on Performance

Ho5: There is no significant influence of motivation on the performance of village officials in Makarti Jaya sub-district .

Ha5: There is a significant influence of motivation on the performance of village officials in Makarti Jaya sub-district .

Based on Figure 8 and Table 7, it can be seen that the calculation result of T-Values is $2.76 > 1.96$ so that Ha is accepted. This means that it can be concluded that motivation has a significant effect on performance.

Then direct influence, indirect influence and total influence. The results of direct influence, indirect influence and total influence can be seen in table IV.15 below:

Table 8. Recapitulation of Direct and Indirect Influences

No	Variables	Intervening Variables	Direct Influence	Indirect Influence	Total Influence
1	Leadership - Motivation	-	0.24		0.24
2	Culture - Motivation	-	0.41		0.41
3	Leadership - Performance	-	0.08		0.08
4	Culture - Performance	-	0.57		0.57
5	Motivation - Performance	-	0.26		0.26
6	Leadership - Motivation - Performance	Motivation	0.24	0.06	0.30
7	Culture - Leadership - Performance	Motivation	0.41	0.11	0.52

Source. Research Data Processing Results, 202 5

Information :

Indirect influence of Leadership – Motivation – Performance = $0.24 \times 0.26 = 0.06$

Indirect influence of Organizational Culture– Motivation – Performance = $0.41 \times 0.26 = 0.11$

Total influence of Leadership – Motivation – Performance

= $0.24 + 0.06 = 0.30$

Total influence of Organizational Culture – Motivation – Performance

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$$= 0.41 + 0.11 = 0.52$$

Based on Table 8 above, we can see the direct influence, indirect influence and total influence which are described as follows:

The direct influence of leadership variables on motivation, based on the table above, shows 0.24, meaning that if leadership increases, motivation will increase or vice versa. Based on the test results, the influence of leadership on motivation is proven to be significant.

The direct influence of organizational culture variables on motivation, based on the table above, shows 0.41, meaning that if organizational culture increases, motivation will increase or vice versa. Based on the test results, organizational culture on motivation is proven to be significant.

The direct influence of leadership variables on performance, based on the table above, shows 0.08, meaning that if leadership increases, it will indirectly or intangibly increase performance or vice versa. Based on the test results, the influence of leadership on performance is proven to be insignificant.

The direct influence of organizational culture on performance, based on the table above, shows 0.57, meaning that if organizational culture increases, performance will increase or vice versa. Based on the test results, the influence of organizational culture on performance is proven to be significant.

The direct influence of motivation variables on performance, based on the table above, shows 0.26, meaning that if motivation can be increased, it will increase performance or vice versa. Based on the test results, the influence of motivation on performance is proven to be significant.

The direct influence of leadership on performance is 0.08 while the indirect influence of leadership variables on performance with motivation as an intervening variable is 0.06. This means that motivation does not strengthen the influence of leadership on employee performance.

The direct influence of organizational culture on performance is 0.57 while the indirect influence of organizational culture variables on performance with motivation as an intervening variable is 0.11. This means that motivation does not strengthen the influence of organizational culture on employee performance.

Discussion

This section will discuss the results of the analysis that has been done. This study aims to determine the Influence of Leadership and Organizational Culture on the Performance of Village Apparatus with Work Motivation as a Mediating Variable in Makarti Jaya District. The test is shown through the existing hypothesis so that it can determine how each variable affects other variables.

The Influence of Leadership on Work Motivation of Village Apparatus in Makarti Jaya District

Based on the test results, leadership has a positive and significant effect on the work motivation of the Village Apparatus in Makarti Jaya District. The results of this study are in accordance

with the theory according to Saydam and Kadarisman in [Erri & Fajrin \(2018:78\)](#) which states that one of the factors that influences motivation is leadership.

This study is in line with the study conducted by [Nelson et.al \(2016\)](#) in his study found that leadership has a positive and significant effect on work motivation. The reason this study obtained the same results as [Nelson et al. 's \(2016\)](#) study is due to the similarity of objects, specifically in the government environment. Additionally, it employs a cluster sampling technique.

The Influence of Organizational Culture on Work Motivation of Village Apparatus in Makarti Jaya District

Based on the test results, organizational culture has a positive and significant effect on the work motivation of the Village Apparatus in Makarti Jaya District. The results of this study are in accordance with the theory according to Saydam and Kadarisman in [Erri & Fajrin \(2018:78\)](#) which states that one of the factors that influences motivation is organizational culture.

The Influence of Leadership on the Performance of Village Apparatus in Makarti Jaya District

Based on the test results, leadership has no significant effect on the performance of the Village Apparatus in Makarti Jaya District. The results of this study are in accordance with the theory, according to [Kasmir \(2019:189 \)](#), which states that one of the factors that influences performance is leadership.

This study is in line with the survey conducted by [Arif & Saluy \(2020\)](#) which found that leadership has no significant effect on performance. In contrast to previous research conducted by [Budyawan, et al. \(2022\)](#), the study found that leadership has a positive and significant effect on performance.

The reason this study is different from the research of [Budyawan, et al. \(2022\)](#) is because it is based on several aspects, namely, the sample used in the research of was 67 respondents, while in this study there were 110 respondents. The sampling technique of the research used the *saturated sampling technique method*, while in this study it used *Cluster random sampling* . The data testing method of the research used the Smart PLS application, while in this study it used the Lisrel program application. The difference between Smart PLS and Lisrel lies in the Analysis Approach, Data Types and Assumptions, Output and Interpretation ([Hair, 2017](#))

The reasons why the leadership variable has no significant effect on performance are: first, because the elements in the indicators other than those asked by the researcher may have an effect on performance, meaning that in this case, the researcher in conducting the research only took three indicators that were close to the goal in asking questions to respondents because according to the researcher, these indicators are the most representative or appropriate indicators with the phenomena and facts when making observations. However, the results obtained by the researcher from the questionnaire that had been distributed and the results were processed actually stated that the leadership variable had no significant effect on performance, so it is very possible that the statement on the indicators used was also less precise.

The Influence of Organizational Culture on the Performance of Village Apparatus in Makarti Jaya District

Based on the test results, organizational culture has a positive and significant effect on the work motivation of the Village Apparatus of Makarti Jaya District. The results of this study are in accordance with the theory according to [Kasmir \(2019:189\)](#) stated that one of the factors that influences performance is organizational culture.

The Influence of Motivation on the Performance of Village Apparatus in Makarti Jaya District

Based on the test results, motivation has a significant effect on the performance of the Village Apparatus in Makarti Jaya District. The results of this study are in accordance with the theory according to [Kasmir \(2019:189\)](#) who said that motivation is one of the factors influencing performance. The research is supported by research conducted by [Arif & Saluy \(2020\)](#), which stated that motivation affects employee performance, while research conducted by [Rismyanti et al \(2023\)](#) showed that motivation has an impact but is not significant on employee performance.

The reason this research differs from that of [Rismyanti et al. \(2023\)](#) is that it is based on several aspects, namely, the differences in the indicators used in the study. The sample used in the study by [Rismyanti et al \(2023\)](#) was 93 respondents , while in this study there were 110 respondents. Research sampling technique [Rismyanti et al \(2023\)](#) using the *stratified random sampling method* , while in this study using *Cluster random sampling*. Research data testing method [Rismyanti et al \(2023\)](#) using the Smart PLS application, while in this study using the Lisrel program application. The difference between Smart PLS and Lisrel lies in the Analysis Approach, Data Types and Assumptions, Output and Interpretation ([Hair, 2017](#)) .

Conclusion

Based on the discussion that has been discussed in the previous chapter, the author can draw the following conclusions from the research results, namely:

Leadership has a significant influence on the work motivation of Village Apparatus in Makarti Jaya District. Organizational culture has a considerable influence on the work motivation of Village Apparatus in Makarti Jaya District. Leadership has no significant impact on the performance of Village Apparatus in Makarti Jaya District. Organizational culture has a significant influence on the performance of the Village Apparatus in Makarti Jaya District. Motivation has a significant influence on the performance of Village Apparatus in Makarti Jaya District .

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The Effect of Work Motivation and Work Environment on Employee Performance With Work Satisfaction as a Mediation Variable at PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI)

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ABSTRACT

This study aims to determine the effect of work motivation and work environment on employee performance with job satisfaction as a mediating variable at PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI). This type of research is Associative. The variables used by researchers are work motivation variables, work environment, job satisfaction and employee performance. The sample in this study were 120 employees of PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI) who were selected using Cluster Random Sampling. The data used in this study were primary data with a questionnaire data collection method. The data analysis technique used was Structural Modeling Equation (SEM) with the Lisrel Program Application. The results of this study indicate that: (1) Work motivation has a positive and significant effect on job satisfaction (2) Work environment has a positive and significant effect on job satisfaction (3) Work motivation has a positive and significant effect on employee performance (4) Work environment has a positive and significant effect on employee performance (5) Job satisfaction has a positive and significant effect on employee performance (6) Job satisfaction strengthens the influence of work motivation on employee performance (7) Job satisfaction strengthens the influence of the work environment on employee performance.

Keywords : Motivation, Environment, Satisfaction and Performance

1. Introduction

The company's goals are difficult to achieve without the active role of all human resources owned by the company. need human Resources Which enthusiastic And capable adapt with every changes in technology and the work environment occurs. The factors of employee job satisfaction and work motivation are expected to contribute to behavior to focus on improving optimal performance and company sustainability. The creation of a good company work environment is another factor that supports the optimization of employee performance and company sustainability.

Performance Employees are one of the determining factors success company or organization in reach its purpose. According to [Kasmir \(2019\)](#) Employee performance is the result of work

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and behavior. work that has been done achieved in completing assigned tasks and responsibilities in a period certain. Performance shows the results of work and work behavior of a person or group of people in a period, usually 1 (one) year. Performance can be measured from the employee's ability to complete tasks and not quite enough answer Which given.

Observing the statement of the theoretical concept, according to [Afandi \(2018\)](#) and [Kasmir \(2019\)](#), several factors that can influence performance include job satisfaction, work motivation, work environment, loyalty, work culture, and work discipline.

One of the important factors that affect performance is job satisfaction. Job satisfaction, according to [Edy \(2019\)](#) Job satisfaction reflects a person's feelings towards their work. This can be seen from the employee's positive attitude towards work and everything they face, so that it will support the optimization of the employee's performance itself. Job satisfaction is a person's behavior and response to the work situation being carried out. Job satisfaction is a person's feelings and assessment of their work, especially regarding work conditions in relation to whether the work they do is able to meet their expectations, needs, and desires.

In addition, the factor that influences performance is work motivation. According to [Edy \(2019\)](#) Motivation is a factor which drives someone to do certain activities, motivation often interpreted also as factors that can strengthen the drive for behavior somebody. Motivation questioning how to direct the power and potential of subordinates, as well as being a factor that strengthens the motivation for employees willing to work together productively, successfully achieve and realize goals Which has determined. Providing good motivation to employees is a company effort to improve employee performance in order to obtain maximum results.

Apart from job satisfaction and motivation, the environment Work Also is factor Which influence performance employees. According to [Sedarmayanti \(2017\)](#) stated that the work environment is the overall condition of the environment around it, where a person works, his work methods, and his work arrangements both as individuals and as a group. The work environment can be divided into two, namely the physical work environment and the non-physical work environment.

A comfortable and conducive working environment will also encourage the creation of employee job satisfaction in working. A conducive working environment can make employees feel comfortable and calm in working so that it creates a sense of job satisfaction in employees. However, when the working environment is less conducive, it will make employees less comfortable and feel dissatisfied in working.

2. Literature Review

2.1. Employee Performance

Based on several definitions by [Wibowo \(2018\)](#), [Mangkunegara \(2017\)](#) and [Busro \(2018\)](#), it can be concluded that performance is the work results achieved by employees, both in terms of quality and quantity as determined by the company.

Referring to [Kasmir \(2019\)](#) Factors that influence performance are: Ability and expertise; Knowledge; Work design; Personality; Work motivation; Leadership; Leadership style; Organizational culture; Job satisfaction; Work environment; Loyalty; Commitment; Discipline. According to [Wibowo \(2018\)](#) Performance indicators are as follows: Objectives; Tools or Means; Improving the results achieved; Enthusiasm; Self-development; Quality; Efficiency; Competence. Performance is a very important thing for employees in the

organization. With existence optimization performance employee expected work will implemented in a way efficient and effective , so that This all finally very necessary in achievement the goals that have been achieved set .

2.2. Satisfaction Work

Based on a number of understanding according to expert [Afandi \(2018\)](#); [Edy \(2019\)](#); , so can In conclusion, the definition of job satisfaction is a positive attitude from employees including feelings and behavior towards their work as a sense of appreciation in achieving one of the important values of work.

According to [Kreitner and Kinicki \(2012\)](#) factors that influence satisfaction Work as following: Motivation; Involvement Work; Organizational citizenship behavior; Organizational commitment; Discipline ; Turnover ; Stress Work ; Achievement Work.

[Afandi \(2018\)](#) The indicators of job satisfaction are: covering among others: Work, Wages, Promotion, Supervisor. Colleagues. According to [Busro \(2018\)](#), other opinions. Factors of satisfaction: Job, Myself, Salary, Co-workers, Leader, Promotion, Environment, Work.

2. 3. Motivation Work

Based on several understandings, [Sedarmayanti \(2017\)](#) and [Busro \(2018\)](#) can conclude that work motivation is an internal force that drives a person's enthusiasm to work effectively and with integrity in achieving organizational goals.

According to [Afandi \(2018\)](#) work motivation indicators include:

1. remuneration that is anything in the form of goods, services or money provided by the company to employee .
2. Condition Work that is a series of working environment conditions of a company.
3. Facility Work that is everything that includes facilities and infrastructure in the company that can be occupied and enjoyed by employees, both in direct relation to the work itself and for the smooth running of the work.
4. Performance Work that is a work result achieved by a person in carrying out the tasks assigned to him by the company.
5. Confession from superior which is one of the factors that drives employee motivation that can make employees happy.

Work That Alone namely a situation where employees find interesting tasks, opportunities to learn and opportunities to take responsibility for their work.

2.4. Work Environment

The Environment Work is a designated area or location where employees carry out their work activities. The work environment can have a positive and negative impact on employees. Environment Work Which conducive and good is Which safe, peaceful, clean, quiet, bright, and free from all kinds of threats and disturbance Which can hinder employee For Work in a way optimal. An environment conducive to work will have a positive impact on employee continuity; on the other hand, a work environment that is not conducive enough will have a negative impact on employee continuity.

Based on the work of [Edy \(2019\)](#), [Sedarmayanti \(2017\)](#), [Afandi \(2018\)](#) understand that can It is concluded that the work environment is everything that is around employees and can influence them in carrying out the tasks assigned to them

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Indicators of the environment Work according to [Afandi \(2018\)](#) are as follows: Air, Color, Lighting, Sound. According to [Sedarmayanti \(2017\)](#), the dimensions and indicators of the work environment are as follows: Physical work environment: a) Lighting; b). Circulation of the work space, c). Layout of the room; d). Decoration.; Noise; f). Facilities; availability of facilities. 2) Non-physical work environment: a) Relationship with the leader; b) Relationship with fellow co-workers:

2.5. Framework of Thought

A framework of thought is a temporary explanation of the symptoms that are the object of the problem, the relationship between theories or concepts that support previous research which are used as a systematic arrangement of the research.

The Influence of Work Motivation on Job Satisfaction

According to [Kreitner and Kinicki \(2012\)](#), among the factors that influence job satisfaction is motivation. The role of work motivation is a force that comes from both within and outside a person that encourages employees to behave at work according to the format, direction, intensity and has an impact on job satisfaction.

Research conducted by [Febriani & Krisnabudi \(2015\)](#), entitled The Influence of Compensation and Work Motivation on Employee Job Satisfaction and Performance at PT. Perkebunan Nusantara X (Persero) Kebun Kertosari Jember, found that work motivation has a significant effect on job satisfaction.

