

Role of Organizational Culture and Work Environment in Shaping Employee Performance within Government Agencies

Meithiana Indrasari¹, Bambang Sutejo², Mira Gayatri Kartika³, Mujtaba M. Momin⁴, Davis Febrinanto Prakasa⁵

^{1,2,3,5}W.R. Supratman University, Indonesia

⁴ College Of Business Administration, American University Of the Middle East, Kuwait

*e-mail: ¹meithiana.indrasari@unitomo.ac.id, ²bamsitats@gmail.com ,

³miragayatri.kartika@gmail.com, ⁴mujtaba.momin@aum.edu.kw, ⁵davisfebrinanto@yahoo.com

Abstract. Purpose – This study explores how organizational culture and work environment shape employee performance within government institutions, using the Regional Financial and Asset Management Agency (BPKAD) of Maybrat Regency as a case study. **Design/methodology/approach** – Adopting a quantitative explanatory design, the research examines how cultural values and workplace conditions contribute individually and collectively to performance outcomes in a public sector context. The data were collected through an online survey and analyzed using WarpPLS software version 7.0. **Findings** – The analysis highlights that improvements in the physical, psychological, and managerial aspects of the work environment play a critical role in enhancing employee effectiveness, particularly in remote regions with limited resources. **Research limitations** – This study is limited by its narrow geographical scope, focusing solely on civil servants within the Regional Financial and Asset Management Agency (BPKAD) of Maybrat Regency, which may restrict the generalizability of the findings to other public institutions with differing administrative complexities or cultural dynamics. Future research should broaden the institutional scope and consider integrating mediating factors such as leadership style or job satisfaction to deepen theoretical understanding and practical relevance. **Practical implications** – These findings underscore the need for public institutions to prioritize environmental improvements alongside cultural development. **Originality/value** – This study examines these two constructs separately or in an urban context, focusing on a remote and underdeveloped area Maybrat Regency where organisational performance is influenced by unique social and administrative challenges.

Keywords : Organizational culture, Work environment, Employee performance, Public sector, Human resource management

I. INTRODUCTION

Understanding how organizational culture and work environment shape employee performance has become a central theme in public administration and organizational behavior, particularly in government institutions. These institutions operate under unique constraints such as bureaucratic structures, political oversight, and public accountability, which significantly influence how internal factors affect performance outcomes. A growing body of literature emphasizes that employee performance in public institutions is not merely a function of individual motivation or financial incentives, but is also deeply embedded in the organizational context, especially its cultural values and environmental conditions (Budiprasetya & Lo, 2021; Wijayanti & Tirtoprojo, 2023). As such, studies have shifted toward examining how the synergy between organizational culture and work environment fosters engagement, morale, and efficiency among government employees (Hardiyanto, Triatmanto, & Manan, 2019).

Executives in the organization feel that regular reviews of internal communication procedures are necessary (Rhamadona, Sufa, Indrasari, Brumadyadisty, & Asnawi, 2023). Organizational culture represents a

system of shared values and norms that dictate expected behaviors in the workplace. This cultural system influences motivation, collaboration, and commitment to institutional objectives. The improvement of organizational culture applies not only to seasonal workers, who have been accustomed to their work but also to new workers during the period of transition from old work habit to new work habit (Poernomo, P, & Sufa, 2021). The commitment can be interpreted dedication and in a broad sense be interpreted as a strong trust of employees to accept the goals and values of the organization, the desire to advance for the sake of the organization, and have a strong desire to stay in the organization (Syamsudin, 2017). Research has consistently shown that a positive and congruent organizational culture enhances job satisfaction and individual performance (Qhisbullah, Mohyi, & Hilmi, 2023; Salvioni & Almicci, 2020). For instance, Wahyuniardi et al. found that strong leadership and shared values contribute to employee effectiveness through psychological alignment with institutional goals. At the same time, the work environment which encompasses both physical and psychosocial elements has been shown to be a powerful predictor of job satisfaction and productivity (Hadi, Satato, & Kurniasari,

2023; Sugiharjo et al., 2022). Physical aspects such as ergonomic design and lighting, as well as psychosocial factors like interpersonal relationships and communication patterns, create conditions that either facilitate or hinder optimal performance.

