

The Motivation and Work Environment on Employee Performance Through Job Satisfaction in The National Strategic Project (PSN) Nickel Processing Area

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ABSTRACT

This study empirically investigates the direct and indirect effects of work motivation, work environment, and job satisfaction on employee performance. The sample consists of 141 personnel assigned to Customs Offices within the National Strategic Project Nickel Processing Area, specifically at Makassar, Kendari, Morowali, and Ternate. Data collection involved direct observation and surveys using structured questionnaires. Partial Least Squares (PLS) analysis was conducted with SMART PLS Software version 4.1.14. The findings indicate that work motivation and the work environment both significantly influence job satisfaction. However, neither work motivation nor the work environment exerts a significant effect on employee performance. In contrast, job satisfaction has a significant positive effect on employee performance. Regarding mediation, job satisfaction does not mediate the relationship between motivation and performance, but it does mediate the relationship between the work environment and performance. These results suggest that organizations should focus on improving physical comfort, fostering social relationships, and enhancing managerial support within the work environment to increase job satisfaction and, consequently, employee performance. Additionally, organizations are advised to systematically review and strengthen reward systems, incentives, and feedback mechanisms to more effectively translate motivation into measurable performance outcomes.

Keywords: Motivation; Work Environment; Job Satisfaction; Performance

1. INTRODUCTION

Indonesia is a developing nation with substantial economic potential, driven by its abundant natural resources and a growing pool of human capital. As a nation with vast territory and diverse resources, Indonesia attracts global investors seeking to invest their capital. Through various policy initiatives, the government strives to create a conducive climate investment that support sustainability economic. It is widely recognized that the President of the Republic of Indonesia places strong emphasis on speed and easy in seizing investment opportunities. One of the government's programs is The National Strategic Project (Proyek Strategis Nasional, PSN).

To accelerate the implementation of PSN, the government has designed several

nickel processing industrial zones as development priorities include Bantaeng, Morowali, Obi Island, Weda Bay, and Konawe. These areas are hubs for downstream activities of strategic mineral resources, especially nickel, which plays a vital role in supporting national energy resilience and industrial development. One of the most impactful PSN is the smelter development project in Morowali, Central Sulawesi. The PSN initiative facilitates the industrial sector by streamlining licensing and non-licensing processes to accelerate planning, preparation, transaction, construction, and operational control, including financing mechanism for strategic projects.

In carrying out their duties, civil servants (Aparatur Sipil Negara, ASN) are expected to enhance their performance to achieve national program. Performance fundamentally depends on the decisions and actions taken by managers. An organization is considered high performance if it produces future outcomes as a result of present actions. The most common indicator of organizational performance are effectivity and efficiency.

Employee performance management plays a central role, requiring organizations to meet both individual and institutional needs. The effectivity of performance management depends on manager's ability to manage human resources. Employees, as individuals with personality and self-regulation, psychologically require motivation and encouragement to realize their potential and capabilities in work activities, thereby aligning personal and organizational interests.

The hierarchy of human needs is closely connected to the work environment and job satisfaction. Sutrisno (2009) states that job satisfaction is an individual phenomenon, as each person experiences it differently based on their personal values. These differences arise from unique individual characteristics. Satisfaction increases when more aspects of a job align with a person's preferences, and decreases when fewer aspects match. Work motivation positively affects job satisfaction. Employees with strong motivation usually report higher job satisfaction. In the context of PSN, employee motivation may stem from expectations about work outcomes, such as feeling they contribute meaningfully to organizational goals.

Motivation plays a vital role in boosting employee performance. In PSN areas like Morowali, high motivation influences dedication, productivity, and efficiency in executing the task. Employee motivation is tended to be more proactive and result oriented. When employees are satisfied with their jobs, they demonstrate high efficiency, more creativity, and more focus to achieve organizational goal. In PSN such as Morowali, job satisfaction supports the successful execution of complex and critical tasks.

In geographically challenging regions such as Morowali, civil servants face increased complexity in their roles due to suboptimal working conditions and limited resources. The Customs and Excise Supervision and Service Office (KPPBC) Type Madya Pabean C in Morowali exemplifies these obstacles. Despite its remote location, KPPBC Morowali fulfills its duties, including supporting the National Strategic Project (PSN). A positive work environment contributes to higher job satisfaction and improved performance by making employees feel appreciated, which in turn helps them concentrate better and perform more effectively on important tasks.