The Influence of Work Environment on Job Satisfaction

According to [Jopanda \(2021\)](#), empirically, among the factors that influence job satisfaction is the work environment. The role of the work environment is crucial, including something in the employee's environment that has an impact on job satisfaction and their comfort in carrying out their duties.

Research conducted by [Purwaningsih \(2020\)](#), with the title The Influence of Leadership and Work Environment on Performance with Job Satisfaction as an Intervening Variable (Case Study of Employees of PT Timbul Jaya Boyolali), states that the work environment has a positive effect on job satisfaction.

The Influence of Work Motivation on Performance

According to [Kasmir \(2019\)](#) among factors that affect performance are work motivation. The role of motivation is a positive force that drives employees to take action on work. In essence, work motivation is generated internally and externally so that it will have an impact on improving performance.

Research that has been conducted by [Cahyadi, Lubis and Lubis \(2021\)](#), with title The Influence of Employee Satisfaction and Work Motivation on Work Ethic and its Implications on the Performance of Implementing Employees at PTPN III Palm Oil Plantations and Factories, reveals that work motivation has a significant influence on employee performance.

The Influence of Work Environment on Performance

According to [Kasmir \(2019\)](#) among factors that affect performance are the work environment. The aspect of the work environment is very relevant for employees in carrying out the tasks assigned. Company organizations are required to create a conducive work environment, both

physically and non-physically, so that they can have a tremendous impact on employee productivity.

Research conducted by [Syahrul et.al \(2019\)](#); with the research title: The Influence of the Work Environment on the Performance of Panen Employees in PT Dewata Sawit Nusantara, found that the work environment has a positive effect on employee performance.

Influence Satisfaction Work On Performance

According to [Kasmir \(2019\)](#) among the factors that influence performance is job satisfaction. There is a reciprocal relationship between job satisfaction and employee performance. On the one hand, job satisfaction leads to increased performance so that employees are more productive. While on the other hand, job satisfaction can occur due to performance or work achievements so that employees are more productive. Job satisfaction is an important *point* in organizational effectiveness, because it affects the behavior of each employee in the company. Employees who are satisfied with their work tend to improve their work performance

Previous research conducted by [Sihombing et.al \(2022\)](#), with the title: The Influence of Motivation, Compensation and Job Satisfaction on Employee Performance at PT Perkebunan Nusantara 4 Sawit Langkat, found that job satisfaction has a positive and significant effect on employee performance.

Based on The explanation above , as follows This is picture framework thinking.

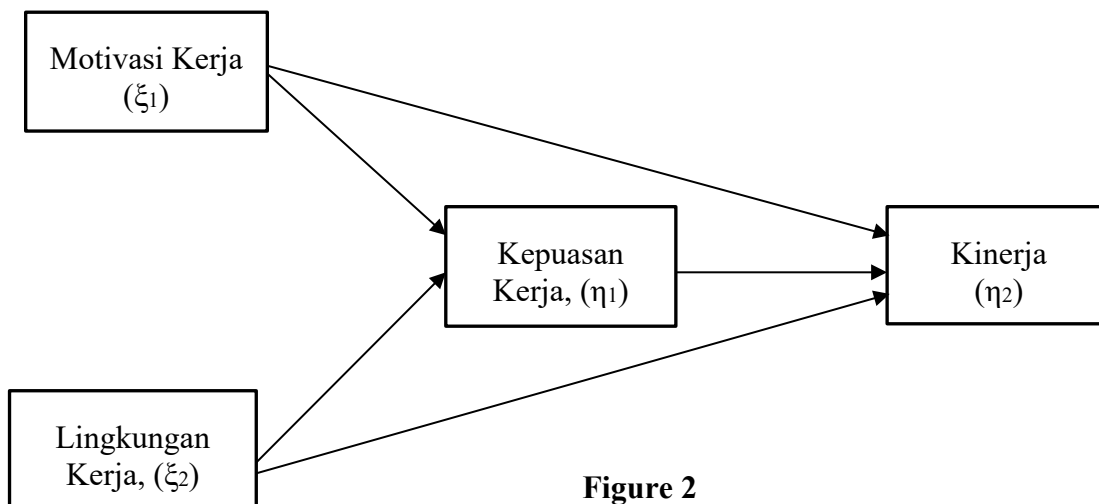


Figure 2
Research Framework

3. Research Method

The object of this research is PT Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI). Address; Simpang Tais Street, Talang Ubi District, PALI Regency.

Types of research used is study associative. The variables involved consist of four variables: a variable that is free or exogenous (motivation, work, and work environment), a variable that is bound or endogenous (performance), and a variable that serves as a mediator (satisfaction with Work).

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Operationalization variable is the process of operationalizing draft a variable so that can measured and observed, and formulated with based on existing dimensions in a draft certain , then categorized into elements that can be measured. The operationalization of the variables in question can be explained in the table below:

Table 1. Operational Variables

Research Variables	Operational Definition	Indicator	Statement items
Employee performance (η_2)	It is the work results achieved by employees, both in terms of quality and quantity as determined by the company PT Suryabumi Agrolanggeng Kab. PALI	1. Purpose 2. Tools and means 3. Knowledge and skills about the job	1-3 4-6 7-9
Job satisfaction (η_1)	It is a positive attitude from employees including feelings and behavior towards their work as a sense of appreciation in achieving one of the important work values at PT Suryabumi Agrolanggeng Kab.PALI	1 The job itself 2. Promotion 3. Supervisor	10-12 13-15 16-18
Work motivation (ξ_1)	It is a driving force from within that encourages a person's work enthusiasm to work effectively and with integrity in achieving organizational goals at PT Suryabumi Agrolanggeng Kab.PALI	1. Working Conditions 2. Work Performance 3. Recognition from superiors.	19-21 22-24 25-27
Work environment (ξ_2)	It is everything that is around the employee and can influence in carrying out the duties carried out by the employee at PT Suryabumi Agrolanggeng. Kab. PALI	1. Air 2. Lighting 3. Relationship between employees	28-30 31-33 34-36

Source: Processed data, 202 4

Population in study is all over plantation employees working for PT Suryabumi Agrolanggeng in PALI Regency. namely 443 person Which on duty in the plantation area (*estate*).

Table 2. Total Employee

Area	Number of employees
Agronomy/Maintenance, Enau <i>Estate</i>	114
Harvesting, Enau <i>Estate</i>	110
Agronomy/Maintenance, Tais <i>Estate</i>	123
Harvesting, Enau <i>Estate</i>	96

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Amount

443

Source: Processed data, 2024

The sample used in SEM (*Structure Equation Modeling*) research is a minimum of 100-200 samples. According to [Hair et.al \(2017\)](#) the guidelines for determining the sample size for structural equation models (*Structural Equation Model*) are as follows:

This study involves 12 indicators and after referring to the guidelines above, a minimum sample size of 12 x 10 is required, which is equal to 120 employees of PT Suryabumi Agrolanggeng, PALI district. The results of the proportion calculation using the *proportionate method*, obtained the number of proportion samples with sample distribution, as follows:

Table 3. Sample Proportion

No	Area	Population	Calculation	Sample
1	Agronomy/Maintenance, Enau Estate	114	(114 / 443) x 120	31
2	Harvesting, Enau Estate	110	(110 / 443) x 120	30
3	Agronomy/Maintenance, Tais Estate	123	(123 / 443) x 120	33
4.	Harvesting, Enau Estate	96	(96/ 443) x 120	26
Amount		443		120

Source: Processed data, 2024

The technique that will be used for sampling is: *cluster random sampling*

Instrument Data Collection. The questionnaire consists of several statements on a *Likert scale*. The instrument items can be statements or questions. The answers to each instrument item using a *Likert scale* have a gradation from positive to negative. Determination of the score or weight of each statement is done with different answer alternatives, namely:

Table 4. Scoring Answer Questionnaire

No	Scale	Score
1	Strongly agree	5
2	Agree	4
3	Neutral	3
4	Don't agree	2
5	Strongly disagree	1

The data analysis technique used in the study is *structural equation modeling* (SEM). SEM modeling is a development of *path analysis*. In the SEM method, the quality relationship between independent variables (exogenous) and dependent variables (endogenous) is carried out completely. In the use of SEM, not only the direct and indirect quality relationships on the variables are detected, but also the components that contribute to the formation of the construct can be determined.

Data Analysis Model

The structural equation model in SEM involves a number of mathematical symbols that have meaning. The research structure model for the study uses complete indicators, symbols and explanations that can be seen in Figure 2.

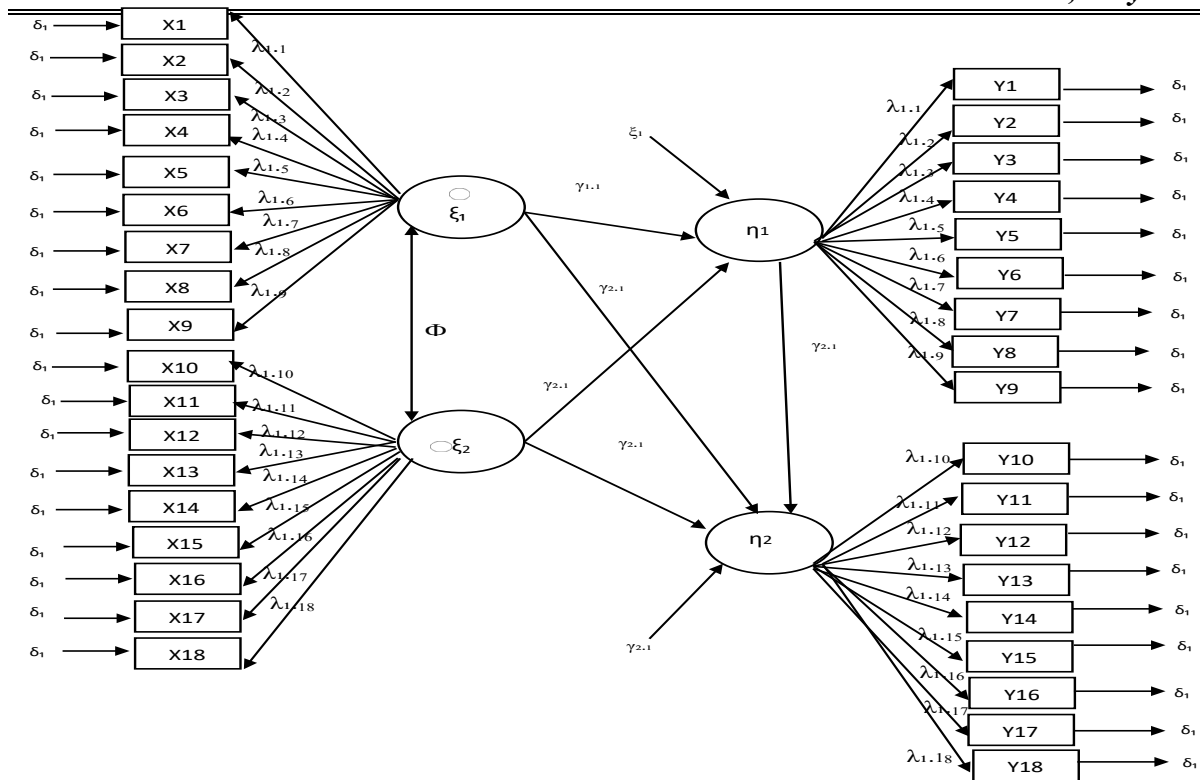


Figure 2. Research Structure Model

Information :

ξ_1 = (ksi); exogenous latent variable of work motivation

ξ_2 = (ksi); exogenous latent variable of work environment

η_1 = (eta); endogenous latent variable of job satisfaction

η_2 = (eta) ; Endogenous latent variable performance

γ =(gamma); direct relationship of exogenous variables to endogenous variables

ϵ =(zeta); error in the equation is between exogenous variables and or endogenous variables against endogenous variables.

β =(beta); direct relationship of endogenous variables to endogenous variables

δ = (delta), measurement error of the exogenous variable

Φ = (Psi), a way of showing the covariance or correlation matrix between a set of constructs.

ϵ = (epsilon), measurement error of the exogenous variable indicator

λ = (Lambda), the relationship between exogenous and endogenous latent variables and their indicators.

X1 to X9 = indicators for exogenous variables of work motivation

X10 to X18 = indicators for exogenous variables of the work environment

Y1 to Y9 = indicators for the endogenous variable of job satisfaction

Y10 to Y18 = indicators for endogenous performance variables

4. Results and Discussion

4.1. Respondent Description

The general description of respondents can be seen through the demographics of respondents which include gender, age and level of education. These demographic factors are seen as influencing the performance which is the topic of the research.

The author will describe the characteristics of the respondents as follows:

4.1.1. Based on type sex

The first characteristic is the gender of the respondent. To find out how many are male and female. can explained following : If you look at from characteristics type sex respondents who became sample in study namely 67.5% of the type sex male and 32.5% female sex Woman .

4.1.2. Based on Age

The second characteristic based on the age of the respondents. To find out how many ages Respondent can explained as following : If you look at from characteristics The age of the respondents who were the sample in this study was 45% of respondents aged 21-30 years, 33% of respondents aged 31-40 years, 22 % of respondents aged 41-50 years

4.1.3. Based on Education Level

The fourth characteristic is characteristics based on level education respondents , for know How many amount respondents who level high school, DIII, S1 and S2 education can seen in the table following : If you look at from level education respondents who became sample in study This which is 43% level high school education , 22% level DIII education , 30% level S1 education , and 5% level Masters education .

4.2. Research Data Analysis

4.2.1. Confirmatory Factor Analysis (CFA)

Analysis This done to all construct in a way separated in *measurement model* test framework through evaluation to validity construct and reliability construct

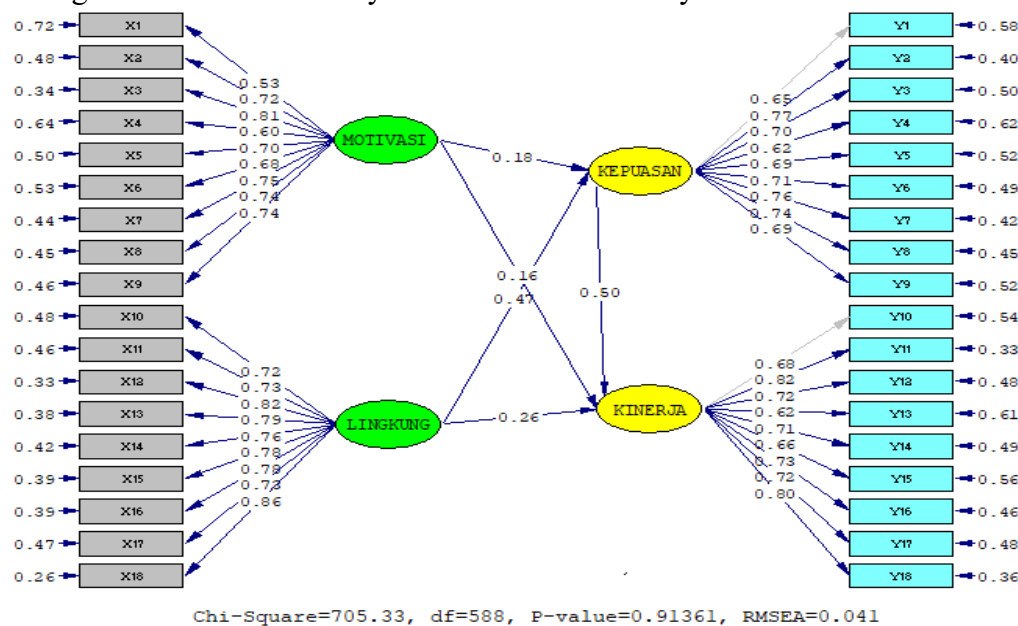


Figure 3 Confirmatory Factor Analysis

Based on image 2 above show that all over variable loading factor own mark more big from error value . This is show that CFA (Confirmatory Factor Analysis) examiner at stage beginning of the image on Already fulfil For testing stage furthermore .