Although these two factors organizational culture and work environment are often studied independently, emerging evidence suggests that their interaction plays a critical role in shaping employee behavior and outcomes. For example, a positive culture can enhance the effects of a supportive work environment, while a toxic culture can neutralize the benefits of good physical conditions (Ismail, Iqbal, & Nasr, 2019; Wijayanti & Tirtoprojo, 2023). Particularly in the public sector, where rigid administrative norms can dampen innovation and motivation, the alignment of cultural and environmental elements becomes essential. However, the literature remains scarce in simultaneously evaluating both dimensions in public sector settings especially in underdeveloped regions such as Maybrat Regency, where contextual and infrastructural challenges exacerbate the need for effective performance management.

Despite growing scholarly interest in the internal factors affecting employee performance, existing research in public institutions tends to isolate either organizational culture or the work environment rather than examining their combined effects. This fragmented approach limits our understanding of how these two interrelated constructs interact to influence employee behavior and outcomes. Particularly in remote and underdeveloped areas like Maybrat Regency, there is a paucity of empirical evidence using advanced modeling techniques such as PLS-SEM to measure the simultaneous effects of these constructs. Furthermore, the absence of comparative analyses to determine which factor exerts a more dominant influence on performance presents a significant knowledge gap (Fajriyati, Adam, & Musnadi, 2020; Rauf, Pajala, & Asirie, 2024).

Addressing this gap requires a more integrated and empirically robust approach that can capture the causal relationships among work culture, work environment, and employee performance. Drawing from Herzberg's Two-Factor Theory, this study conceptualizes work culture as a motivator and work environment as a hygiene factor, both essential for sustained employee performance. Complemented by Campbell's Individual Performance Theory and Katz & Kahn's Open Systems Theory, this research provides a multi-theoretical lens to examine these variables within the organizational systems of local government. The proposed study offers not only a diagnostic tool for performance enhancement but also strategic insights for public management reform in regions with unique socio-administrative challenges.

The theoretical grounding for this study is established through Herzberg's Two-Factor Theory, which categorizes work-related factors into motivators and hygiene elements. According to this theory, work culture which includes values, recognition, and

achievement is a motivator that drives performance by enhancing job satisfaction and intrinsic engagement (Al-Saqri & Vida, 2023; Ghosh & -, 2024; Weiping & Yao, 2020). In contrast, the work environment comprising physical conditions, interpersonal relationships, and job security serves as a hygiene factor that prevents dissatisfaction but does not necessarily motivate performance on its own (Abdi, Sabwami, & Ongesa, 2024; Brandenburg, Raatz, & Ward, 2022). Applying this framework to public institutions provides a comprehensive understanding of how to simultaneously prevent dissatisfaction and promote motivation.

Campbell's Individual Performance Theory (2017) further reinforces the rationale for this study by emphasizing that individual performance is the product of knowledge, skills, and motivation, all of which are shaped by the organizational context. This theory asserts that even highly capable employees may underperform if the organizational climate is demotivating or misaligned with individual values (Márquez-Miramontes & Cobos-Floriano, 2023; Nguyễn, Doan, Trần, Le, & Nguyen, 2019). The integration of this theory into the research framework underscores the necessity of aligning cultural values and work conditions with performance expectations, particularly in public sectors where motivation is often linked to civic responsibility and ethical governance.

Katz and Kahn's Open Systems Theory (2014) adds a dynamic perspective by portraying organizations as living systems influenced by environmental feedback, interdependencies, and external conditions. This theory posits that performance is not merely an internal output but a function of ongoing exchanges between the organization and its broader social and institutional environment (Garavan et al., 2021; Trušina, Jermolajeva, & Gopejenko, 2023). Applying this model to a local government context like Maybrat Regency highlights the need to understand how work culture and work environment interact as subsystems within a larger organizational system, affecting not only internal outcomes but also external service delivery and public trust.