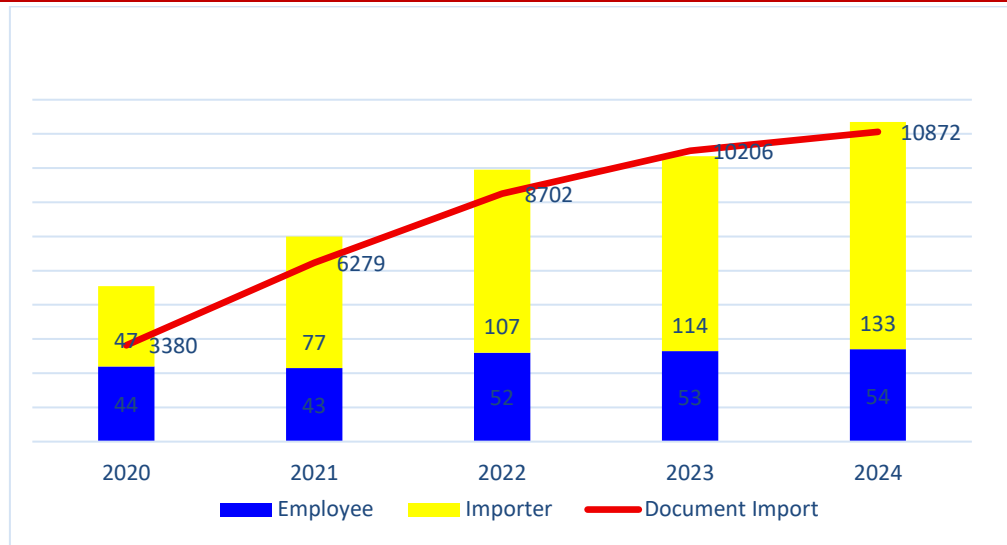


Figure 1: Employee, Importer, and Import Document Growth Data

Source: processed by Author (2025)

Based on available data Figure 1, the increase in document volume without a corresponding rise in staffing levels indicates a significant escalation in workload at KPPBC Morowali. This reflects the growing intensity of service and supervisory activities at the office, in line with rising operational demands driven by industrial sector development, particularly within the National Strategic Project (PSN) area. The growing number of documents requiring processing necessitates an expansion in both capacity and personnel to ensure efficiency in service delivery and oversight. However, this condition has not been accompanied by policies to increase staffing, thereby requiring existing employees to perform their duties with heightened motivation.

Given the high workload, employees are expected to perform high performance. This performance is influenced by multiple factors. According to Sobirin, 2024, the general determinants of performance include individual factors, leadership, teamwork, organizational systems, and situational (external) factors. The quality of organizational performance is shaped by employee competence, task execution ability, knowledge, work attitude, commitment, motivation, and self-efficacy. Individual and organizational performance is not solely determined by one's capacity to complete tasks, but also by the support of colleagues, which plays vital role. Employee motivation and job satisfaction each positively influence performance (Hanafi & Yohana, 2017). Furthermore, Lusri & Siagian, (2017) demonstrated that job satisfaction serves as a mediator in the relationship between work motivation and performance.

Work motivation plays a crucial role in shaping both employee performance and overall organizational success. However, this motivation is highly dependent on the work environment. At KPPBC Morowali, employees are expected to perform optimally, yet the available personnel do not match the workload. This imbalance inevitably affects employee motivation. Additionally, the office's location in a region with limited accessibility presents its own challenges. Geographical constraints can lead to decreased motivation, especially when workload increases without adequate team support or necessary competencies. This is further influenced by the fact that many employees originate from outside Sulawesi, requiring internal motivational reinforcement. Both internal and external factors are crucial for sustaining and nurturing employee motivation to ensure they continue to deliver their best performance.

Despite the high workload and accessibility challenges faced by employees, data shows that the Organizational Performance Score (Nilai Kinerja Organisasi, NKO) of KPPBC Morowali has consistently improved year over year. At first glance, this suggests an enhancement in organizational performance. However, an increase in NKO does not necessarily reflect the actual conditions of employee motivation or individual performance. A thorough assessment of service effectiveness should include user satisfaction data, as it serves as a critical indicator of an organization's overall success. Based on the outcomes of the User Satisfaction Survey (Survei Kepuasan Pengguna Jasa, SKPJ), score fluctuations have been observed year to year and do not always align with the rise in NKO. These fluctuations indicate that service-related factors—including work systems and procedures, employee competence, availability of facilities and infrastructure, and access to information—significantly influence user satisfaction. When compared to the workload conditions at KPPBC Morowali, these fluctuations signal the impact of employee motivation on service delivery. A high workload contributes significantly to employee satisfaction in carrying out their duties and responsibilities.