4.2.2. Validity Test Construct

Validity A manifest (observed) variables are evaluation on load factor (*loading factor*) of variable the to variable its latent . A variable said have good validity to variable construct or variable latent Riadi (2018), if *Average Variance Extract* (AVE) more big from 0.50.

The results of working on each variable are:

Performance Validity Test Results

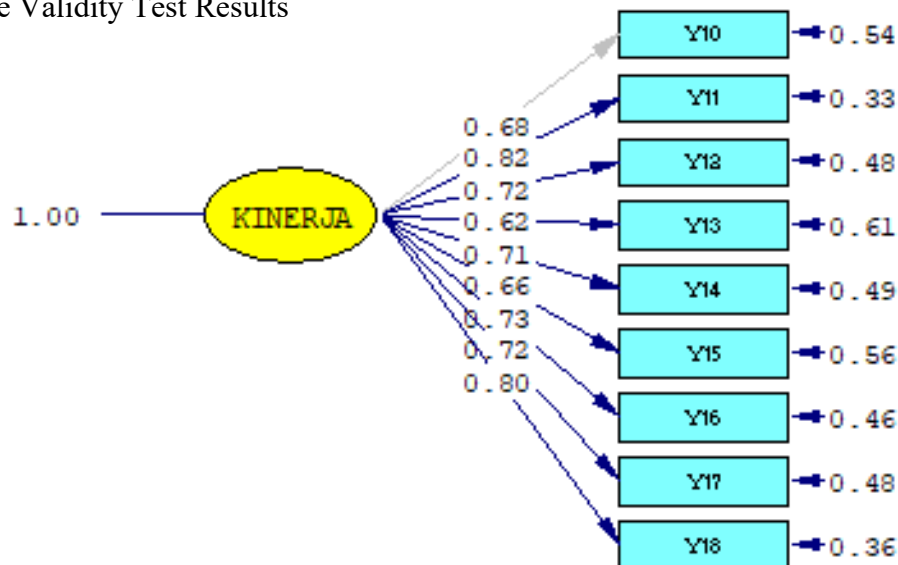


Figure 4 Performance (kinerja) *loading factor*

Based on the validity test statement construct each performance instrument more big from 0.05 (figure 4) and overall mark *Average Variance Extract* (AVE) more big from 0.50. The results show that all indicator variable performance has passed the validity test , because has fulfil condition that is loading factor value ≥ 0.05 so that the instrument declared valid and can made into tool valid measure in analysis furthermore.

a) Validity Test Results Satisfaction

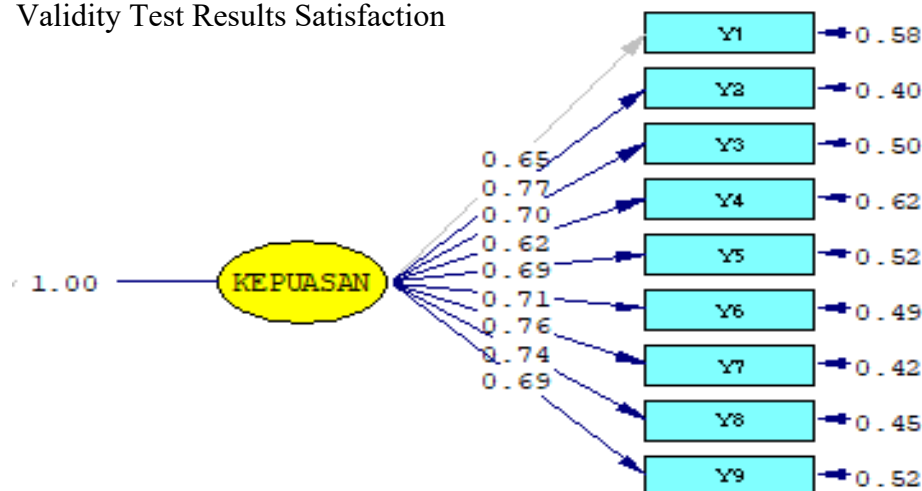


Figure 5 *Loading factor* Satisfaction (kepuasan)

Based on the validity test statement construct of each satisfaction instrument more big from 0.05 (figure 3) and overall mark *Average Variance Extract* (AVE) more big from 0.50. The results show that all indicator variable satisfaction has passed the validity test , because has fulfil condition that is loading factor value ≥ 0.05 so that the instrument declared valid and can made into tool valid measure in analysis furthermore .

b) Motivation Validity Test Results

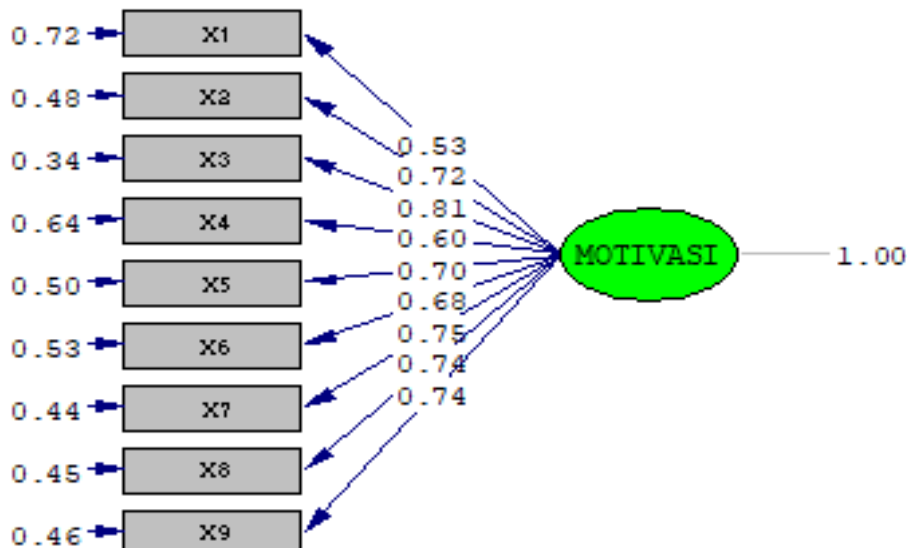


Figure 6. *Loading factor* Motivation (motivasi)

Based on the validity test statement construct each motivational instrument more big from 0.05 (figure 3) and overall mark *Average Variance Extract* (AVE) more big from 0.50. The results show that all indicator variable motivation has passed the validity test , because has fulfil condition that is loading factor value ≥ 0.05 so that the instrument declared valid and can made into tool valid measure in analysis furthermore.

c) Validity Test Results Environment

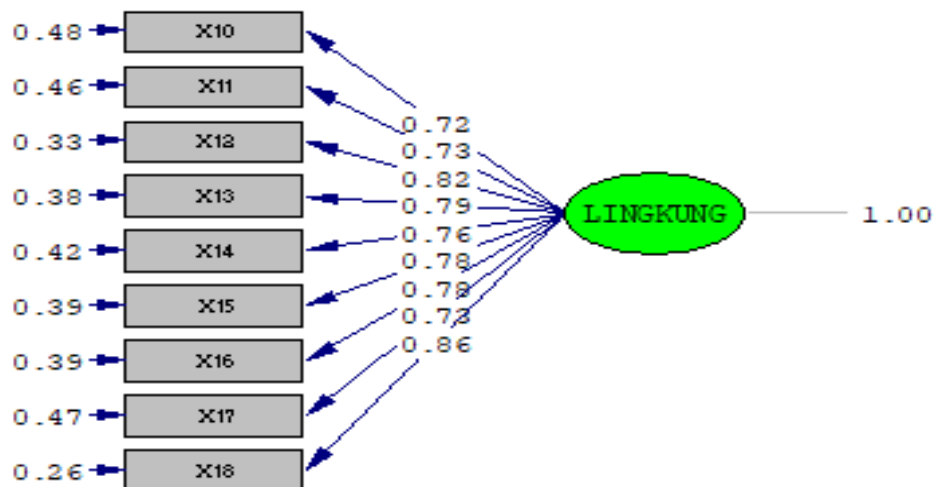


Figure 7. Environmental (lingkungan) *loading factor*

Based on Table IV.4, the validity test statement construct each environmental instrument more big from 0.05 (figure IV.1) and overall mark *Average Variance Extract* (AVE) more big from 0.50. The results show that all indicator variable environment has passed the validity test , because has fulfil condition that is loading factor value ≥ 0.05 so that the instrument declared valid and can made into tool valid measure in analysis furthermore .

4.2.3. Reliability Test Construct

Table 5: Construct Reliability Test Results

Variables	Indicator	Standard Loading	Measurement Error	Standard Loading Factor ²	CR
Performance	Y10	0.68	0.54	0.46	0.91
	Y11	0.82	0.33	0.67	
	Y12	0.72	0.48	0.52	
	Y13	0.62	0.61	0.38	
	Y14	0.71	0.49	0.50	
	Y15	0.66	0.56	0.44	
	Y16	0.73	0.46	0.53	
	Y17	0.72	0.48	0.52	
	Y18	0.80	0.36	0.64	
	Sigma	6.46	4.31	4.67	
	Sigma ²	41.73			
Satisfaction	Y1	0.65	0.58	0.42	0.90
	Y2	0.77	0.40	0.59	
	Y3	0.70	0.50	0.49	
	Y4	0.62	0.62	0.38	
	Y5	0.69	0.52	0.48	
	Y6	0.71	0.49	0.50	
	Y7	0.76	0.42	0.58	
	Y8	0.74	0.45	0.55	
	Y9	0.69	0.52	0.48	
	Sigma	6.33	4.50	4.47	
	Sigma ²	40.07			
Motivation	X1	0.53	0.72	0.28	0.90
	X2	0.71	0.48	0.50	
	X3	0.81	0.34	0.66	
	X4	0.60	0.64	0.36	
	X5	0.70	0.50	0.49	
	X6	0.68	0.53	0.46	
	X7	0.75	0.44	0.56	
	X8	0.74	0.45	0.55	
	X9	0.74	0.46	0.55	
	Sigma	6.24	4.56	4.41	
	Sigma ²	39.19			
Environment	X10	0.72	0.48	0.52	0.93
	X11	0.73	0.46	0.53	
	X12	0.82	0.33	0.67	
	X13	0.79	0.38	0.62	
	X14	0.76	0.42	0.58	
	X15	0.78	0.39	0.61	

X16	0.78	0.39	0.61
X17	0.73	0.47	0.53
X17	0.86	0.26	0.74
Sigma	6.11	2.86	4.68
Sigma ²	37.33		

Source : Research Data Processing Results , 2025

Based on Table 5 above show that , the results calculation CR value >0.70 so that can concluded that all over construct on *full model loading factor* For variable performance , satisfaction work , motivation and environment in study This is can acceptable and reliable .

4.2.3. Model Fit Test

Based on lamparian *Goodness of Fit* . can made summary model fit test results as following :

Table 6. Goodness Of Fit Index Table

Goodness Of Fit Index	Cut Of Value	Analysis Results	Model Evaluation
P-Value	≥ 0.05	0.91	Good Fit
RMSEA	≤ 0.1	0.04	Good Fit
GFI	≥ 0.90	0.75	Fit
NNFI	≥ 0.90	0.97	Good Fit
SRMR	≤ 0.1	0.07	Good Fit
IFI	≥ 0.90	0.97	Good Fit
CFI	≥ 0.90	0.97	Good Fit
RFI	≥ 0.90	0.89	Fit
NFI	≥ 0.90	0.9	Good Fit

Source : Research Data Processing Results , 2025

Based on Table 6 it can be concluded that the model is already Good Because criteria *goodness of fit index* in a way overall Already enter in category *good fit* , so that No need done model modification .

a. Analysis Structural Equation Modeling (SEM)

1) Structural Model

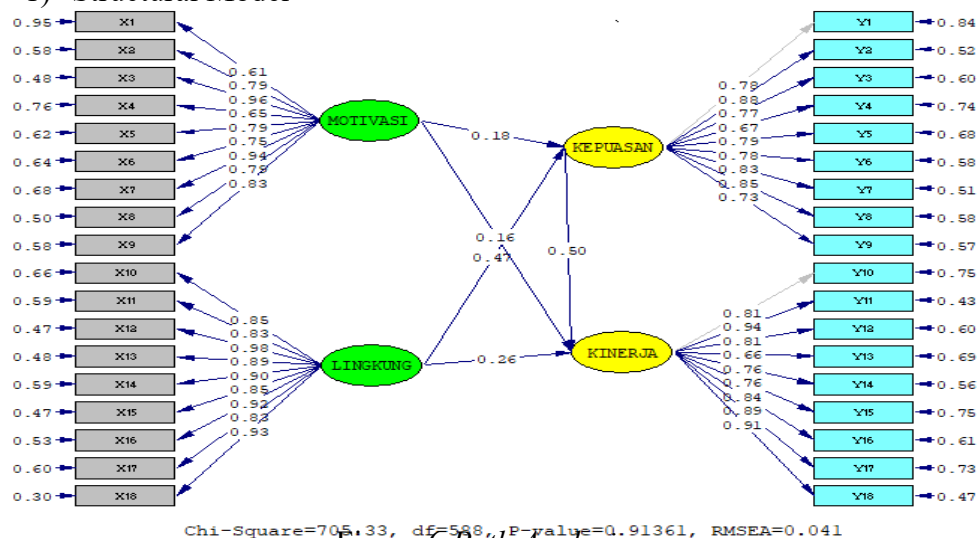


Figure 6 Path Analysis

Information

Satisfaction = $0.18 \times \text{motivation} + 0.47 \times \text{environment}$

Performance = $0.16 \times \text{motivation} + 0.26 \times \text{environment} + 0.50 \times \text{satisfaction}$

2) Hypothesis Testing (T-Values Model)

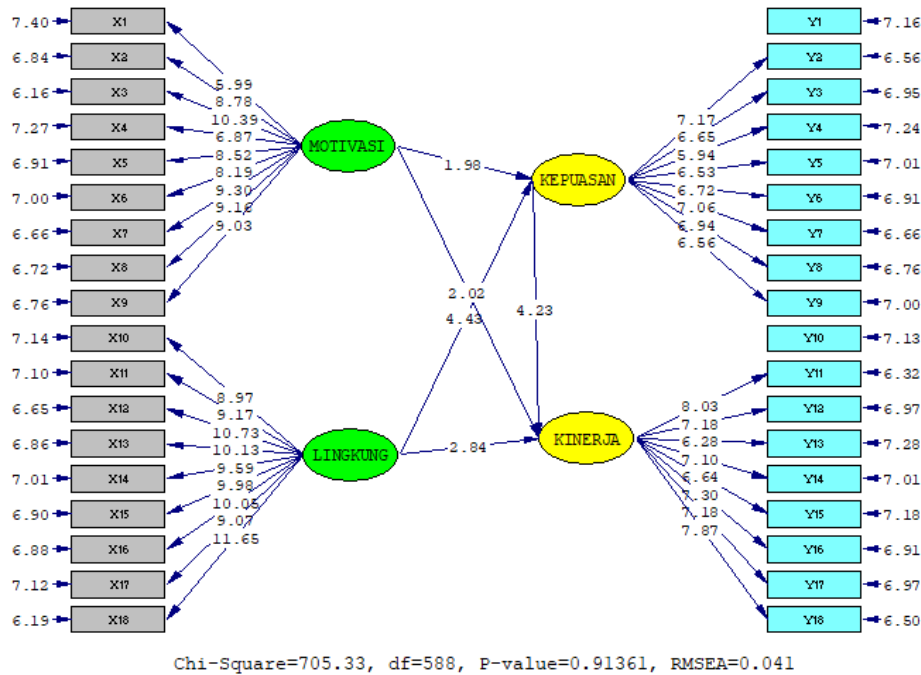


Figure 7 Basic Model T-Values

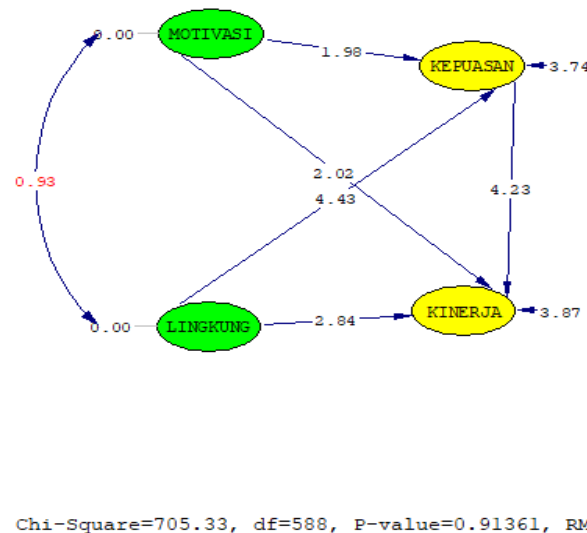


Figure 8 Structural X Models T Values

Based on Figure IV.7 and Figure IV.8, it can be concluded in the following table.