A number of studies have examined the impact of organizational culture on employee performance in both public and private sectors. For instance, Wijayanti & Tirtoprojo (2023) found that strong, cohesive cultures enhance performance by fostering shared values and increased commitment. Similarly, Qhisbullah et al. (2023) emphasized the role of leadership in embedding organizational values that align with employee expectations. However, these studies are mostly descriptive and lack causal modeling approaches that allow for in-depth analysis of structural relationships. Moreover, they rarely isolate the unique conditions of public institutions in remote or underdeveloped regions, where cultural alignment may be complicated by ethnic diversity, limited resources, or political instability.

Research on the work environment has similarly highlighted its significance in shaping performance outcomes. Studies by Sugiharjo et al. (2022)

and Catania et al. (2020) showed that ergonomic and psychosocial conditions in the workplace directly influence job satisfaction and employee engagement. Yet, most of these works are limited to urban and more developed contexts, lacking transferability to areas like Maybrat Regency. Furthermore, they seldom examine the comparative impact of the work environment relative to other organizational factors such as culture. The literature fails to provide conclusive evidence on whether one factor exerts a stronger influence than the other, thereby leaving a critical gap in managerial decision-making.

Additionally, while several theoretical frameworks such as Herzberg's and Campbell's models are frequently cited, few studies operationalize them simultaneously in a quantitative model that tests both direct and comparative effects. The intersection of culture and environment as dual antecedents of performance remains underexplored, particularly in the context of government institutions that function under unique institutional constraints. Therefore, this study aims to fill these gaps by applying a dual-theoretical approach and using advanced causal modeling techniques (PLS-SEM) to assess both individual and combined effects of work culture and work environment on employee performance in a marginalized public sector setting.

The primary objective of this study is to analyze the effects of work culture and work environment on employee performance in a government institution, specifically the Regional Financial and Asset Management Agency (BPKAD) of Maybrat Regency. It aims to (1) evaluate the individual effects of work culture and work environment on performance, (2) identify the more dominant factor between the two, and (3) assess the simultaneous effects of both constructs using Partial Least Squares Structural Equation Modeling (PLS-SEM). The study uses Herzberg's Two-Factor Theory, Campbell's Individual Performance Theory, and Katz & Kahn's Open Systems Theory to provide a multidimensional framework for understanding performance determinants.

The novelty of this research lies in its simultaneous examination of two interrelated organizational constructs work culture and work environment within an underrepresented context: local government institutions in remote areas of Indonesia. Unlike previous studies that tend to examine these variables in isolation, this research integrates both into a robust quantitative model to compare their relative and combined impacts. By applying PLS-SEM and focusing on a marginalized region, the study offers original insights that contribute to theory development, methodological advancement, and practical solutions for improving public sector performance in similar socio-geographic settings.

II. LITERATURE REVIEW

Work Culture and Employee Performance

Organizational culture, defined as shared values,

norms, and beliefs shaping behavior Griffin et al. (2020), plays a crucial role in employee motivation, engagement, and performance, especially in public institutions where bureaucratic constraints exist (Budiprasetya & Lo, 2021). In settings like remote government agencies with limited formal incentives, strong culture fosters alignment with public service values. Research supports the positive link between culture and performance: Wijayanti & Tirtoprojo (2023) found that internalizing organizational values boosts engagement and task performance, while Qhisbullah et al (2023). noted that value-leadership alignment enhances commitment. These outcomes reflect Campbell's Individual Performance Theory, which highlights cultural context's influence on motivation and efficacy, Nguyễn et al. (2019) and Herzberg's theory, which identifies work culture as a key motivator for job satisfaction and extra effort (Al-Saqri & Vida, 2023). Thus, it is posited that:

H1: Work culture has a positive and significant effect on employee performance.

Work Environment and Employee Performance

The work environment encompasses physical, social, and psychological factors influencing employee performance, including tangible aspects like layout and equipment, and intangible ones such as relationships, support, and job security (Hadi et al., 2023). According to Herzberg's Two-Factor Theory, it is a hygiene factor its absence causes dissatisfaction, though its presence alone doesn't motivate (Abdi et al., 2024; Brandenburg et al., 2022). Research affirms that conducive environments enhance well-being, engagement, and performance. Sugiharjo et al. (2022) link ergonomic design to satisfaction and productivity, while Hardiyanto et al. (2019) and Prabawanti & L (2019) stress communication, support, and psychological safety. Healthy environments promote cohesion, reduce absenteeism, and boost retention (Norful, He, Rosenfeld, Abraham, & Chang, 2022; Samur & İntepeler, 2019). Katz and Kahn's Open Systems Theory views the work environment as a throughput mechanism transforming inputs like policies into performance. Garavan et al. (2021) and Campbell's theory identifies it as key to knowledge flow and motivation (Effendi, 2024). Hence, the second hypothesis is proposed.