Table 1: Organizational performance scores and service user satisfaction survey results data

| No | Year | NKO | SKPJ |
|----|------|--------|----------------|
| 1 | 2020 | 112.54 | 4.61 (Scale 5) |
| 2 | 2021 | 112.98 | 4.42 (Scale 5) |
| 3 | 2022 | 113.04 | 4.63 (Scale 5) |
| 4 | 2023 | 115.64 | 4.59 (Scale 5) |
| 5 | 2024 | 115,87 | 3,83 (Scale 4) |

Source: data processed (2025)

Table 1 shows that the Organizational Performance Score (NKO) has consistently improved over the years. However, the User Satisfaction Index (SKPJ) does not exhibit a similar upward trend, instead it fluctuates across periods. These variations may suggest inconsistencies in the quality of public services provided or highlight a gap between expected service standards and their actual implementation in practice. Low motivation can lead to suboptimal service delivery, limited initiative, and inconsistent performance. A poor work environment may result in weak collaboration, high stress levels, and low employee loyalty, all of which negatively affect performance. Job dissatisfaction also contributes to diminished commitment, lack of accountability, and declining employee quality.

This study examines the extent to which employee performance is affected by motivation, work environment, and job satisfaction. There is a notable research gap regarding National Strategic Projects, as comprehensive analyses of the relationships among motivation, job satisfaction, and civil servant performance are limited. Specifically, research focusing on strategic industrial zones for nickel processing is scarce. The findings of this study are expected to enhance understanding of the factors influencing employee performance and to inform the development of effective strategies to sustain motivation and improve the work environment.

While many studies have explored the link between work motivation, job satisfaction, and employee performance, most have concentrated on organizations in urban settings with relatively favorable working conditions. There is limited research

examining these relationships within National Strategic Projects (PSN) located in remote areas such as Morowali. These regions present unique challenges, including difficult geographical conditions, scarce resources, and heavy workloads driven by rising document volumes without proportional staff increases. The novelty of this study lies in its comprehensive analysis of how work motivation and job satisfaction affect employee performance in environments marked by operational complexity and limited facilities. This study offers fresh perspectives on how human resources in the public sector can be managed more effectively to speed up the execution of national strategic initiatives.

From the background outlined above, several key issues emerge that warrant examination regarding employee performance in National Strategic Project areas, particularly in Morowali. The substantial workload caused by a surge in document volume, coupled with the difficulties of operating in a region with limited accessibility, significantly impacts employee motivation and performance. Furthermore, fluctuations in user satisfaction suggest a possible disconnect between internal organizational achievements and external perceptions of service quality. These conditions underscore the need for a more comprehensive analysis of the relationships among work motivation, work environment, job satisfaction, and employee performance.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS FORMULATION

Performance

Performance is defined as the outcome of work, evaluated through both individual and organizational achievements. It encompasses results across all organizational levels, facilitating the alignment of activities and the implementation of feedback systems grounded in established capabilities (Rumawas, 2021). Two prominent theories that address performance are Goal-Setting Theory and Expectancy Theory. Goal-Setting Theory posits that employees who are assigned specific and challenging goals exhibit enhanced performance, particularly when they accept these goals and receive feedback to facilitate superior outcomes (Locke & Latham, 1991). Expectancy Theory further explains that employees' motivation to pursue and achieve such goals is contingent upon their belief that their efforts will result in desirable outcomes and rewards. This theory also emphasizes that both individual choices and external factors can affect these outcomes (Vroom, 1964). Collectively, these theories demonstrate that the presence of clear goals and confidence in attainable rewards jointly influence performance. Sobirin (2024) identifies five primary factors affecting performance: individual characteristics, leadership, teamwork, organizational systems, and situational or external factors.

Motivation

Motivation determines the degree of effort individuals invest in achieving goals. It is defined as the willingness to exert substantial effort toward organizational objectives, contingent upon the capacity of that effort to fulfill individual needs (Robbins & Judge, 2024). Other prominent motivation theories include:

1. According to the Hierarchy of Needs Theory Maslow (1970), Motivation is formed through a series of connected needs, beginning with the most fundamental physical requirements, then moving on to the need for safety, followed by the desire for social connections and a sense of belonging, then the pursuit of respect and recognition, and finally, the fulfillment of one's highest potential.

2. Expectancy Theory by Vroom, (1964): Widely accepted across various contexts, this theory explains motivation as behavioral tendencies are shaped by the degree of confidence that an action will yield a preferred outcome and the desirability of that outcome.

Work Environment

Creating a positive work environment is a key responsibility for management, as it has a direct impact on employee well-being, their level of productivity, and the overall success of the organization. According to Silitonga (2020), employees can achieve optimal performance when they possess a strong achievement motive. This motive must be cultivated internally, forming personal strength, and when supported by a conducive work environment, performance achievement becomes more attainable.