Table 7. Hypothesis Testing

No	Variables	T-Values	Cr Rate	Information
1	Motivation - Satisfaction	1.98	> 1.96	Significant
2	Environment Satisfaction	4.43	> 1.96	Significant
3	Motivation Performance	2.02	> 1.96	Significant
4	Environment Performance	2.04	> 1.96	Significant
5	Satisfaction Performance	4.23	> 1.96	Significant

Source: Research Data Processing Results, 2025

Based on Table 7 below Hypothesis Testing is carried out consecutive research as follows:

Based on Figure 8 and Table 11 below The research hypothesis test was carried out as follows:

The Influence of Motivation on Satisfaction

Ho1: There is no influence of motivation employee job satisfaction employees of PT Suryabumi Agrolanggeng.

Ha1: There is an influence of motivation on job satisfaction employees of PT Suryabumi Agrolanggeng.

Based on Figure 8 and Table 7, it can be seen that the calculation result of T-Values is $1.98 > 1.96$ so that Ha is accepted. This means that it can be concluded that motivation has a significant effect on satisfaction.

The Influence of Environment on Satisfaction

Ho2: There is no environmental influence employee job satisfaction PT Suryabumi Agrolanggeng employees .

Ha2: There is an environmental influence on job satisfaction employees of PT Suryabumi Agrolanggeng .

Based on Figure 8 and Table 7 it can be seen that the calculation result of T-Values is $4.43 > 1.96$ so that Ha is accepted. This means that it can be concluded that the environment has a significant effect on satisfaction.

The Influence of Motivation on Performance

Ho3: There is no influence of motivation employee performance at Suryabumi Agrolanggeng employees .

Ha3: There is an influence of motivation ,performance at PT Suryabumi Agrolanggeng employees .

Based on Figure 8 and Table 7, it can be seen that the calculation result of T-Values is $2.02 > 1.96$ so that Ha is accepted. This means that it can be concluded that motivation has a significant effect on performance.

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Environmental Influence on Performance

Ho4: There is no environmental influence employee performance at Suryabumi Agrolanggeng employees .

Ha4: There is an environmental influence .performance at PT Suryabumi Agrolanggeng employees .

Based on Figure 8 and Table 7, it can be seen that the calculation result of T-Values is $2.04 > 1.96$ so that Ha is accepted. This means that it can be concluded that the environment has a significant effect on performance.

The Influence of Satisfaction on Performance

Ho5: There is no influence of satisfaction employee performance at Suryabumi Agrolanggeng employees .

Ha5: There is an influence of satisfaction .performance on employees of PT Suryabumi Agrolanggeng .

Based on Figure 8 and Table 7, it can be seen that the calculation result of T-Values is $4.23 > 1.96$ so that Ha is accepted. This means that it can be concluded that satisfaction has a significant effect on performance.

Table 8. Recapitulation Influence Direct and Indirect

No	Variables	Intervening Variables	Direct Influence	Indirect Influence	Total Influence
1	Motivation - Satisfaction	-	0.18		0.18
2	Environment - Satisfaction	-	0.47		0.47
3	Motivation - Performance	-	0.16		0.16
4	Environment - Performance	-	0.26		0.26
5	Satisfaction - Performance	-	0.50		0.50
6	Motivation - Satisfaction - Performance	Satisfaction	0.18	0.09	0.27
7	Environment - Satisfaction - Performance	Satisfaction	0.47	0.24	0.71

Source: Research Data Processing Results, 2025

Information :

Indirect effect of Motivation – Satisfaction – Performance = $0.18 \times 0.50 = 0.09$

Indirect influence of Environment – Satisfaction – Performance = $0.47 \times 0.50 = 0.24$

Total influence of Motivation – Satisfaction – Performance
= $0.18 + 0.09 = 0.27$

Total influence of Environment – Satisfaction – Performance
= $0.47 + 0.24 = 0.71$

Based on Table 8 above, we can see the direct influence, indirect influence and total influence which are described as follows:

The direct influence of motivation variables on satisfaction, based on the table above, shows 0.18, meaning that if motivation increases, satisfaction will increase or vice versa. Based on the test results, the influence of motivation on satisfaction is proven to be significant.

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The direct influence of environmental variables on satisfaction, based on the table above, shows 0.47, meaning that if the environment improves, satisfaction will increase or vice versa. Based on the test results, the environment on satisfaction is proven to be significant.

The direct influence of motivation variables on performance, based on the table above, shows 0.16, meaning that if motivation increases, performance will increase or vice versa. Based on the test results, the influence of motivation on performance is proven to be significant.

The direct influence of the environment on performance, based on the table above, shows 0.26, meaning that if the environment improves, performance will improve or vice versa. Based on the test results, the influence of the environment on performance is proven to be significant.

The direct influence of satisfaction variables on performance, based on the table above, shows 0.50, meaning that if satisfaction can be increased, it will increase performance or vice versa. Based on the test results, the influence of satisfaction on performance is proven to be significant.

The direct effect of motivation variables on performance is 0.16 while the indirect effect of motivation variables on performance with satisfaction as an intervening variable is 0.09. This means that satisfaction does not strengthen the effect of motivation on employee performance.

The direct influence of the environment on performance is 0.47 while the indirect influence of environmental variables on performance with satisfaction as an intervening variable is 0.24. This means that satisfaction does not strengthen the influence of the environment on employee performance.

Discussion

This section will discuss the results of the analysis that has been carried out on the Influence of Work Motivation and Work Environment on Employee Performance with Job Satisfaction as a Mediating Variable at PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI).

The Influence of Work Motivation on Employee Job Satisfaction at PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI)

Based on the results of the hypothesis test, work motivation has a significant effect on the job satisfaction of PT. Suryabumi Agrolanggeng Penukal Abab Lematang Ilir (PALI) employees. Every additional motivation will increase job satisfaction, and vice versa if motivation decreases, it will decrease the job satisfaction of PT. Suryabumi Agrolanggeng Penukal Abab Lematang Ilir (PALI) employees.

The results of this study are in accordance with the theory according to [Kreitner and Kinicki \(2012\)](#) stated that one of the factors that influences job satisfaction is motivation. This study is in line with the study conducted by [Febriani & Krisnabudi \(2015\)](#), the results of their study explain that motivation has a positive and significant effect on job satisfaction. In contrast to the study conducted by [Dharmanegara et al., \(2016\)](#) the results of their study explain that motivation has no significant effect on job satisfaction.

The Influence of the Work Environment on Employee Job Satisfaction at PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI)

Based on the results of hypothesis testing that the work environment has a significant effect on the job satisfaction of PT. Suryabumi Agrolanggeng Penukal Abab Lematang Ilir (PALI)

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Employees. Every addition to the work environment will increase job satisfaction and vice versa if the work environment decreases, it will decrease the job satisfaction of PT. Suryabumi Agrolanggeng Penukal Abab Lematang Ilir (PALI) Employees.

The results of this study are in accordance with the theory according to [Jopanda \(2021\)](#) who stated that one of the factors that influences job satisfaction is the work environment. This study is in line with research conducted by [Purwaningsih \(2020\)](#), the results of her study explain that the work environment has a positive and significant effect on job satisfaction. In contrast to research conducted by [Kamaruddin, et al \(2017\)](#) the results of her study explain that the work environment has a significant negative effect on job satisfaction.

The reason for this study is different from the research of [Kamaruddin, et al \(2017\)](#) which proved that the environment has no significant influence. This is because it is based on several aspects, namely:

The Influence of Work Motivation on Employee Performance of PT. Suryabumi Agrolanggeng Penukal Abab Lematang Ilir Regency (PALI)

Based on the results of hypothesis testing that work motivation has a significant effect on employee performance of PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI). Every additional motivation will increase employee performance and vice versa if motivation decreases, it will decrease employee performance of PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI) .

The results of this study are in accordance with the theory according to [Kasmir \(2017:189\)](#) who stated that one of the factors that influences employee performance is motivation. This study is in line with research conducted by [Cahyadi, Lubis, Lubis \(2021\)](#) and [Febriani, Sudarsih, Krishnabudi \(2015\)](#). The results of their research explain that motivation has a positive and significant effect on employee performance. In contrast to research conducted by [Dharmanegara et al., \(2016\)](#) the results of their research explain that motivation has no significant effect on employee performance.

The reason for this study is different from the research of [Dharmanegara et al., \(2016\)](#) which proved that motivation has no significant effect. This is because it is based on several aspects, namely:

The Influence of the Work Environment on the Performance of Employees of PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI)

Based on the results of hypothesis testing that the work environment has a significant effect on employee performance at PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI). Every addition to the work environment will increase employee performance and vice versa if the work environment decreases, it will decrease employee performance at PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI).

The results of this study are in accordance with the theory according to [Kasmir \(2019\)](#) who stated that one of the factors that affects employee performance is the work environment. This study is in line with research conducted by [Syahrul et.al \(2019\)](#), the results of his study explain that the work environment has a positive and significant effect on employee performance. In contrast to research conducted by [Septayudha \(2022\)](#) the results of his study explain that the work environment has no significant effect on employee performance.

The reason this study is different from the research of [Septayudha \(2022\)](#) which proved that the environment has no significant influence. This is because it is based on several aspects, namely:

The Influence of Job Satisfaction on Employee Performance of PT. Suryabumi Agrolanggeng Penukal Abab Lematang Ilir Regency (PALI)

Based on the results of hypothesis testing that job satisfaction has a significant effect on employee performance of PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI). Every increase in job satisfaction will increase employee performance and vice versa if job satisfaction decreases, it will decrease employee performance of PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI).

The results of this study are in accordance with the theory according to [Kasmir \(2019\)](#) who stated that one of the factors that influences employee performance is job satisfaction. This study is in line with research conducted by [Septayudha \(2022\)](#), the results of his study explain that job satisfaction has a positive and significant effect on employee performance.

CONCLUSION

Based on the discussion that has been discussed in the previous chapter, then the author can draw the following conclusions from the research results, namely:

1. There is a positive and significant influence of work motivation on employee job satisfaction at PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI).
2. There is a positive and significant influence of the work environment on the job satisfaction of employees of PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI).
3. There is a positive and significant influence of work motivation on employee performance of PT. Suryabumi Agrolanggeng Penukal Abab Lematang Ilir Regency (PALI).
4. There is a positive and significant influence of the work environment on the performance of employees of PT. Suryabumi Agrolanggeng, Penukal Abab Lematang Ilir Regency (PALI).
5. There is a positive and significant influence of job satisfaction on employee performance of PT. Suryabumi Agrolanggeng Penukal Abab Regency Lematang Ilir (PALI).

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The Effect of Leadership, Motivation and Organizational Culture on Employee Performance: The Case of Personal and Humar Resource Development Agency (BKPSDM) at Palembang City

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Abstract

This research aims to investigate the impact of leadership, motivation, and organizational culture on the performance of employees at the Personnel and Human Resources Development Agency (BKPSDM) office in Palembang. This type of research is associative. The variables used by the researcher are leadership, motivation, and organizational culture on performance. The sample in this study is 86 employees of the Personnel and Human Resources Development Agency (BKPSDM) office in the city of Palembang, which was selected using Cluster Random Sampling. The data used in this study is primary data with a questionnaire data collection method. The results of this study show that (1) Leadership, motivation, and organizational culture, collectively, have a positive and significant effect on employee performance. (2) Leadership has a positive and significant impact on the company's performance.

Keywords: leadership, motivation, organizational culture, employee performance

1. Introduction

Human Resource Management (HRM) in an organization is a vital element in the implementation and development of human resources. The process of utilizing human resources and other resources effectively and efficiently is directed at achieving company goals. Human resources (HR) are also considered as company assets. The Role of State Civil Apparatus (ASN) As part of human resources, ASN has an essential role because it determines the achievement of regional government agencies' goals. ASN is a crucial factor in a regional government organization because it is a key determinant in achieving agency goals effectively and efficiently. HR apparatus is a unique dimension compared to managing other resources. According to [Kasmir \(2019\)](#), several factors influence employee performance, namely ability and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty, commitment, and work discipline.

Leadership also influences employee performance; [Busro \(2018\)](#) states that leadership is the ability to influence others and change behavior to achieve common goals. Through ability, innovation, ideas, behavior, and leadership, a person is able to lead the organization to achieve

its goals. Efforts that a leader can make are to direct, improve, and mobilize the potential of themselves and their members to focus their activities and achieve organizational success. A series of leader activities (activities) related to the position and style or behavior of the leader himself, as a process of inter-relationship or interaction between leaders and subordinates in certain situations [Busro \(2018\)](#). Leadership has a good relationship with employees and is considered to provide high effectiveness in employee performance ([Nanjundeswaraswamy & Swamy, 2015](#)). [Fahmi \(2018\)](#) states that motivation is a behavioral activity that works in an effort to meet the desired needs. Motivation is something that causes and supports human behavior so that they want to work hard and enthusiastically to achieve optimal results. To achieve the vision and mission of the organization, employees will work harder when they feel part of the formation of the company's culture.

According to [Wibowo \(2018\)](#), many factors influence performance, one of which is motivation. Motivation plays a vital role for employees; motivation can spur employees to work hard to achieve their desired goals. Many factors influence remuneration, working conditions, work facilities, work performance, recognition from superiors, and the work itself. [Afandi \(2018\)](#) states that many factors influence employee performance, namely their abilities, motivation, support received, the conditions of the work they do, and their relationship with the organization.

Culture also affects performance. A high organizational culture can create conduciveness in work, related to employee comfort and order. According to [Wibowo \(2018\)](#), Organizational culture is the values and norms contained in an organization that teach workers who come regarding shared beliefs and feelings, regularity in historical process behavior, and the continuation of values and norms. According to [Soetjipto \(2008\)](#), not understanding or accepting culture in the workplace can have various impacts on each individual in the organization. An organization is usually formed to achieve a certain goal through the performance of all human resources in the organization. Resource performance is largely determined by internal environmental conditions and organizational culture. Therefore, the ability to create an organization with a culture that is able to drive performance is a need [Wibowo \(2018\)](#).

The practice of organizational culture that has been formulated systematically also has an impact on improving the quality of work of company employees. So, organizational culture will create and become one of the factors that impact the performance of the employees themselves. Research gap of leadership variables on performance according to research conducted by [Daali et al., \(2024\)](#) entitled the influence of transformational leadership, organizational culture and performance motivation on employees in manufacturing companies, states that leadership leadership has a positive and significant effect on performance. However, this is not in line with research conducted by [Fitri et al., \(2025\)](#) entitled The Influence of Leadership Style on Employee Performance with Work Motivation as an Intervening Variable (Case Study of Employees of Kanca Bank Syariah Indonesia Palembang). From the results of this study, it was found that leadership leadership had a negative and insignificant effect on employee work performance. From other variables, there is a Research Gap between Motivation and Performance. According to [Setiyanti \(2024\)](#) entitled The Influence of Principal Leadership, Work Motivation, and School Culture on Teacher Performance. This study states that work motivation has a significant effect on employee performance. However, in a survey conducted by [Aolia and Nurhidayati \(2024\)](#). entitled The Influence of Motivation, Work Discipline and Work Environment on Employee Performance at the Rembang Regency Regional Development Planning Agency. From the results of this study, it was found that

motivation did not have a significant effect on employee performance.