H2: Work environment has a positive and significant effect on employee performance.

Comparative Influence: Work Culture vs. Work Environment

Work culture and work environment both significantly impact performance but through distinct psychological pathways: culture provides motivation and meaning, whereas the environment enables or constrains that motivation (Al-Saqri & Vida, 2023). Determining which factor has a greater influence is crucial for strategic resource allocation. Research shows mixed findings Wijayanti & Tirtoprojo (2023) argue that culture mediates the environment's effect on performance, while Catania et al. (2020) find the environment more influential during crises like COVID-19. In areas with poor infrastructure,

such as Maybrat Regency, culture may compensate for environmental shortcomings by boosting intrinsic motivation (Ismail et al., 2019). This study uses standardized path coefficients from a PLS-SEM model to compare the effects of culture and environment on performance, forming the basis for the third hypothesis, grounded in Herzberg’s and Campbell’s theories.

H3: Work culture exerts a more dominant effect on employee performance than work environment.

Simultaneous Effect of Work Culture and Work Environment

Beyond their individual and comparative impacts, the combined influence of work culture and work environment offers a comprehensive perspective on performance in public organizations. According to Open Systems Theory, the integration of cultural and environmental inputs enhances throughput efficiency and better aligns outcomes with stakeholder needs (You & Williams, 2023). This synergy can yield multiplicative effects greater than their individual contributions. Empirical evidence supports this integrated model: Fajriyati et al. (2020) and Rauf et al. (2024) show that performance peaks when both cultural values and environmental conditions are favorable, resulting in higher commitment, job satisfaction, and discretionary behavior. This forms the basis of the fourth and final hypothesis, highlighting their joint role as performance antecedents.

H4: Work culture and work environment simultaneously have a significant effect on employee performance.

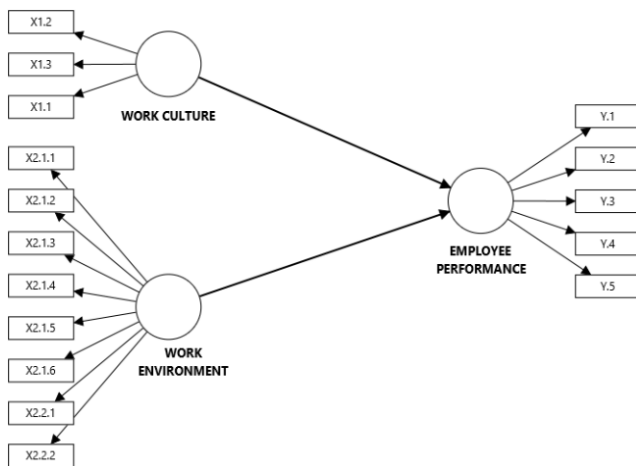


Figure 1. Conceptual Framework

III. METHODOLOGY

This study employed a quantitative explanatory research design to assess the structural relationship between work culture, work environment, and employee performance within a local government institution. Data were collected through a structured questionnaire using Likert-scale items adapted from validated instruments, with a total of 69 civil servants from the Regional Financial and Asset Management Agency (BPKAD) of Maybrat Regency participating. The constructs work

culture (X₁), work environment (X₂), and employee performance (Y) were measured reflectively using multiple indicators. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS 4, following the analytical stages proposed by Hair et al. (2021a) including instrument validation, outer model evaluation (convergent and discriminant validity), and inner model testing (path coefficients, R², f²).