Sedarmayanti & Rahadian (2018) emphasize that the physical environment surrounding the workplace must be maintained to avoid disruptions of performance. Factors like the layout of workspaces, room temperature, and lighting can impact employees differently, since everyone has a unique ability to adapt to their environment. The arrangement of work equipment—such as desks, chairs, computers, and other facilities—should be aligned with the room’s size and conditions to avoid hindering employee activities. Another factor influencing performance is the non-physical or social work environment.

Job Satisfaction

According to Herzberg (1993), satisfaction and dissatisfaction at work come from different causes. Factors that are part of the job itself, like achieving goals, receiving recognition, having responsibility, getting opportunities to move up, enjoying the work, and having chances for growth, are what lead to job satisfaction. By contrast, the absence of extrinsic factors—such as salary, job security, working conditions, status, organizational policies, quality of supervision, and interpersonal relationships—leads to job dissatisfaction. This distinction clarifies that intrinsic motivators enhance satisfaction, while extrinsic factors mainly prevent dissatisfaction.

Framework

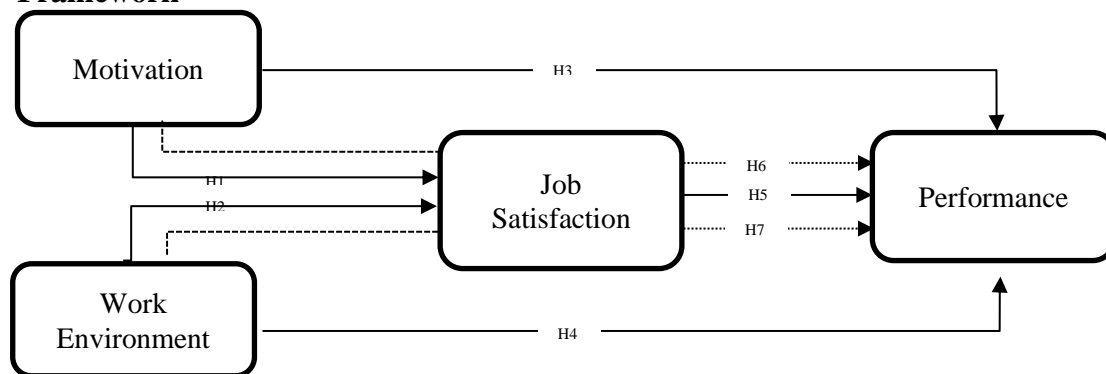


Figure 2: Conceptual framework
Source: processed by Author (2025)

Hypothesis

Lusri & Siagian (2017) demonstrated that strong work motivation positively affects employee job satisfaction. Wardhana et al., (2023) and Alit et al., (2024), stated that work motivation, work environment, and job satisfaction each have a significant effect on employee performance. Motivation not only drives employees to achieve performance targets but also fulfills their emotional and professional needs. When

employees perceive appreciation through rewards or a supportive work environment, their overall satisfaction with their job's increases. The supporting theory is known as Hierarchy of Needs (Maslow, 1970): which suggests that when employees' basic needs up to esteem needs are fulfilled, they tend to experience greater job satisfaction. Robbins & Judge, (2024) assert that highly motivated employees are more satisfied with their jobs because their essential needs are met.

H₁: Work motivation influences employee job satisfaction

Every organization, whether large or small, creates its own unique work environment. This environment emerges from the collaboration of individuals working together to achieve specific goals. The work environment in one organization may differ from another due to the distinct characteristics and nature of activities carried out within each organization (Sedarmayanti & Rahadian, 2018). Andreas et al. (2023) stated in their study that the work environment plays a role in fostering employee satisfaction because it can influence employees' emotions. Similarly, Nurlaela & Trianasari (2021) found that the work environment affects job satisfaction, as a safe and comfortable workplace enhances employees' sense of contentment and enjoyment in their work.

H₂: The work environment influences employee job satisfaction

Locke & Latham, (1991) introduced the Goal Setting Theory, which operates within the domain of deliberately directed actions. This theory seeks to explain why some individuals perform better at work tasks than others. When employees possess similar skills and knowledge, the difference in performance is primarily attributed to motivation. The theory posits that the most straightforward and direct explanation for varying performance levels is that individuals set different performance goals. Research consistently shows that motivation, the work environment, and job satisfaction are closely linked and play a crucial role in shaping employee performance. Lusri & Siagian (2017) demonstrated that work motivation not only enhances job satisfaction but also directly improves employee performance, as motivated individuals are driven to achieve optimal results.