The results of research by [Logahan & Aesaria \(2014\)](#) showed a significant adverse effect of organizational culture on employee performance. This negative impact is scarce in similar studies. Internal or external companies can cause this. The Palembang City Human Resources Development and Personnel Agency (BKPSDM) is a supporting element of the government in the field of personnel, which is the authority of the city. The main task of BKPSDM is to assist the government in leading and implementing government affairs in the field of personnel, which is the authority and assistance tasks assigned to the City Government based on the provisions of laws and regulations.

BKPSDM of Palembang City is an agency that acts as a government executor responsible for formulating technical policies in the field of personnel and providing service support for the implementation of government in city personnel management as an effort to manage HR Management with leadership that motivates employees to work better and can meet organizational goals more efficiently and effectively. Based on initial observations conducted at the Palembang City BKPSDM, this appears problematic. This can be seen from the quality of work in the volume produced, which is less than optimal. Employee work is not optimal in relation to the completion of the work produced and accuracy in completing the work. In terms of quantity related to results, employees are not agile in carrying out a task given by the work leader; this will affect the quality and quantity of work produced. In terms of timeliness in completing employee tasks where employees are accustomed to completing reports and functions given by leaders on time, accustomed to delaying work, this will make employees tend to delay completing tasks and reports not on time and completing work plans that have been previously determined according to the period that has been set; employees tend to be ineffective in completing tasks because they delay even though it is related to completing tasks, time constraints. Researchers also found another phenomenon related to employee effectiveness that tends to be ineffective in providing services; this performance is indicated by their weakness in completing a job, completing reports which are routine tasks often experience delays in completion, not reaching their targets, such as the percentage of integrated personnel information system services because there are work packages that cannot be completed by consultation so that the output of the integration of personnel information system services is not achieved according to target.

Based on initial observations of the achievement of BKPSDM performance, which is measured by comparing the performance targets agreed upon in the performance agreement in 2024, the achievement of target performance, there are still indicators that do not reach their targets, such as the percentage of integrated personnel information system services because there are work packages that cannot be completed by consultation so that the output of the integration of personnel information system services is not achieved according to target. Another phenomenon related to leadership at BKPSDM Palembang City, researchers found a problem phenomenon. This can be seen from the ability of a leader as a firm supervisor, supervises employee work and applies regulations that must be obeyed; this firm attitude makes employees feel uncomfortable, and leaders want perfect results from employee performance, but the facts in the field that occur often do not match the expected plan, employees who are given tasks and responsibilities who have interpersonal skills and mastery of knowledge in their fields. Employees have not been able to complete their tasks on time, and functions that are not in accordance with the capacity of the employee's abilities and the poor relationship between leaders and, employees, and co-workers so that employees in doing their jobs decline. There is a sense of employee disappointment when conveying what obstacles they encounter

while working. Employees also feel unembraced and unnoticed when doing their jobs optimally.

Researchers found a phenomenon against indicators of leadership intelligence that continues to increase technology and, innovation and system improvements within the organization. This has a good impact on the organization but also causes problems for employees with changes in systems that use technology. Another phenomenon related to the Initiative indicator is that leaders lack initiative in overcoming issues that occur in the organization; the selection and placement of employees are inappropriate, where there are employees whose educational background is law placed in the financial sector. Giving tasks to employees who are not in their field or abilities can cause the work not to be completed according to plan.

Motivation at the Palembang City BKPSDM seems problematic; this can be seen from the tasks, which are their primary duties and functions, which are sometimes slow to be completed. When researchers conducted a field survey, they obtained information about uncomfortable working conditions, where employees did not establish harmonious relationships with fellow employees; there were often disputes, so working conditions became non-conductive. There is a problem where, in terms of working conditions in the organizational environment, work motivation is not always in good condition. Indicators of conducive working environment conditions can provide a sense of security and allow employees to work optimally, and employee working conditions can affect employee emotions.

The work facilities are quite good, but there are several problems where the facilities are incomplete or inadequate. This can be seen from the lack of computers, which are not connected to the system but still have internet networks, and the limited number of document scanners. The tool is connected to one of the employee's computers so that it can interfere with the employee in completing their work and the lack of scanners in the secretariat field, scanners used to scan documents and correspondence are very much needed; additional scanners will undoubtedly make it easier and speed up employee tasks and work, there is no photocopying machine in every office area, so employees have to go to the photocopy place to reproduce documents. Some employees spend time chatting with each other and discussing something outside of work.

Another phenomenon related to indicators in terms of employee work performance requires training and development to improve the technical, theoretical, conceptual, and moral abilities of employees according to job/position needs through education and training. Employees need appreciation and recognition for the work they have achieved; the need for achievement will encourage employees to develop creativity and direct all their abilities and energy to achieve optimal work performance. All organizations have a culture, even though they are not aware of it; some have had it from the beginning in written or unwritten form. Organizational culture is a set of basic assumptions and beliefs held by members of an organization that are then developed and inherited to overcome external adaptation problems and internal integration problems.

When the researcher conducted a field survey and a direct interview with one of the employees, Mrs. Y, the researcher obtained information that the organizational culture at BKPSDM in Palembang City seemed problematic. This can be seen. The phenomenon related to indicators in terms of tolerance is the lack of tolerance among fellow employees regarding differences of opinion during work meetings, not giving coworkers the opportunity to express ideas or ideas, and employees not being open to various cultures in the work environment. Some employees do not respect each other, there is a lack of tolerance between employees in developing

innovation and ideas, and there is a need to foster an attitude of tolerance within employees so that it can become a good organizational culture.

The phenomenon related to indicators in terms of management support is the lack of support from leaders to employees to innovate and develop ideas to build agencies, even though leaders have a significant role in listening to and developing employee ideas. In terms of communication patterns that occur between superiors and subordinates, the hierarchy of authority often limits communication. There is a communication gap between leaders and employees regarding service procedures, and delays in delivering information between superiors and employees have an impact on service; focusing on a special way of paying attention to employees is a good thing to know what employees want, such as employees wish their opinions to get attention. The work achievements produced get appreciation such as rewards or incentives, the importance of deliberation in the steps of making a decision, be it suggestions or opinions from subordinates.

Based on initial observations, leadership at this time is characterized by a supervisor who is firm, supervises employee work, and applies regulations that must be obeyed. This firm attitude makes employees feel uncomfortable. In terms of leadership, intelligence continues to improve, and technology and system improvements within the organization are ongoing. However, the emergence of problems for employees becomes difficult with changes in systems that utilize technology. Based on initial observations made by researchers in an effort to improve employee performance, numerous obstacles remain, making it challenging to achieve organizational goals. This less-than-ideal condition is characterized by the presence of other barriers, including employees who struggle to communicate effectively between individuals and groups. These employees are late to work and are absent from work without permission, resulting in declining employee performance due to employees who consistently make mistakes and low employee work motivation in doing their work, so that employee work cannot be completed according to plan. The organizational culture is not yet conducive.

2. Literature Review

According to [Busro \(2018\)](#), performance is the work result that can be achieved by employees, both individuals and groups in an organization, in accordance with the authority and responsibility given by the organization in an effort to achieve the vision, mission, and goals of the organization concerned by including ability, perseverance, independence, ability to overcome problems according to the time limit given legally, not violating the law and in accordance with morals and ethics. Employee performance is the result of the work and work behavior of employees, which is achieved by completing the tasks and responsibilities given in a specific period. Employee performance is the result of the work in terms of quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities given to them ([Mangkunegara, 2017](#)). One of the factors that influences performance is leadership; effective leadership is able to guide and direct employees, resulting in increased employee performance within the organization. Leadership is how a leader influences the behavior of subordinates to cooperate and work productively to achieve organizational goals ([Hasibuan, 2017](#)).

The influence of leadership, motivation, and organizational culture on the performance of employees of the Civil Service and Human Resource Development Agency (BKPSDM) in the city of Palembang. According to [Kasmir \(2019\)](#), the factors that influence employee performance are ability and expertise, knowledge, work plan, personality, motivation, leadership, leadership style, organizational culture, job satisfaction, work environment, loyalty,

commitment, and work discipline. According to [Rivai \(2017\)](#), the factors that can influence employee performance are ability, motivation, and work environment. According to [Afandi \(2018\)](#), the factors that influence performance are ability, clarity and acceptance or clarity, level of motivation, competence, work facilities, work culture, leadership, and work discipline. This is supported by the research of [Fadhila and Pracoyo \(2017\)](#), entitled The Influence of Leadership, Motivation, and Organizational Culture on Employee Performance of PT. Shaka Energi Indonesia. The results of his research showed a significant simultaneous influence of leadership, motivation, and organizational culture on performance.

The Influence of Leadership on the performance of employees of the Human Resources Development and Personnel Agency (BKPSDM) in the city of Palembang. According to [Kasmir \(2019\)](#), one of the factors that influence performance is leadership. The results of research by [Fatokun et al., \(2010\)](#) prove that there is a positive relationship between leadership and employee performance. Furthermore, the phenomenon of leadership is where leaders as supervisors are firm. In terms of leadership intelligence, they continue to improve technology and systems within the organization. Still, the emergence of problems for employees becomes difficult with changes in systems that use technology. In terms of initiative, it seems that leaders lack initiative in overcoming problems that occur in the organization. The selection and placement of employees tend to be inappropriate, where there are employees whose educational background is law placed in the financial sector. Employees who will be given tasks and responsibilities must have interpersonal skills and mastery of knowledge in their fields.

The influence of motivation on the performance of office employees of the Human Resources Development and Personnel Agency (BKPSDM) in the city of Palembang. According to [Wibowo \(2018\)](#), many factors influence performance, one of which is motivation. Motivation plays a vital role for employees; it can spur them to work hard to achieve their desired goals. According to [Afandi \(2018\)](#), many factors influence remuneration, working conditions, work facilities, work performance, recognition from superiors, and the work itself. Meanwhile, according to [Kasmir \(2019\)](#), one factor that influences performance is motivation. In other words, every worker needs strong motivation so that they are willing to carry out their work enthusiastically, passionately, and dedicatedly. For this reason, the performance needed or sought by the company from an employee is very dependent on the ability, motivation, and support that the employee receives. The phenomenon of motivation in terms of work performance requires appreciation and incentives for work hackers who have achieved; the need for achievement will encourage employees to develop creativity and direct all their abilities and energy to achieve optimal work performance. In terms of uncomfortable working conditions, where employees do not establish harmonious relationships with fellow employees, disputes often occur, making working conditions less conducive. In terms of work facilities, they are pretty good, but there are several problems where the work facilities are incomplete or inadequate.

The Influence of Organizational Culture on the performance of employees at the Human Resources Development and Personnel Agency (BKPSDM) in the city of Palembang. According to [Kasmir \(2019\)](#), one of the factors that influences employee performance is organizational culture. Tsani Karimatunnisa's research entitled The Influence of Organizational Culture and Commitment on Employee Performance at PT. Angkasa Pura 1 (Persero) Adi Soemarno Airport Branch Office. Based on the study's results, organizational culture has a significant impact on employee performance at PT. Angkasa Pura 1 Adi Soemarno Airport Branch Office. The phenomenon of organizational culture, in terms of communication patterns that occur between superiors and subordinates, often manifests in communication that is limited

by the hierarchy of authority. In terms of tolerance, there is a lack of tolerance among fellow employees regarding differences of opinion during work meetings, not giving fellow coworkers the opportunity to express ideas or thoughts, and employees not being open to various cultures that exist in the work environment.

3. Research Method

This research was conducted at the Office of the Human Resources Development and Personnel Agency (BKPSDM) on Jl. Merdeka No. 252, 19 Ilir, Kec. Bukit Kecil, Palembang City, South Sumatra 30113, Indonesia. This research is deterministic because it examines the partial influence of several research variables, namely Leadership, Motivation, Organizational Culture, and Employee Performance. The dependent variable is employee performance, which is indicated by work quality, work quantity, punctuality, and effectiveness. The independent variables are leadership, motivation, and organizational culture. The indicators of leadership are the ability to act as a supervisor, intelligence, and initiative of the leader. The indicators of motivation are working conditions, work facilities, and work performance. The indicators of organizational culture are tolerance, management support, and communication patterns. The population in this study of the Human Resources Development and Personnel Agency (BKPSDM), all employees of the Palembang Indonesian Civil Service Agency and BKPSDM office taken are Civil Apparatus (ASN), totaling 108 people spread across 6 work units. The number of each work unit is not the same. This is adjusted to the needs and work volume of each work unit. The method used to determine the number of samples using the Slovin formula and the sample to be used in the study on employees of the Human Resources Development and Training Agency (BKPSDM) is 86 employees. The sampling technique used is cluster sampling. The data collection method used in this study is a questionnaire, namely the answers from respondents to a series of questions related to the influence of motivational leadership and organizational culture on performance at the BKPSDM in Palembang City, according to the indicators used by the researcher. The analysis method used in this study is multiple regression analysis.

4. Findings and Discussions

This multiple linear regression analysis is used to determine the influence of organizational culture variables, training, and job placement on employee performance. The results of the multiple linear regression analysis can be seen in the following table:

Table 1. Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	15,461	1,078	
1 Leadership	0,325	0,069	0,418
Motivation	0,328	0,071	0,410
Organizational Culture	0,114	0,065	0,128

a. Dependent Variable: Employee Performance

Based on the table of multiple linear regression test results obtained the following results:

$$Y = 15.461 + 0.0325 X_1 + 0.0328 X_2 + 0.0114 X_3$$

The constant value of 15.461 indicates that if leadership, motivation, and organizational culture

are equal to zero, then performance remains at 15.461. Leadership has a regression coefficient of 0.0325. This shows that every increase in leadership will increase employee performance by 0.0325, assuming other variables remain constant. Motivation has a regression coefficient of 0.0328. This shows that every motivation will increase employee performance by 0.0328, assuming other variables remain constant. Organizational culture has a regression coefficient of 0.0114. This shows that every increase in organizational culture will increase employee performance by 0.0114, assuming other variables remain constant.

The F test is used to determine whether the variables of culture, training, and placement simultaneously affect employee performance. The results can be seen in the following table:

Table 2. F-test

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2,200,999	3	733,666	85,723	.000 ^b
1 Residual	701,803	82	8,559		
Total	2,902,802	85			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Leadership, Motivation, Organization Culture

From the table above, Determine the F-table with a confidence level of 95% and an error rate (α) of 5% = 0.05, with degrees of freedom (df) $V1 = k-1 = 4-1 = 3$ and $V2 = 86-4 = 82$, so the F-table = 2.71. From the F Test (Anova), it can be seen that the F-value is $85.723 > F\text{-table } 2.71$ with a Sig F level of $0.000 < 0.05$, then H_0 is rejected and H_a is accepted, meaning that there is a significant influence of leadership, motivation, and organizational culture on the performance of employees of the Palembang City Human Resources Development and Personnel Agency (BKPSDM).

The t-test aims to test the independent variables partially/individually against the dependent variables, with the following results:

Table 3. t-test

Model	t	Sig.
(Constant)	14.34	0
1 Leadership	4.684	0
Motivation	4.616	0
Organizational Culture	1.746	0.084

a. Dependent Variable: Kinerja Pegawai

From the table above, Determine the t table with a confidence level of 95%, an error rate (α) of 5% = 0.05, and degrees of freedom (df) = $n-k$. Then (df) = $0.05 / 2 (86-4)$ is (pdf) = 0.025 (82), so the t-table is 1.989. Based on the t-test table (partial), it can be seen as follows: a) The t-value for leadership (X_1) is $4.684 > t\text{-table } 1.989$ with a sig.t level of $0.00 < 0.05$ (significant), then H_0 is rejected. H_a is accepted, meaning that leadership has a significant effect on the performance of employees of the Palembang City Human Resources Development and Personnel Agency (BKPSDM). b) The t-value for Motivation (X_2) is $4.616 > t\text{-table } 1.989$ with a sig.t level of $0.000 < 0.05$ (significant), t. H_0 rejected, and H_a accepted, meaning that motivation has a significant effect on the performance of employees of the Palembang City Human Resources Development and Personnel Agency (BKPSDM). c) The t-value for Organizational Culture (X_3) is $1.746 < t\text{-table } 1.989$ with a sig.t level of $0.084 > 0.05$ (not significant). H_0 is accepted, and H_a is rejected, meaning that Organizational Culture has no

significant effect on the performance of employees of the Palembang City Human Resources Development and Personnel Agency (BKPSDM).