The structural model was evaluated using a bootstrapping method with 5000 resamples to assess the significance of hypothesized paths. Convergent validity was confirmed through AVE values above 0.50, and discriminant validity was tested using the HTMT criterion, as recommended by Henseler et al. (2015). Reliability was ensured with composite reliability (CR) scores exceeding 0.70. To evaluate the dominance and simultaneous effects of the exogenous constructs, the study compared standardized path coefficients and analyzed their respective effect sizes. The overall model fit and predictive relevance (Q²) aligned with the thresholds recommended by Hair et al. (2021a), supporting the robustness and validity of the causal model in assessing public sector employee performance determinants.

IV. RESULTS

Based on the demographic data of the research, several key insights can be drawn regarding the profile of respondents.

Table 1. Demographic Profile of Respondents

Category	Subcategory	Number of Respondents	%
Gender	Male	31	45
	Female	38	55
Age	17–25 years	9	13
	25–45 years	36	52
	> 45 years	24	35
Education	Junior/Senior High School	6	8.7
	Diploma	18	26
Total	Undergraduate/Graduate/Postgraduate (S1/S2/S3)	45	65
		69	100

The demographic profile of respondents indicates a marginally higher proportion of females (55.1%) compared to males (44.9%), suggesting a workforce that is relatively balanced but female-dominated. The majority of respondents (52.2%) were within the productive age range of 25–45 years, with smaller proportions aged 17–25 years (13%) and over 45 years (34.8%), indicating a blend of early-career and senior staff. Regarding educational attainment, the majority (65.2%) possess at least a bachelor's degree, reflecting a highly educated workforce. This is further supported by 26.1% with

diplomas and only 8.7% with secondary education. This composition suggests the presence of substantial human capital and is imperative for comprehending the manner in which work culture and environment influence employee performance, particularly with regard to professional competence and organizational expectations.

Measurement Models

The measurement model evaluation in this study demonstrates strong reliability and validity across all constructs Work Culture, Work Environment, and Employee Performance based on standardized PLS-SEM thresholds. The reliability of internal consistency is confirmed by Cronbach's Alpha (α) and Composite Reliability (CR) values. According to Hair et al. (2021a), the presence of α values above 0.70 and CR values above 0.70 signifies acceptable internal consistency. It is noteworthy that all constructs examined in this study have demonstrated levels that not only meet but also exceed these established thresholds. The alpha coefficients (α) and Cronbach's alpha (CR) values for the constructs of work culture ($\alpha = 0.83$, CR = 0.90), work environment ($\alpha = 0.94$, CR = 0.95), and employee performance ($\alpha = 0.91$, CR = 0.94) were all found to be significant, indicating that the items within each construct consistently measure the intended latent variable.

Table 2. Measurement Models

Variables - Indicators	loadings	α	ρ A	C R	A VE
Work Culture		0.83	0.88	0.9	0.74
Adherence to organizational norms and rules	0.89				
Mutual respect and trust among employees	0.831				
Integrity and responsibility in task execution	0.859				
Work Environment		0.94	0.94	0.95	0.69
Physical comfort and workplace safety	0.816				
Availability of tools and work equipment	0.871				
Teamwork and peer collaboration	0.774				
Supervisory support and feedback	0.77				
Effectiveness of internal communication	0.86				
Fairness in managerial decisions	0.857				
Psychological support in the work environment	0.893				
Fair workload distribution	0.79				

Employee Performance		0.91	0.92	0.94	0.74
Timely task completion	0.84				
Quality of work outcomes	0.849				
Achievement of productivity targets	0.784				
Problem-solving and innovation	0.934				
Initiative and accountability	0.892				

The assessment of convergent validity is conducted through the utilization of Average Variance Extracted (AVE), a metric that necessitates a minimum threshold of 0.50, as recommended by Hair et al. (2021a). It is noteworthy that all constructs satisfy this requirement. The analysis revealed that the work culture (AVE = 0.74), the work environment (AVE = 0.689), and the employee performance (AVE = 0.741) indicators exhibited a cumulative variance explanation of over 50% by their respective constructs. Furthermore, the individual item loadings for all indicators exceed the 0.70 cutoff (with a few exceptions above 0.70 but below 0.80, as permitted), thereby supporting the reliability of the indicators (Jr et al Hair, 2014; Henseler et al., 2015). This suggests that each indicator makes a meaningful contribution to its construct. Consequently, the measurement model exhibited robust psychometric properties, thereby confirming the reliability and validity of the constructs employed in this study for subsequent structural model analysis.