H₃: Work motivation influences employee performance

Sedarmayanti & Rahadian (2018) stated that the work environment is a place where employees can perform optimally, enabling them to complete tasks in accordance with established targets. The factors that shape the work environment are deeply connected to human capabilities and how individuals interact with their surroundings. Apriyanti et al. (2020) demonstrated that a healthy work environment contributes significantly improves employee performance. A comfortable workplace fosters optimal physical and psychological conditions, enabling employees to work more efficiently and effectively. Similarly, Nurlaela & Trianasari (2021) discovered that a healthy work environment offers safety and comfort, which helps employees feel empowered to perform at their best. This, in turn, leads to improved organizational performance. When employees feel secure and comfort in their jobs, they are more likely to reach their maximum level of productivity.

H₄: The work environment influences employee performance

Expectancy Theory states that employee performance is driven by the belief that their effort will lead to successful outcomes and that those outcomes will be rewarded. According to Vroom (1964), the specific outcomes achieved by an individual depend not only on the choices they make but also on factors beyond their control. Lusri &

Siagian (2017) and Apriyanti et al. (2020) have shown that employees who are satisfied with their jobs tend to deliver higher levels of performance. Job satisfaction fosters positive emotional and mental conditions, which in turn enhance employees' focus, motivation, and work quality. Asamani et al., (2025b) Employee satisfaction plays an important role in boosting individual performance and contributing to the overall success of the organization in the industry.

H₅: Job satisfaction influences employee performance

Hanafi & Yohana (2017) concluded that motivation, when mediated by job satisfaction, has a significant effect on employee performance. In contrast, Sembiring et al. (2021) reported that the indirect coefficient of motivation on employee performance was not significant.

H₆: Job satisfaction mediates the relationship between motivation and performance

Nurlaela & Trianasari (2021) found that the work environment has a positive and significant indirect impact on employee performance, mediated by improved job satisfaction. This indicates that a better work environment contributes to higher employee performance by fostering greater job satisfaction. Consequently, employee performance is influenced by both the quality of the work environment and job satisfaction.

H₇: Job satisfaction mediates the relationship between the work environment and performance.

3. RESEARCH METHOD

This study employs a quantitative research approach, aiming to describe and interpret the characteristics of a specific phenomenon by collecting numerical data and applying statistical analysis.

The research will be carried out at the Customs and Excise Supervision and Service Offices: Type Madya Pabean B Makassar, Type Madya Pabean C Morowali, Type Madya Pabean C Kendari, and Type Madya Pabean C Ternate, starting in July 2025. The total population across these four offices is 275 individuals. The sample was selected using convenience sampling. From the online distribution of questionnaires, 141 respondents' data were collected and could be analysed.

This research uses a survey-based approach, employing structured questionnaires distributed to respondents for data collection. The instrument utilizes a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), with closed-ended questions developed based on indicators for each research variable. Respondents select from predefined statements rather than providing open-ended answers. The data collection process is conducted naturally without manipulating independent variables, which means the study does not fall under experimental research. Instead, it employs a one-time cross-sectional design, where data are gathered within a specific period—daily, weekly, or monthly—to capture responses on an ordinal scale. Questionnaires are distributed to the targeted population through various channels, including direct delivery, email, and online survey platforms, with sufficient time allocated for respondents to complete and return them.

The analytical method employed in this study utilizes inferential statistics with a parametric data type and applies Partial Least Squares Structural Equation Modeling (PLS-SEM). According to Monecke & Leisch, (2012), Structural Equation Modeling (SEM) is widely popular across various academic disciplines. The PLS approach to

structural equation modeling provides an alternative to covariance-based SEM, making it ideal for cases where data do not follow a normal distribution.

Hair et al. (2017) state that PLS can be applied to small sample sizes; however, larger samples tend to enhance the precision of estimations. PLS does not require the assumption of normal data distribution. Constructs can be modeled using either reflective or formative indicators. The maximum number of indicators supported is relatively large, reaching up to 1,000. PLS analysis consists of two main components: the structural model (inner model) and the measurement model (outer model).

4. RESULTS AND DISCUSSION

Results

Convergent Validity

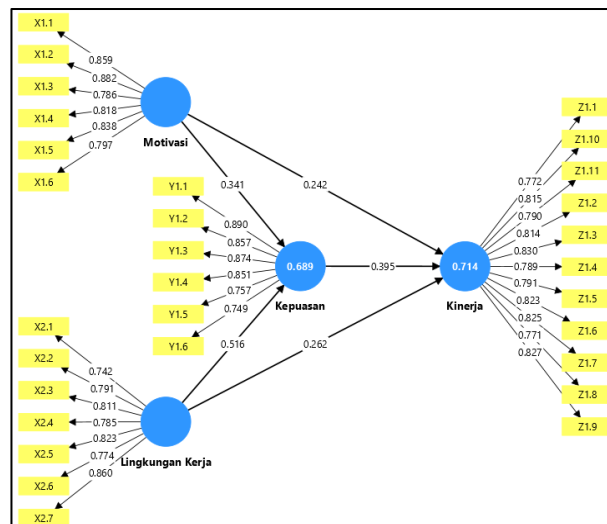


Figure 3: Outer model

Source: processed by Author (2025)