These results explain that with good leadership, motivation, and organizational culture that support employee performance, employees can work optimally, which affects their employee performance. Based on the researcher's findings regarding the statement on the quality indicator, 17.3% of respondents answered disagree and strongly disagree, meaning that there are still employees who state that they are not able to produce fast but careful work. This is due to the lack of employee concentration in carrying out their duties and responsibilities. In the quantity indicator, 4.5% of respondents answered disagree and strongly disagree, meaning that there are still employees who delay work. This is because many employees still take their work lightly and are lazy. In the punctuality indicator, 11.7% of respondents answered disagree and strongly disagree, meaning that there are employees who are unable to complete work on time according to the deadline given. This is because employees are used to delaying completing work past the specified time, so it is essential to provide support and supervision to employees. In the effectiveness indicator of employees who work effectively in delivering services, 40.7% of respondents answered disagree, and 6% strongly disagreed. This means that there are employees who do not provide services effectively and efficiently. There are still employees who do not provide effective and efficient services. This is because education and training are needed for employees who work in the service sector so that they can provide the best service to the community. One of the factors that influences employee performance is work culture. In addition, this study is also in line with the theory put forward by [Rivai \(2017\)](#). Factors that can affect employee performance are ability, motivation, and work environment. According to [Afandi \(2018\)](#), the factors that affect performance are ability, clarity and acceptance or clarity, level of motivation, competence, work facilities, work culture, leadership, and work discipline.

The influence of leadership on employee performance at the Human Resources Development and Personnel Agency (BKPSDM) in the city of Palembang. There is a significant influence between leadership and employee performance at the Human Resources Development and Personnel Agency (BKPSDM) in the city of Palembang. This is based on the hypothesis analysis, which shows that the t -value is $4.684 > t\text{-table } 1.989$ with a sig. t level of $0.00 < 0.05$, so H_0 is rejected and H_a is accepted. This means that there is a significant influence between leadership and employee performance at the Human Resources Development and Personnel Agency (BKPSDM) in the city of Palembang. This shows a positive or unidirectional linear relationship between leadership variables and employee performance, which means that if leadership can be improved, it will have a positive impact on improving employee performance. Based on the researcher's findings on the statement on the indicator of the position as a supervisor in the statement, "Leaders give tasks and responsibilities to employees who have interpersonal skills," as many as 41.5% of respondents answered disagree and strongly disagree, meaning that employees think that leaders do not give tasks and responsibilities to employees who have interpersonal skills. This is because leaders give tasks and duties to employees who do not have interpersonal skills. On the intelligence indicator on the statement that leaders improve technology and innovation and system improvements within the organization, as many as 41.5% of respondents answered disagree and strongly disagree, meaning that employees think that leaders do not improve technology and innovation and system improvements within the organization. This is because the increase in technology and innovation and system improvements within the organization have not been maximized. On the leader's initiative indicator, as many as 50% of respondents answered disagree and strongly disagree with the statement that leaders place employees according to their educational background, meaning that employees think that leaders do not place employees according to

their educational background. This is due to leaders' lack of understanding of the placement and educational background of employees in the office environment. The results of this study are in accordance with the theory put forward. According to [Kasmir \(2019\)](#), the factors that influence performance include leadership. [Afandi \(2018\)](#) stated that many factors affect performance, one of which is leadership. Because it is based on several aspects, namely, the difference in indicators used is only taking two indicators that are in accordance with the existing problems. The sample used is 30 people. The sampling technique uses the Saturated Sample technique. The results of the respondents' answers show that leadership has a significant effect on employee performance. It can be seen in the distribution of answers to respondents that there are the following problems: a. Leaders give tasks and responsibilities to employees who have interpersonal skills; b. Intelligence in the leader's statement increases technology and innovation and system improvements within the organization; c. Leader's place employees who do not match their educational background. The consequences of this problem that there are employees who get tasks and responsibilities that do not match their interpersonal skills and mastery of knowledge in their fields, leaders place employees who do not match their educational background, employees are unable to complete the amount of work according to the target that has been set, and employees do not complete the work independently. Improving technology and innovation and system improvements within the organization have a good impact on the organization but also causes problems for employees to have difficulty with changes in systems that use technology. Based on the results of the study, researchers suggest that leaders should pay more attention to giving tasks and responsibilities to employees who have interpersonal skills and mastery of knowledge in their fields. Leaders should place employees based on education by mapping to ensure that it is in accordance with the employee's educational background, increasing knowledge through training, and based on employee work experience by rotating if there are employees who still have minimal experience. If these improvements are made, it is hoped that leaders can improve employee performance so that employees are able to complete the amount of work according to the targets that have been set and work according to interpersonal skills and educational background.

Based on the researcher's findings regarding the indicator of the work environment conditions in the statement that employees maintain office cleanliness, 47.7% of respondents answered disagree and strongly disagree, meaning that employees do not maintain office cleanliness. This is because the uncomfortable and uncondusive work environment is due to employees not maintaining office cleanliness. In the work facilities indicator on the statement that computer facilities in each work unit are in good condition, 39.5% of respondents answered disagree and strongly disagree, meaning that there are computer facilities in each work unit in poor condition or damaged and cannot be used for work. This is because office facilities in each work unit are in a damaged condition and cannot be used, so it is essential to maintain and repair office facilities. In the work performance indicator on the statement that the Agency appreciates all the performance results of BKPSDM Palembang City employees who are dedicated to achieving agency goals, 43.1% of respondents answered disagree and strongly disagree, meaning that employees think that the Agency does not appreciate all the performance results of BKPSDM Palembang City employees. This is because there is no support for career development. In the indicator of the need for appreciation for the statement, every job that employees do gets an award from the company. The results of this study are in accordance with [Kasmir \(2019\)](#) theory of the factors that influence employee performance, one of which is Work Motivation. This is different from the results of the study conducted by [Aolia and Nurhidayanti \(2024\)](#) entitled The Influence of Motivation, Work Discipline and Work Environment on the Performance of Employees of the Regional Development Planning Agency of Rembang

Regency. From the results of this study, it was found that motivation did not have a significant effect on employee performance. This difference is because it is based on several aspects, namely, differences in the indicators used; the sample used was 96 people. The sampling technique used the proportionate stratified random sampling method. The results of the respondents' answers show that motivation has a significant effect on employee performance. It can be seen in the distribution of answers to respondents that there are the following problems: a. There are still employees who do not maintain office cleanliness; b. Computer facilities in each work unit include broken computers that cannot be used for work, lack of scanners, and photocopiers; c. Some employees still think that the Agency has not appreciated all the performance results of employees who are dedicated to achieving agency goals. The result of this problem is that there are employees who are unable to maintain office cleanliness, so the office environment becomes unclean, which makes employees feel uncomfortable with the conditions. Office facilities such as broken computers and computers that are not connected to the internet network system are obstacles in completing employee tasks. The lack of scanners in the secretariat field hampered work in the correspondence field, and a photocopier is required in each field so that employees do not need to leave the office to copy important documents. Based on the results of the study, researchers suggest that agencies should pay more attention to good working conditions; a comfortable, safe, and clean working environment can make employees feel comfortable while working, which is needed by employees. Comfortable working conditions, where employees establish harmonious relationships with fellow employees so that there are no disputes, making working conditions conducive. In addition, it is necessary to maintain and repair office facilities quickly, such as repairing damaged computers and adding facilities. The importance of giving awards for employee performance and work achievements. When an employee is given an award, they tend to have a higher level of concentration, produce better performance, and achieve goals more effectively, strengthening their attachment to work. Furthermore, work motivation can strengthen employee attachment to their work. When people feel motivated, they tend to be more enthusiastic and have greater self-confidence in their work, which can improve the quality of their performance and increase productivity. When people feel motivated, they tend to be more focused and work more effectively. Thus, motivation can improve employee performance and their ability to achieve predetermined goals.

These results explain that the good or bad work culture possessed by employees will determine the good or bad performance of the employees produced. Based on the researcher's findings regarding the statement on the tolerance indicator, employees tolerate each other regarding differences of opinion; 16.3% of respondents answered disagree and strongly disagree, meaning that employees do not accept each other regarding differences of opinion. This is due to the lack of tolerance among fellow employees. In the indicator of management support for statements of employee attitudes and values in working according to the agency's expectations, 29.1% of respondents answered disagree and strongly disagree, meaning that employee attitudes and values in working do not meet the agency's expectations. This is due to the lack of leadership support for employees, so employee errors in data input are still common. In the indicator of employee communication patterns, establishing good communication relationships that are not limited by the hierarchy of authority, 34.7% of respondents answered disagree and strongly disagree, meaning that employees establish poor communication relationships and are limited by the hierarchy of authority. This is because inharmonious communication between fellow employees and superiors is limited by a hierarchy of authority, resulting in a less harmonious relationship. In addition, there is a difference in the sample used, namely 71, and this study used a sample of 86 employees. The analysis technique used is path analysis, while

multiple linear regression analysis was used in this study. The reason the work culture variable has no significant effect on performance is that there are elements in the indicator other than those asked by the researcher that may affect performance and have a more substantial impact, meaning that in this case, the researcher conducted the study only taking three indicators that were close to the goal in asking questions to respondents. After all, according to the researcher, these indicators are the indicators that best represent or are in accordance with the phenomena and facts when making observations. However, the researcher's results from the questionnaire that had been distributed and processed stated that the work culture variable had no significant effect on performance, so it is likely that the indicators used also had a less significant impact. The study's results explain that work culture influences and improves employee performance but is not substantial. The researcher suggests paying attention to work culture, especially regarding attention to employees in the details of work, by conducting training and education so that employees work according to their expertise and field. In addition, in the orientation of results, it is necessary to perform periodic evaluations, set clear goals, and provide awards to employees who work hard and achieve so that employees are motivated to improve their work results; the orientation of the team, the agency should be able to build effective communication or develop collaboration where employees will be able to work according to the agency's expectations, employees will meet the quantity of work, and employees can work independently or as a team in completing work.

5. Conclusion

It can be concluded that there is a significant influence of leadership, motivation, and organizational culture on the performance of employees of the Human Resources Development and Personnel Agency (BKPSDM) in Palembang. Regarding employee performance, the Human Resources Development and Personnel Agency (BKPSDM) in Palembang pays more attention to and improves its leadership role, increases motivation, and pays attention to organizational culture because these three factors have a significant effect on employee performance. Regarding leadership, the Human Resources Development and Personnel Agency (BKPSDM) in Palembang is advised to pay more attention to and improve the understanding and delivery methods of leaders so as not to cause misunderstandings (miscommunication), improve harmonious relationships between employees and their co-workers. Regarding employee motivation, the Human Resources Development and Personnel Agency (BKPSDM) in Palembang is advised to pay more attention to and improve training programs through responsible activities including education, training, career planning, and promotion. So that employees are motivated to improve their work results, and awards for each employee's work achievement need to be increased because this will provide satisfaction for employees and will encourage employees to work better. Related to Organizational Culture, the Human Resources Development and Personnel Agency (BKPSDM) in Palembang city pays more attention to the details of the organizational culture in the company by providing support to employees to work more diligently, building effective communication with building activities or developing collaboration. Fostering employee awareness to be more sincere in working, and training employees to always be patient in carrying out their work because work is a responsibility that must always be faced. As well as making job details by conducting training and education so that employees work according to SOP, in addition to the orientation on results, it is necessary to conduct periodic evaluations, set clear goals and give awards to employees.

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The Effect of Service Quality and Emotional Factors on Users' Satisfaction: The Case PT. Gojek Indonesia in Palembang City

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Abstract

This study aims to determine 1) the effect of Service Quality (reliability, responsiveness, assurance, empathy, physical evidence) and Emotional Factors on User Satisfaction with the Gojek application at PT. Gojek Indonesia in Palembang City; 2) the effect of Service Quality (reliability, responsiveness, assurance, empathy, physical evidence) on User Satisfaction with the Gojek application at PT. Gojek Indonesia in Palembang City; 3) the effect of Emotional Factors on User Satisfaction of the Gojek application at PT. Gojek Indonesia in Palembang City. This is a causal (verificative) study. The variables used in this study are service quality, emotional factors, and satisfaction. The sample consists of 349 Gojek application users in Palembang City aged 17 years and above, selected through purposive sampling. The primary data used in this study was collected through questionnaires. The data analysis techniques used are Principal Component Analysis (PCA) and Multiple Linear Regression with SPSS software. The results of this study indicate that (1) service quality (reliability, responsiveness, assurance, empathy, physical evidence) and emotional factors have a positive and significant effect on satisfaction; (2) service quality (reliability, responsiveness, assurance, empathy, physical evidence) has a positive and significant effect on satisfaction; (3) emotional factors have a positive and significant effect on satisfaction. The coefficient of determination value indicates that service quality and emotional factors can explain 71.2% of satisfaction, while other variables explain the remaining 28.8%.

Keywords: Service Quality, Emotional Factors, Users' Satisfaction

1. Introduction

Meeting needs and desires, as well as understanding market demand, are closely related to marketing activities. Meeting consumer needs is the primary goal of marketing, continuously through new product development. Ultimately, this continuity results in profitable business opportunities (Hery, 2019). Marketing is an activity, series of institutions, and processes that aim to create, deliver, distribute, and exchange offerings that have value for consumers, customers, partners, and society as a whole (Kotler and Keller, 2016). The main goal of marketing activities is to meet consumer needs and desires for a product. When consumers are

satisfied, they tend to make repeat purchases and can even become loyal customers who buy products more often than expected. Therefore, marketing plays a vital role in ensuring overall consumer satisfaction. One of the marketing studies is satisfaction. Satisfaction is an assessment made after a purchase where the selected product or service at least meets or exceeds customer expectations (Engel in [Tjiptono, 2016](#)). Satisfaction occurs when the results received by customers are in line with or even exceed their expectations, while dissatisfaction occurs when the results do not match expectations. In general, satisfaction is an emotional reaction in the form of a feeling of pleasure or disappointment that arises after customers evaluate the performance of a product or service based on their expectations. If the performance is comparable to expectations, then the customer will feel satisfied. Conversely, if performance exceeds expectations, the level of satisfaction felt will be higher. Usually, this feeling of satisfaction is experienced after customers try or consume the product or service. The factors that influence customer satisfaction are very diverse and interrelated, as explained by [Irawan \(2018\)](#). Product quality, price, service quality, emotional factors, and ease or cost of obtaining products or services are some of the key factors that influence satisfaction. According to [Rusydi \(2017\)](#), service quality is a crucial factor that influences a company's success in creating value for its consumers. In essence, service quality is not solely determined by the service provider's point of view but rather is more defined by the perception and experience felt directly by the customer. Because customers are the ones who experience the service in real terms, their assessment is the leading benchmark in determining the extent of the quality of the service provided. In addition to the aspect of service quality, the emotional factor of consumers is also an essential element that can influence their level of satisfaction ([Indasari, 2019](#)). This emotional factor refers to the typical characteristics of an individual's feelings, thoughts, and psychological conditions that influence their behavior in responding to a situation ([Kusuma and Suwitho, 2015](#)). This emotional factor consists of four leading indicators. The first is a sense of pleasure, which is a feeling of satisfaction and relief that is not accompanied by disappointment. Second is a sense of pride, which is the happiness that arises from success in acting. Third is self-confidence, which is a combination of self-confidence and personal abilities that are possessed.