Discriminant validity in this study was assessed using both the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT), two widely accepted approaches in PLS-SEM. In accordance with the Fornell-Larcker Criterion, the square root of the Average Variance Extracted (AVE) for each construct is expected to exceed its correlations with other constructs, thereby confirming discriminant validity (Fornell & Larcker, 1981). In this study, the square root of the AVE values for Work Culture (0.86), Work Environment (0.83), and Employee Performance (0.861) all exceeded the respective inter-construct correlations, thereby supporting discriminant validity. For instance, Work Culture has been found to correlate with Employee Performance at 0.533 and with Work Environment at 0.643, both of which are less than 0.86. This indicates an empirical distinction between the constructs.

Table 3. Discriminant Validity

	Work Culture	Employee Performance	Work Environment
Heterotrait-Monotrait Ratio	Work Culture	0.586	
	Employee Performance		
	Work Environment		

Fornell-Larcker Criterion	nce			
	Work Environment	0.704	0.921	
	Work Culture	0.86		
	Employee Performance	0.533	0.861	
	Work Environment	0.643	0.871	0.83

The findings are further validated by the use of the HTMT criterion. Henseler, Ringle, and Sarstedt (2015) posit that HTMT values should remain below 0.90 to establish discriminant validity. In the current model, all HTMT values are within acceptable limits. The correlation between work culture and employee performance ($r = 0.586$), work culture and work environment ($r = 0.704$), and work environment and employee performance ($r = 0.921$) is statistically significant. Despite the proximity of the HTMT value between Work Environment and Employee Performance to the threshold, its acceptability remains unquestionable, particularly in the context of exploratory or context-specific research, where the occurrence of conceptual overlap is to be expected. The findings from both methods collectively indicate that the constructs are empirically distinct and that the measurement model meets the standards for discriminant validity.

Structural Models

The structural model and hypothesis testing results provide empirical insights into the effects of work culture (WC) and work environment (WE) on employee performance (EP). The path coefficient for WC → EP is $\beta = -0.05$ with a T-value of 0.703, which does not meet the minimum threshold of 1.96 for statistical significance at the 5% level (Hair et al., 2021). This finding suggests that H1, which proposed a positive and significant relationship between work culture and employee performance, is not substantiated. In contrast, the relationship between WE and EP exhibited a robust and statistically significant association ($\beta = 0.902$, $T = 16.264$), thereby substantiating H2. This path coefficient exceeds the critical value, thereby underscoring the notion that the work environment exerts a considerable influence on employee performance.

Table 4. The results of structural model and hypotheses testing

Relationships	β	T value	VI F	R ²	Adjusted R ²	Q ²	f ²
WC -> EP	-0.05	0.703	1.706	0.76	0.753	0.38	0.05
WE -> EP	0.902	16.264	1.706	0.76	0.753	0.38	1.905

EP	02	64	06	76	38	85
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Subsequent evaluation employing effect size (f^2) discloses that the work environment exerts a substantial effect ($f^2 = 1.985$), whereas work culture contributes a negligible effect ($f^2 = 0.005$), according to Cohen's (1988) benchmarks wherein 0.02 is designated as small, 0.15 as medium, and 0.35 as large. These findings contradict H3, as work culture does not appear to dominate in influencing employee performance compared to the work environment. Furthermore, the coefficient of determination (R^2) for the model is 0.76, indicating that 76% of the variance in employee performance can be explained by both predictors, suggesting a strong model fit (J. F. Hair et al., 2021b). The adjusted R^2 value, which is a measure of model fit, was found to be marginally lower at 0.753, indicating that the model is adequately specified. The predictive relevance (Q^2) value of 0.538 further substantiates the model's predictive validity, as values exceeding 0.35 are regarded as substantial (J. F. et. al Hair, 2019). Therefore, H4 is supported, indicating that the combined influence of work culture and environment has a statistically significant and predictive effect on employee performance, although the primary driver is clearly the work environment.