Convergent validity for the outer loading factor of reflective constructs must exceed 0.708 (Ghozali & Kusumadewi, 2023). All indicators exhibit outer loading values greater than 0.708, as illustrated in the figure above. This result indicates that the model satisfies validity standards for all measures and is consistent with established guidelines for indicator reliability.

Setiabudhi et al. (2025) define outer loading as the correlation between an indicator and its associated latent variable. Higher outer-loading values indicate a stronger relationship between the indicator and its underlying construct. Generally, outer loading values above 0.70 are considered acceptable, as they indicate sufficient indicator reliability.

Construct Reliability Test

Construct validity is assessed using the Average Variance Extracted (AVE); a value above 0.50 indicates validity by showing the construct explains more variance in its own indicators than in those of other constructs. As shown in Table 2, all constructs exceed this threshold.

Table 2: Outer loading

| | Cronbach's alpha | Composite reliability (rho_a) | Composite reliability (rho_c) | Average variance extracted (AVE) |
|------------------|------------------|-------------------------------|-------------------------------|----------------------------------|
| Job Satisfaction | 0.909 | 0.911 | 0.930 | 0.691 |
| Performance | 0.946 | 0.952 | 0.953 | 0.647 |
| Work Environment | 0.905 | 0.907 | 0.925 | 0.638 |
| Motivation | 0.910 | 0.912 | 0.930 | 0.690 |

Source: data processed (2025)

Each construct has a Cronbach's Alpha value above 0.90, which indicates excellent internal consistency. This means that the questions or items within each variable are strongly aligned and consistently measure the same underlying concept.

Both rho_a and rho_c values are also above 0.90. These high scores suggest that each construct demonstrates high level of measurement reliability, even when evaluated with composite-based reliability metrics. Simply put, the variables consistently produce dependable measurement results.

The AVE for all constructs ranges from 0.63 to 0.69. Since these values are above the recommended minimum of 0.50, it means each construct can explain more than half of the variance of its indicators. This confirms that the items effectively represent the concept they are intended to measure (valid convergent validity).

Inner Model

Evaluation of the structural model involves examining the R-square values for dependent variables and the path coefficients for independent variables. The statistical significance of each path is determined by analyzing the corresponding t-statistic.

Table 3: Analysis R-Square result

| | R-square | R-square adjusted |
|------------------|----------|-------------------|
| Job Satisfaction | 0.689 | 0.685 |
| Performance | 0.714 | 0.708 |

Source: data processed (2025)

The R-squared value quantifies the proportion of variance in the dependent variable that is explained by the independent variables. For the latent variable Job Satisfaction, the R-square is 0.689, indicating that Motivation and Work Environment together account for 68.9% of its variance. Similarly, the R-square value for Employee Performance is 0.714, demonstrating that Motivation, Work Environment, and Job Satisfaction collectively explain 71.4% of the variance in employee performance.

Hypothesis Test

Table 4 presents statistical results indicating that some proposed hypotheses demonstrate significant influence (p-value < 0.05), while others do not. When the p-value exceeds 0.05, the relationship or effect is not statistically significant at the selected confidence level. Therefore, only specific relationships among the variables are supported by statistical evidence.

Table 4: Hypothesis testing

| Hypothesis | Coefficient | P-Value | Information |
|--|-------------|---------|----------------------------|
| H1: Motivation influences employee job satisfaction | 0.341 | 0.016 | Significant (Accepted) |
| H2: Work environment influences employee job satisfaction. | 0.516 | 0.000 | Significant (Accepted) |
| H3: Motivation influences employee performance | 0.242 | 0.054 | Not Significant (Rejected) |
| H4: Work environment influences employee performance | 0.262 | 0.070 | Not Significant (Rejected) |
| H5: Employee job satisfaction influences employee performance | 0.395 | 0.000 | Significant (Accepted) |
| H6: Job satisfaction mediates the effect of motivation on employee performance | 0.135 | 0.076 | Not Significant (Rejected) |
| H7: Job satisfaction mediates the effect of work environment on employee performance | 0.204 | 0.006 | Significant (Accepted) |

Source: data processed (2025)

Based on Table 4, H1, shows that the path coefficient (original sample) for Motivation to Job Satisfaction is 0.341, indicating a positive relationship. The p-value of 0.016 is below the 0.05 significance threshold, confirming that motivation exerts a statistically significant impact on job satisfaction.