Fourth is comfort, namely a condition in which all of an individual's basic needs have been met, creating a feeling of security, peace, and freedom from worry ([Kusuma and Suwitho, 2018](#)). This study found differences in results compared to previous studies. For example, research by [Marlina and Wufron \(2021\)](#) showed that service quality had a significant effect on satisfaction, while a survey conducted by [Budiarno, et al. \(2022\)](#) found that the impact of service quality on satisfaction was negative and insignificant. On the other hand, emotional factors also provide mixed findings. [Ronasih and Widhiastuti \(2021\)](#) noted that this factor had a positive and significant effect on satisfaction.

The rapid development of global communication technology has opened up wider and more efficient opportunities for marketers. In today's digital era, the use of the internet as the primary means to reach consumers globally is a must for every company. The use of digital media has a positive impact on various areas of life, one of which is in the economic sector, especially in transportation service marketing activities. The advancement of technology has a significant influence on the way companies market transportation services, which is marked by the emergence of various online transportation platforms. The increasing variety of transportation services makes consumers more selective in making choices because they act as the primary decision-makers. Therefore, companies are required to continue to make various efforts to attract consumers who are willing to use the services offered. Currently, public transportation

services are one of the promising business opportunities, especially with the emergence of online-based transportation. The presence of online transit has proven to be able to provide satisfaction for the mobility needs of the community because it offers easy access, affordable prices, comfort, and a sense of security in its use. The many choices of online transportation services also trigger competition between service providers, thus encouraging them to continue to improve the quality of service in order to achieve and maintain customer satisfaction. PT. Gojek Indonesia is one of the leading companies in the online transportation sector. As an integrated service platform, Gojek offers a variety of services, from transportation to food delivery, courier services, and payment systems, all of which can be easily accessed through mobile applications. This is proven by Gojek's becoming the number one application with the most users.

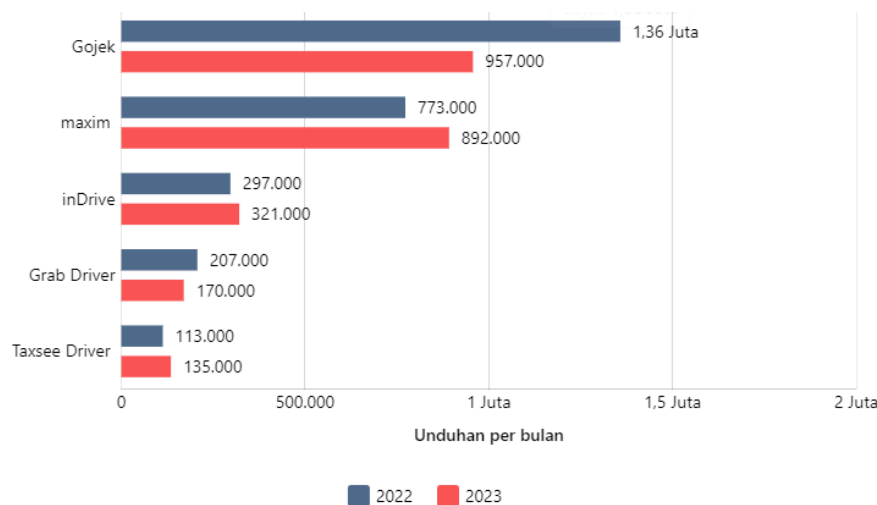


Figure 1. Online Transportation Application User Graph Survey databoks.com

Based on the survey conducted by databoks.com above, Gojek won first place as the most downloaded application in 2022-2023, with a total of 1.36 million downloads in 2022 and 957,000 downloads in 2023. The large number of Gojek users does not necessarily guarantee that the company does not face obstacles in satisfying its customers. In fact, Gojek Indonesia faces a number of challenges in increasing user satisfaction, as revealed in a survey conducted by the Indonesian Consumers Foundation (YLKI) of 4,668 online transportation service users, both two-wheeled and four-wheeled, with the majority of respondents being Gojek users. The survey showed that more than 41% of online transportation service users have been disappointed with the service they received. Several factors that influence the level of consumer satisfaction include service quality (Indonesian Consumers Foundation, 2017). Gojek has become an essential part of people's daily lives in various cities in Indonesia; one of the cities with the highest number of Gojek users, according to Antara News for the 2022 period, is Palembang City, which is one of the largest metropolitan cities in South Sumatra. As one of the big cities with quite dense activities in Indonesia, Palembang City has a high need for transportation in its daily life, especially in terms of public transportation for the community. Various modes of public transportation are available in this city, such as city transportation, city buses, Rapid Transit Bus (Transmusi), taxis, and becak. In the midst of high mobility and traffic density, the presence of Gojek has become one of the transportation solutions that is very popular with the people of Palembang because it is able to offer convenience, speed, and efficiency in traveling. Researchers also conducted a pre-research survey of 30 Gojek users in Palembang City regarding the satisfaction given by Gojek to its users. Based on the results of

the pre-research survey, a phenomenon related to satisfaction was found in the expectation conformity indicator. The Gojek application has not been able to provide services that meet its users' expectations. Additionally, many Gojek users believe that the products they purchase through this platform fail to meet their expectations. According to the results of the pre-research survey on the revisit interest indicator, it was found that many users would not continue using the Gojek application. Then, Gojek application users will not buy the same product repeatedly on the Gojek application. On the willingness to recommend indicator, it was found that many users would not recommend their friends use the Gojek application. It was also found that Gojek application users did not recommend that their families use the Gojek application.

In an effort to provide quality service, consumers face several problems. Based on the results of the Gojek Indonesia survey (2018), it was found that orders often take a long time to respond, making it difficult for users to find drivers. In addition, there are also complaints about drivers who do not match the photos in the application, fail to follow existing procedures, do not wear required attributes such as jackets, place food orders that do not match requests, and drivers who are unfamiliar with the route and are reluctant to ask for directions. In addition, several other problems experienced by Gojek in maintaining the quality of service that can indicate consumer dissatisfaction with the application include those reported by Liputan6 on February 7, 2024, where residents complained about the Gojek application error, making it difficult for users to pay via the Go-pay electronic wallet feature. The researcher also conducted a pre-research survey of 30 Gojek users in Palembang City regarding the quality of service provided by Gojek to its users. Based on the results of the pre-research survey, a phenomenon was found regarding the quality of service in several sub-variables. In the sub-variable of the reliability of the accurate service indicator, it was found that many users felt that Gojek employees were unable to provide services that were appropriate according to their needs and that not all services provided by Gojek were in accordance with applicable regulations. In the indicator of providing information on time, it was found that many users felt that Gojek employees did not offer their services according to the agreed time, and many Gojek application users stated that the Gojek application did not clearly inform the estimated time for transactions to reach their destination. The results of the pre-research survey on the responsiveness sub-variable in the indicator of responding to consumer requests showed that Gojek employees were unwilling to provide solutions to problems and Gojek employees were unable to fulfill their users' requests. Then, the results of the pre-research survey on the indicator of delivering services quickly showed that Gojek employees did not respond promptly to user requests and Gojek employees did not handle user complaints rapidly. The pre-research survey on the sub-variable of assurance in the indicator of growing trust found that many users felt that Gojek employees could not develop the trust of their users and that Gojek employees did not maintain the confidentiality of their users' personal information. Furthermore, in the indicator of providing a sense of security, many users felt that Gojek employees did not give a sense of security to their users and that Gojek employees were not polite to their users. The results of the pre-research survey on the sub-variable of empathy in the indicator of understanding problems found that many Gojek users felt that Gojek employees did not understand the difficulties experienced by their users and that Gojek employees did not act in the interests of their users. Then, in the indicator of giving special attention, many users felt that Gojek employees did not provide special services according to their users' wishes and were impatient in serving their users. The pre-research survey on the sub-variable of physical evidence in the indicator of complete facilities, equipment, or supplies found that many Gojek users felt that the equipment provided by Gojek employees (helmets, vehicles, packages delivered, etc.) was not in complete condition and the Gojek application did not provide the facilities I needed. Furthermore, in the

clean and tidy equipment or appearance indicator, many users felt that the equipment supplied by Gojek (helmets, vehicle conditions, etc.) was not clean, and Gojek employees did not appear neat.

As reported by Kompas.com on November 22, 2023, in Palembang City, a woman was found being beaten by a Gojek driver. This could happen because the woman complained that the driver often stopped suddenly. After an argument and because she was threatened to go viral, the driver was annoyed and finally hit the woman with a helmet. Of course, this incident did not meet consumer expectations and reduced consumer interest in using the Gojek application again. Researchers also conducted a pre-research survey on emotional factors for 30 Gojek users in Palembang City. Based on the results of the pre-research survey on the pleasure indicator, many Gojek users felt that they did not have a pleasant experience using the Gojek application and were disappointed. On the pride indicator, many Gojek users felt that Gojek did not give pride to every customer and did not feel proud after using Gojek. The results of the pre-research survey on the self-confidence indicator showed that Gojek users did not feel confident when using the Gojek application, and the Gojek application did not make its users confident in using it. Then, in the comfort indicator, it was found that many Gojek users did not feel comfortable when using the Gojek application service, and the Gojek application could not meet all the needs of its users.

2. Literature Review

The Influence of Service Quality (Reliability, Responsiveness, Assurance, Empathy, Physical Evidence) and Emotional Factors on Satisfaction. According to [Irawan \(2018\)](#), several factors influence customer satisfaction, including service quality and emotional aspects. Meanwhile, [Kotler and Keller \(2016\)](#) explain that satisfaction is a feeling of pleasure or disappointment that someone feels after comparing expectations of product performance with the actual results received. Service quality itself is defined as the ability of service providers to serve users of goods or services ([Mutiawati et al., 2019](#)). According to [Irawan \(2018\)](#), emotional factors include feelings of pride, self-confidence, symbols of success, and being part of an essential group of people, all of which are forms of emotional value that contribute to customer satisfaction. This is in line with research conducted by [Nasution & Nasution \(2021\)](#) and [Ritonga, Nurmasaari, and Rahmah \(2020\)](#), which found that service quality and emotional factors together influence satisfaction. Then, based on research conducted by [Salsabila and Juwita \(2023\)](#), it was revealed that service quality and emotional factors partially affect satisfaction. Facts found in the field showed that in the satisfaction variable, the indicator of conformity to expectations, the Gojek application has not been able to provide services that meet its users' expectations. Thus, many Gojek users feel that the products purchased through Gojek do not match their expectations. From the results of the pre-research survey on the indicator of interest in revisiting, it was found that many users would not continue to use the Gojek application. Then, Gojek application users will not buy the same product repeatedly on the Gojek application. In the willingness to recommend indicator, it was found that many users would not advise their friends to use the Gojek application. It was also found that Gojek application users did not advise their families to use the Gojek application. Facts in the field on the service quality variable, sub-variable, reliability of service indicators, and reliability of accurate service indicators, it was found that many users felt that Gojek employees could not provide exemplary service according to their needs and not all services provided by Gojek were in accordance with applicable regulations. On the indicator providing information according to time, many users felt that Gojek employees did not offer their services according to the agreed time, and many Gojek application users stated that the Gojek application did not clearly provide

the estimated transaction time to reach the destination. The results of the pre-research survey on the sub-variable responsiveness of the indicator responding to consumer requests showed that Gojek employees were unwilling to provide solutions to problems and were unable to fulfill their users' requests. Then, the results of the pre-research survey on the indicator providing services quickly showed that Gojek employees did not respond promptly to their users' requests and did not handle their users' complaints quickly. The pre-research survey on the guarantee sub-variable on the indicator fostering trust found that many users felt that Gojek employees could not promote their users' trust and that Gojek employees did not maintain the confidentiality of their users' personal information. Furthermore, on the indicator of providing a sense of security, many users felt that Gojek employees did not give a sense of security to their users and Gojek employees were not polite to their users. The results of the pre-research survey on the empathy sub-variable on the understanding problem indicator found that many Gojek users felt that Gojek employees did not understand their problems and did not act in their users' interests. Then, on the indicator of giving special attention, many users felt that Gojek employees did not provide special services according to their users' wishes and that Gojek employees were impatient in serving their users. A pre-research survey on the physical evidence sub-variable on the complete facilities, equipment, or equipment indicator found that many Gojek users felt that the equipment provided by Gojek employees (helmets, vehicles, delivered packages, etc.) was not in complete condition and the Gojek application did not provide the facilities I needed. Furthermore, on the clean and tidy equipment or appearance indicator, many users felt that the equipment supplied by Gojek (helmets, vehicle conditions, etc.) was not clean, and Gojek employees did not appear neat. Facts found in the field on the emotional factor variable on the pleasure indicator found that many Gojek users felt that they did not have a pleasant experience when using the Gojek application and were disappointed. On the pride indicator, many Gojek users felt that Gojek did not give pride to every customer and did not feel proud after using Gojek. The results of the pre-research survey on the self-confidence indicator showed that Gojek users did not feel confident when using the Gojek application, and the Gojek application did not make its users confident in using it. Then, in the comfort indicator, it was found that many Gojek users did not feel comfortable when using the Gojek application service, and the Gojek application could not meet all the needs of its users.

The Influence of Service Quality (Reliability, Responsiveness, Assurance, Empathy, Physical Evidence) on Satisfaction. This is in line with research by [Mastarida \(2023\)](#). However, research conducted by [Meidita, Suprpto, and Rokhmawati \(2018\)](#) found that service quality had no effect on satisfaction. Facts in the field on the service quality variable sub-variable reliability of service indicators reliability of accurate service indicators found that many users feel that Gojek employees cannot provide exemplary service according to their needs and that not all services provided by Gojek are in accordance with applicable regulations. On the indicator of providing information according to time, many users feel that Gojek employees do not offer their services according to the agreed time, and many Gojek application users state that the Gojek application does not clearly provide the estimated transaction time to reach the destination. The results of the pre-research survey on the responsiveness sub-variable on the indicator of responding to consumer requests show that Gojek employees are not willing to provide solutions to problems, and Gojek employees are unable to fulfill their users' requests. Then, the results of the pre-research survey on the indicator of delivering services quickly show that Gojek employees do not respond rapidly to user requests, and Gojek employees do not quickly handle user complaints. The pre-research survey on the sub-variable guarantee indicator of fostering trust found that many users feel that Gojek employees cannot promote the trust of their users and that Gojek employees do not maintain the confidentiality of their

users' personal information. Furthermore, in the indicator of providing a sense of security, many users feel that Gojek employees do not give a sense of security to their users and that Gojek employees are not polite to their users. The results of the pre-research survey on the empathy sub-variable in the understanding problem indicator found that many Gojek users felt that Gojek employees did not understand their problems and did not act in their users' interests. In the indicator of providing special attention, many users felt that Gojek employees did not offer special services according to their users' wishes. Gojek employees were impatient in serving their users. The pre-research survey on the physical evidence sub-variable in the complete facilities, equipment, or equipment indicator found that many Gojek users felt that the equipment provided by Gojek employees (helmets, vehicles, packages delivered, etc.) was not in complete condition and the Gojek application did not provide the facilities I needed. Furthermore, in the indicator of clean and tidy equipment or appearance, many users felt that the equipment supplied by Gojek (helmets, vehicle conditions, etc.) was not clean, and Gojek employees did not appear neat.

The Influence of Emotional Factors on Satisfaction. [Indrasari \(2019\)](#) stated that emotional factors are one of the elements that can influence consumer satisfaction. In line with this opinion, [Tjiptono \(2020\)](#) explained that customer satisfaction is a feeling of pleasure or disappointment felt by someone after comparing their perception of the performance or results of a product with their previous expectations. Research conducted by [Prihatin, Mursito, and Wijayanti \(2018\)](#) supports this by finding that emotional factors have a positive and significant influence on customer satisfaction. This finding shows that the higher the emotional factor felt, the higher the level of customer satisfaction. Thus, emotional factors have been shown to have a positive and significant influence on consumer satisfaction. These results are in line with previous research by [Prihatin et al. \(2018\)](#), which found that emotional factors influence consumer satisfaction. This is in contrast to research conducted by [Hudalloh and Rochdianingrum \(2021\)](#), which stated that emotional factors do not influence satisfaction. What was found in the field of the emotional factor on the indicator of pleasure was that many Gojek users felt that Gojek users did not have a pleasant experience when using the Gojek application, and Gojek users were disappointed when using the Gojek application. On the indicator of pride, it was found that many Gojek users felt that Gojek did not give pride to every customer and did not feel proud after using Gojek. The results of the pre-research survey on the indicator of self-confidence showed that Gojek users did not feel confident when using the Gojek application, and the Gojek application did not satisfy its users. Then, on the indicator of comfort, it was found that many Gojek users did not feel comfortable when using the Gojek application service, and the Gojek application could not meet all the needs of its users.