V. DISCUSSION

Integration of the theoretical frameworks with the findings of the PLS-SEM analysis yielded several implications that enhance our understanding of the mechanisms through which work culture and work environment influence employee performance, particularly within public institutions in developing regions. Although the extant theoretical literature posits that work culture, as defined by Griffin et al. (2020), plays a pivotal role in shaping employee motivation and alignment with institutional goals, the empirical findings suggest otherwise. Despite the theoretical underpinnings provided by Campbell's Individual Performance Theory and Herzberg's motivation-hygiene model, which conceptualize work culture as a pivotal internal motivator, the empirical evidence reveals that work culture does not exert a substantial influence on performance ($\beta = -0.05$, $T = 0.703$, $f^2 = 0.005$). This contradiction suggests that, while shared norms and values are necessary, they may be insufficient in isolation to generate observable performance gains, especially in bureaucratic environments that are resource-constrained, where operational limitations may overshadow influences.

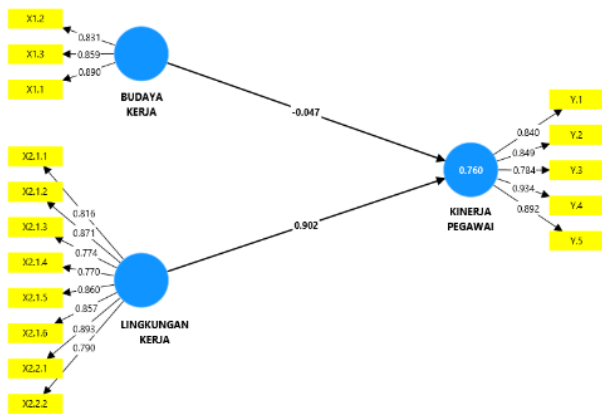


Figure 2. Path Diagram

In contrast, the work environment, founded on Herzberg's concept of hygiene factors and Katz and Kahn's Open Systems Theory, exhibits a strong alignment with the empirical results. The model demonstrates that the work environment exerts a robust and statistically significant influence on employee performance ($\beta = 0.902$, $T = 16.264$, $f^2 = 1.985$), thereby confirming that structural and psychosocial conditions are the dominant enablers of performance in this context. This finding lends further credence to the notion that the performance outcomes of public institutions are more contingent on operational support systems, such as equipment availability, managerial fairness, and psychological safety, than on abstract cultural alignment. Additionally, the findings underscore the synergistic impact of culture and environment, as evidenced by the substantial correlation coefficients ($R^2 = 0.76$; $Q^2 = 0.538$). This highlights the notion that optimal performance emerges from the effective interaction between both inputs. These findings affirm Hypothesis 2 and Hypothesis 4, reject Hypothesis 1, and refute Hypothesis 3. This suggests that, in performance management strategies, environmental improvements are to be prioritized over cultural interventions, particularly in under-resourced public sector contexts.

VI. CONCLUSION

The findings of this study reveal that the work environment significantly and positively influences employee performance, with a high path coefficient ($\beta = 0.902$) and substantial effect size ($f^2 = 1.985$), while work culture shows no statistically significant effect ($\beta = -0.05$; $f^2 = 0.005$). The model demonstrates strong explanatory and predictive power, with an R^2 of 0.76 and Q^2 of 0.538. These results support hypotheses H2 and H4, while rejecting H1 and H3, emphasizing that the work environment not culture is the primary factor driving performance outcomes in the studied government agency. This highlights the critical need for public institutions, particularly in remote and resource-limited areas like Maybrat Regency, to focus on strengthening operational and psychosocial aspects of the work environment.

These insights challenge traditional views that prioritize organizational culture as the dominant determinant of performance. While culture may shape values and behaviors, its motivational influence appears insufficient without structural support. Thus, strategic human resource policies should prioritize improvements in workplace conditions, communication, and managerial support. However, the study is limited by its narrow scope, focusing on a single agency and using cross-sectional data. Future research should involve broader populations, longitudinal methods, and explore mediators like job satisfaction and commitment to deepen understanding. Incorporating qualitative methods could also help capture nuanced contextual factors influencing employee performance in the public sector.

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