Based on Table 4, H2, demonstrate a positive relationship between the work environment and job satisfaction, as evidenced by a path coefficient of 0.516. The p-value of 0.000 falls below the 0.05 significance threshold, confirming the statistical significance of this relationship. Therefore, the work environment has a positive and significant effect on job satisfaction, supporting the proposed hypothesis

Based on Table 4, H3, demonstrates that the path coefficient from motivation to performance in the original sample is 0.242, indicating a positive relationship. However, the p-value of 0.054 exceeds the 0.05 threshold, which means the effect of motivation on performance is not statistically significant. Therefore, the hypothesis is rejected.

Based on Table 4, H4, revealed a path coefficient of 0.262 for the effect of the work environment on performance, suggesting a positive relationship. However, the p-value of 0.070 exceeds the 0.05 significance threshold, indicating that this effect is not statistically significant. Consequently, the hypothesis is rejected, and it is concluded that the work environment does not significantly influence performance.

Based on Table 4, H5, indicate that job satisfaction exerts a significant positive effect on employee performance, as evidenced by a path coefficient of 0.395 and a p-value of 0.000, which is well below the 0.05 threshold. This result confirms that the relationship is both positive and statistically significant, supporting the hypothesis

Based on Table 4, H6, revealed that the indirect effect of motivation on performance through job satisfaction was 0.135 (original sample), with a p-value of 0.076. Since this p-value exceeds the 0.05 threshold, the mediating effect of job satisfaction is not statistically significant. Therefore, the hypothesis that motivation influences performance through job satisfaction is rejected.

Based on table 4, H7, indicate that the work environment influences employee performance indirectly through job satisfaction, with an effect size of 0.204. A p-value of 0.006, which is below the 0.05 threshold, confirms the mediation's statistical significance. Job satisfaction, therefore, serves as a critical link between the work environment and employee performance.

Discussion

The Impact of Motivation on Employee Job Satisfaction

Hypothesis testing results indicate that motivation positively and significantly affects employee job satisfaction in the PSN environment. In summary, higher motivation leads employees to evaluate their jobs more positively, both emotionally and cognitively. Motivation serves as a primary psychological driver, shaping employees' perceptions of their roles, responsibilities, and the value of their contributions within the organization.

Both intrinsic motivation, such as the desire for achievement, autonomy, competence, and personal growth, and extrinsic motivation, including rewards, recognition, and career incentives, play key roles in enhancing job satisfaction. Motivated employees tend to demonstrate professionalism, participate effectively in teamwork, and appreciate organizational support through equitable reward systems. Seeing their tasks as meaningful and aligned with organizational objectives further strengthens job satisfaction by fostering enthusiasm and a sense of purpose.

Empirical evidence further supports these findings. For example, Hanafi & Yohana (2017) demonstrated that motivation significantly enhances employee job satisfaction by fostering positive work attitudes and higher engagement. Their study highlighted that motivated employees develop stronger emotional attachment to their organization, reinforcing satisfaction and mitigating negative work-related perceptions. The alignment between current and prior findings strengthens the robustness of the relationship between motivation and job satisfaction, particularly in organizational contexts requiring professionalism and accountability.

Theoretically, this result aligns with Maslow's Hierarchy of Needs Theory (Maslow 1970), which posits that individuals seek to fulfill progressively higher-level needs, including esteem and self-actualization. In the PSN context, motivated employees are more likely to perceive that their higher-order needs, such as recognition, respect, and self-development, are being met, thereby increasing job satisfaction. These theoretical connections are also consistent with Herzberg's Two-Factor Theory (Herzberg 1993), which emphasizes the importance of motivator factors, such as achievement, responsibility, and recognition, in generating job satisfaction beyond the mere absence of dissatisfaction.

The Impact of the Work Environment on Employee Job Satisfaction

The analysis demonstrates that the work environment has a positive and significant effect on employee job satisfaction in the PSN area. Put simply, improvements in the work environment—whether physical, social, or organizational—directly enhance employees' well-being and job satisfaction. A conducive environment provides employees with conditions to perform their tasks comfortably and confidently, shaping positive emotional and cognitive evaluations of their work experience.

A supportive work environment includes ergonomic workspace design, adequate lighting and air quality, access to appropriate tools, clear communication, and positive relationships with colleagues and supervisors. Employees in such environments are more likely to feel comfortable, motivated, and valued, fostering a sense of security and

belonging, which are essential for job satisfaction, especially in structured settings like the PSN. Elements such as strong team collaboration, a safe workplace, and consistent managerial support contribute to a positive organizational climate that reduces stress and enhances psychological comfort, making employees more likely to develop favorable attitudes toward their jobs and the organization.