3. Research Method

This study was conducted on users of the PT. Gojek Indonesia Application in Palembang City. Based on the selection of the object, the researcher aimed to investigate the impact of service quality and emotional factors on user satisfaction with the PT. Gojek Indonesia Application in Palembang City. This mini-research falls under the descriptive research category. This study is also a verification (causal) study. The dependent variable in this study is satisfaction with indicators of conformity to expectations, interest in revisiting, and willingness to recommend. The independent variables are service quality and emotional factors. The service quality variable is divided into five sub-variables, namely reliability, responsiveness, assurance, empathy, and physical evidence. The indicators of reliability are accurate service and providing information on time. The indicators of responsiveness are responding to consumer requests and providing services quickly. The indicators of assurance are fostering trust and creating a sense

of security. The indicators of empathy are understanding problems and giving special attention. The indicators of physical evidence are complete facilities, equipment or supplies, and clean and neat equipment or appearance. The indicators of emotional factors are feelings of pleasure, pride, self-confidence, and comfort. In this study, the population used is users of the PT—Gojek Indonesia application in Palembang City, with an unknown number (infinite). The purposive sampling technique was used in this study. The characteristics of the sample in this study are individuals who are users of the Gojek application, domiciled in Palembang City and are at least 17 years old. To determine the size of the research sample whose population is unknown or infinite according to Isaac and Michael's theory, the number of sample members for a 5% error rate is 349 people (Sugiyono, 2017). So, to determine the sample in this study with an unknown population with an error rate of 5%, 349 Gojek application users in Palembang City who are at least 17 years old were obtained. In this study, the data collection method was to distribute questionnaires electronically via Google Forms. The analysis model used in this study is a quantitative data analysis model using the Principal Component Analysis (PCA) method and multiple regression analysis.

4. Findings and Discussions

The results of the normality test show that Asymp. Sig. (2-tailed) value > 0.05 , so it can be concluded that the regression model meets the normality assumption.

Table 1. One-Sample Kolmogorov-Smirnov Test

Unstandardized Residual		
N		349
Normal Parameters ^{a,b}	Mean	0
	Std. Deviation	4.33997085
Most Extreme Differences	Absolute	0.067
	Positive	0.067
	Negative	-0.05
Test Statistic		1.25
Asymp. Sig. (2-tailed)		0.088

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Table 2. KMO and Barlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.93
Approx. Chi-Square	406.073
df	10
Sig.	0

Based on the table above, it is known that the KMO and Bartlett's Test values are 0.930. The value is > 0.9 with a very satisfactory category and a significance value of $0.000 < 0.05$, so the existing variables and samples can be further analyzed by factor analysis.

Table 3. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.849	96.988	96.988	4.849	96.988	96.988

2	0.045	0.905	97.893
3	0.042	0.846	98.739
4	0.033	0.661	99.4
5	0.03	0.6	100

Extraction Method: Principal Component Analysis.

The table above explains the value of each subvariable analyzed. Initial Eigenvalues show the factors formed, while Extraction Sums of Squared Loadings show the factors that can be formed. Initial Eigenvalues show the relative importance of each factor in calculating the variance of the five sub-variables analyzed. Initial Eigenvalues are always sorted from largest to smallest, with the criterion that Initial Eigenvalues below 1 are not used in calculating the number of factors formed, because they cannot be factors. The test results above show that there is one variation of factors that can be formed because they have an eigenvalue greater than 1. Factor 1 has an eigenvalue of 4.894, corresponding to a cumulative value of 96.988%. This indicates that Factor 1 can absorb 96.988% of the information in the data.

Table 4. Component Matrix

Subvariabel	Component 1
Reliability	0.985
Responsiveness	0.984
Assurance	0.986
Emphaty	0.985
Physical Evidence	0.985

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Based on the table above, it is known that the factor formed is 1 factor. Then, the component matrix table after rotation shows the distribution of 5 sub-variables to 1 factor formed, which is called factor 1. Factor 1 consists of subvariables with component values above 0.5, namely reliability (0.985), responsiveness (0.984), assurance (0.986), empathy (0.985), and physical evidence (0.985). The factor equation is obtained:

$$F1 = 0.985Z1 + 0.984Z2 + 0.986Z3 + 0.985Z4 + 0.985Z5$$

The equation above is obtained based on the score of each variable from the eigenvector that has a positive correlation.

Table 5. Regression Result

Model		Unstandardized Coefficients			Beta
		B	Std. Error		
1	(Constant)	13.836	1		
	Service Quality	4.787	0.284		0.697
	Emotional				
	Factors	0.168	0.036		0.191

a. Dependent Variable: Users' Satisfaction

Based on the table of multiple linear regression test results, the following multiple linear regression equation: $Y = 13.836 + 4.787 X1 + 0.168 X2$. The constant value of 13.836 indicates that if the quality of service (service quality: reliability, responsiveness, assurance, empathy,

physical evidence) and emotional factors are equal to zero, then satisfaction remains at 13.836. The value of the service quality regression coefficient (reliability, responsiveness, assurance, empathy, physical evidence) is 4.787 (positive), indicating that the quality of service (reliability, responsiveness, assurance, empathy, physical evidence) has a positive effect on user satisfaction of the PT. Gojek Indonesia application. This figure shows that if the quality of service (reliability, responsiveness, assurance, empathy, physical evidence) increases, then satisfaction will increase, and vice versa. The value of the emotional factor regression coefficient is 0.168 (positive), indicating that emotional factors have a positive effect on user satisfaction of the PT. Gojek Indonesia application. This figure shows that if emotional factors increase, satisfaction will increase, and vice versa.

Table 6. F-Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11718.199	2	5859.099	432.146	.000 ^a
	Residual	4691.119	346	13.558		
	Total	16409.318	348			

a. Predictors: (Constant), Service Quality, Emotional Factors

b. Dependent Variable: Users' Satisfaction

Determining F-table with a confidence level of 95% and an error rate (α) of 5% = 0.05, with degrees of freedom (df) = 2 and k = 349 – 2 = 347, so the F-table = 3.00. Based on the F Test ANOVA), it can be seen that F-value 432.146 > F-table 3.00 with a Sig F level of 0.00 < 0.05, then H_0 is rejected, meaning that there is a significant influence of Service Quality (Reliability, Responsiveness, Assurance, Empathy, and Physical Evidence) and Emotional Factors on User Satisfaction of the Application at PT. Gojek Indonesia in Palembang City.

Table 7. t-test

Model	t	Sig.
(Constant)	13.838	0.0000
Service Quality	16.863	0.0000
Emotional Factors	4.624	0.0000

a. Dependent Variable: Users' Satisfaction

Determine the t-table with a confidence level of 95% and an error rate (α) of 5% = 0.05. Then t-table = 0.05/2; 349-3 is 0.025; 346 so the t-table is 1.960. Based on the t-test (partial), it can be seen as follows: a) The t-value for Service Quality (Reliability, Responsiveness, Assurance, Empathy, and Physical Evidence) is 16.863 > t-table 1.960 with a Sig. t level of 0.00 < 0.05 (significant), then H_{02} is rejected, meaning that there is an influence of Service Quality (Reliability, Responsiveness, Assurance, Empathy, and Physical Evidence) on the User Satisfaction Application at PT. Gojek Indonesia in Palembang City. b) The t-value for the Emotional Factor is 4.624 > t-table 1.960 with a Sig. t 0.00 < 0.05 (significant), then H_{03} is rejected, meaning that there is an influence of Emotional Factors on User Satisfaction of the Application at PT. Gojek Indonesia in Palembang City.

The Influence of Service Quality (reliability, responsiveness, assurance, empathy, physical evidence) and Emotional Factors on Application User Satisfaction at PT. Gojek Indonesia in

Palembang City. Based on the results of the multiple linear regression analysis obtained, the coefficient values of the service quality and emotional factors variables show a positive influence. This means that if the service quality and emotional factors increase, satisfaction will also increase. Conversely, if the service quality and emotional factors decrease, satisfaction will decrease. The results of the simultaneous hypothesis test show that service quality and emotional factors significantly influence application user satisfaction at PT. Gojek Indonesia in Palembang City. These results explain that increasing service quality and managing emotional factors effectively can increase customer satisfaction. Companies that are able to manage these two aspects effectively tend to have more satisfied and loyal customers (Rantracker, 2024). The significant value of Adjusted R Square in the regression model shows the vital contribution of service quality and emotional factors to application user satisfaction at PT. Gojek Indonesia in Palembang City. This study shows that service quality and emotional factors affect application user satisfaction at PT. Gojek Indonesia in Palembang City is 71.2%. In comparison, the remaining 28.8% is influenced by other variables not examined in this study, such as product quality, price, and cost or ease of obtaining products or services. This is in accordance with the theory put forward by [Sulistiowati \(2021\)](#) that service quality can affect satisfaction. In addition, according to [Tjiptono \(2016\)](#), one factor that affects satisfaction is the emotional factor. The results of this study are in line with previous studies by [Hapsari, Clemes, and Dean \(2017\)](#), [Ladhari \(2020\)](#), which show that service quality and emotional factors have a significant influence on satisfaction. In contrast to research conducted by [Widodo and Ardiyansyah \(2022\)](#), [Tama and Untoro \(2017\)](#), and research by [Mubarak \(2023\)](#), which showed that service quality and emotional factors did not significantly affect satisfaction. Based on the results of the analysis, the distribution of respondents' answers showed a linear relationship between service quality variables and emotional factors on satisfaction. This means that any changes in service quality variables and emotional factors can be predicted proportionally to changes in satisfaction.

The Influence of Service Quality (Reliability, Responsiveness, Assurance, Empathy, Physical Evidence) on Application User Satisfaction at PT. Gojek Indonesia in Palembang City. The results of the partial hypothesis test show a significant influence of service quality (reliability, Responsiveness, assurance, empathy, physical evidence) on application user satisfaction at PT. Gojek Indonesia in Palembang City. These results suggest that the quality of service provided by employees can significantly impact user satisfaction, with good or bad service leading to high or low levels of satisfaction, respectively. This study confirms the hypothesis that service quality has a significant influence on application user satisfaction at PT. Gojek Indonesia in Palembang City. This aligns with the theory proposed by Kotler and Keller (2016), which suggests that several factors influence satisfaction, including service quality. The results of this study align with previous studies conducted by Rizal, Rahim, and Wardiana (2020), which demonstrate that service quality has a significant impact on customer satisfaction. This finding contrasts with the research conducted by Budiarno, Udayana, and Lukitaningsih (2022), which revealed that service quality has no significant effect on satisfaction. The reason this study differs from the research by Budiarno, Udayana, and Lukitaningsih (2022) is that it is based on several aspects, namely: a. Differences in research samples: In Budiarno et al. (2022), the research sample consisted of consumers who shopped at Indomaret Point Colombo Yogyakarta. Meanwhile, the researcher took a research sample of PT. Gojek Indonesia application users in Palembang City who were over 17 years old. b. Differences in the number of research samples. [Budiarno et al. \(2022\)](#) conducted research with 100 respondents, while this study took a sample of 349 respondents

The Influence of Emotional Factors on Application User Satisfaction at PT. Gojek Indonesia in Palembang City. The results of the partial hypothesis test show a significant influence of emotional factors on application user satisfaction at PT. Gojek Indonesia in Palembang City. These results suggest that the positive or negative emotional factors experienced by users can influence the level of user satisfaction achieved. This study proves the hypothesis that emotional factors have a significant influence on application user satisfaction at PT. Gojek Indonesia in Palembang City. This is in accordance with the theory proposed by Tendatio, A. et al. (2023), which suggests that emotional factors can influence satisfaction. The results of this study are in line with previous studies conducted by [Safira, & Irawati \(2020\)](#) and [Prihatin, et al. \(2018\)](#), which showed that emotional factors have a significant influence on satisfaction. This finding contrasts with the research conducted by Rohani and Pamungkas (2023), which showed that emotional factors do not have a substantial effect on satisfaction. The reason this study is different from [Rohani & Pamungkas' research \(2023\)](#) is because it is based on several aspects, namely: a. Differences in research samples. In [Rohani & Pamungkas's research \(2023\)](#), the research sample was consumers who used the services of two Carfix workshops in Solo. Meanwhile, the researcher took a research sample of PT Gojek Indonesia application users in Palembang City who were over 17 years old. b. Differences in the number of research samples. In the research conducted by [Sattar, Mihani, and Wahyuni \(2021\)](#), the number of samples was 101 respondents, while in this study, the researchers took a sample of 349 respondents. Based on the results of the respondents' answers, problems were found, especially in the statements denied by the respondents as follows: a. Indicator of happiness, as many as 141 respondents, or 40.4%, "disagree" and 80 respondents, or 22.9%, "strongly disagree" with the statement "Gojek users have a pleasant experience when using the Gojek application," and as many as 101 respondents or 29% "disagree" and 92 respondents or 26.4% "strongly disagree" to the statement "Gojek users are never disappointed in using services on the Gojek Application." b. Indicator of Pride, as many as 97 respondents, or 27.8%, "disagree" and 87 respondents, or 25%, "strongly disagree" with the statement "Gojek users do not feel embarrassed if their colleagues find out that the user uses the Gojek application," and as many as 128 respondents or 36.7% "disagree" and 95 respondents or 27.2% "strongly disagree" to the statement "Gojek users feel proud after using the Gojek application." c. Self-Confidence Indicator: As many as 89 respondents, or 25.5%, "disagree" and 98 respondents, or 28.1%, "strongly disagree" with the statement "Gojek users feel confident when using the Gojek application." As many as 111 respondents, or 31.8%, "disagree" and 104 respondents, or 29.8%, "strongly disagree" with the statement "Gojek makes its users confident in using its application." d. Comfort Indicator: As many as 94 respondents, or 27%, "disagree" and 90 respondents, or 25.8%, "strongly disagree" with the statement "Gojek users feel comfortable when using the Gojek application service." As many as 112 respondents, or 32.1%, "disagree" and 108 respondents, or 30.9%, "strongly disagree" with the statement "Gojek application meets all the needs of its users." As a result of this problem, it has impacted satisfaction that Gojek does not provide a pleasant experience, and Gojek users have been disappointed when using Gojek. Then, Gojek users do not feel proud after using the Gojek application. Furthermore, Gojek does not make its users feel confident in using its application. Gojek users do not feel comfortable using the Gojek application, and Gojek does not meet all the needs of its users. As a practical implication, the researcher suggests that PT. Gojek Indonesia pays more attention to the desires of its users, as well as the cleanliness of its users' comfort. Thus, Gojek can improve the emotional factors that influence user satisfaction.

5. Conclusion

It can be concluded that service quality and emotional factors affect users' satisfaction at PT Gojek Indonesia Palembang City. PT. Gojek Indonesia can pay attention to service quality and emotional factors because they have been proven to have a significant effect on PT users' satisfaction. Gojek Indonesia application. Regarding the quality of service, PT. Gojek Indonesia is advised to improve understanding of problems further, provide special attention to users, standardize equipment and appearance, and improve the quality of applications and features. Thus, PT. Gojek Indonesia is expected to enhance the quality of service, which will impact user satisfaction. Regarding emotional factors, PT. Gojek Indonesia is advised to pay more attention to the desires of its users and the cleanliness of its users' comfort. Thus, it is expected that Gojek can improve the emotional factors that affect user satisfaction.

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