Empirical evidence aligns with Apriyanti et al. (2020), who reported that the work environment positively and significantly influences employee outcomes, including job satisfaction. While their study also associated the work environment with performance, the present findings emphasize that its primary and more immediate impact. Empirical evidence aligns with these conclusions. For example, Apriyanti et al. (2020) reported that the work environment positively and significantly influences employee outcomes, including job satisfaction. While their study also associated the work environment with performance, the present findings emphasize that its primary and more immediate impact is on employee satisfaction. This supports the view that environmental factors often affect attitudinal variables more strongly than behavioral outcomes.

From a theoretical perspective, these results are in agreement with Herzberg's Hygiene Factors Theory (Herzberg 1993), which posits that environmental conditions—such as workplace safety, interpersonal relations, supervision quality, and organizational policies—are essential for preventing dissatisfaction and fostering satisfaction. In the PSN context, this means that a poor work environment may lead to dissatisfaction even among competent, motivated employees, whereas a supportive environment lays the foundation for positive work attitudes, effective communication structures, strengthened supervisory support, and enhanced occupational health and safety protocols. Given that Customs officers routinely handle complex documentation, inspection tasks, and administrative responsibilities, a well-designed, supportive work environment can reduce cognitive overload, minimize stress, and improve clarity of work.

The Relationship Between Motivation and Employee Performance

Based on the hypothesis testing results, motivation does not have a statistically significant effect on employee performance in the PSN area. In other words, increased employee motivation does not lead to measurable improvements in performance outcomes in this context. Consequently, the proposed hypothesis is rejected, as increases in motivation do not necessarily lead to higher performance.

This finding implies that motivation alone is not a dominant predictor of employee performance, particularly in highly structured and regulated organizational environments such as PSN. In such settings, employee performance is often governed by standardized procedures, strict regulations, and institutional constraints. This finding implies that motivation alone is not a dominant predictor of employee performance, particularly in highly structured and regulated organizational environments such as PSN. In such settings, employee performance is often governed by standardized procedures, strict regulations, and institutional constraints, which may limit the extent to which personal motivation can influence observable performance indicators. This result is consistent with those of Jannah et al. (2023), who found that although work motivation exerts a positive effect, it does not significantly influence employee performance.

Expectancy theory (Vroom, 1964) explains this result. Motivation leads to performance only when employees believe their effort will succeed and be rewarded. In PSN, if employees face limited control, little support, or weak rewards, motivation may

not improve performance. Motivation is necessary, but not enough on its own to raise performance.

Furthermore, goal-setting theory (Locke & Latham, 1991) suggests that motivation enhances performance when goals are clear, specific, and challenging. If performance targets in PSN are unclear, overly rigid, or disconnected from employees' perceived control, motivated behavior may not yield higher performance outcomes. This further explains why motivation may improve job satisfaction (as shown in previous findings) without directly affecting performance.

The Impact of the Work Environment on Employee Performance

Based on the hypothesis testing results, the work environment does not have a statistically significant effect on employee performance in the PSN area. In summary, changes in the work environment do not directly lead to measurable changes in employee performance outcomes in this context. Consequently, the proposed hypothesis is not supported.

This finding suggests that, within the PSN context, employee performance is not solely—or even primarily—driven by environmental factors such as physical facilities, workspace comfort, or the general workplace atmosphere. Instead, performance appears to be more strongly influenced by task-related and systemic factors. These results are consistent with previous empirical studies. Jannah et al. (2023) found that while the work environment positively affects employee perceptions, it does not significantly influence performance. Similarly, Budiman et al. (2024) reported a positive but statistically insignificant relationship between the work environment and employee performance, particularly in public-sector and procedural work settings.

From a theoretical perspective, this outcome can be explained by the nature of work performed in PSN roles, which is largely cognitive, technical, and procedural. Such tasks often rely on standardized operating procedures, regulatory compliance, accuracy, and coordination rather than on environmental comfort alone. Even when physical and psychosocial working conditions are improved, employee performance may remain unchanged if employees lack clear operational guidance, adequate digital systems, decision-making authority, or timely performance feedback.

This finding also resonates with socio-technical systems theory, which emphasizes that organizational performance emerges from the alignment between social (people, environment, culture) and technical (technology, processes, task design) elements. In the PSN area, improvements in the work environment represent enhancements to the social system; however, without corresponding improvements in technical systems—such as workflow integration, information systems, and performance analytics—the impact on performance remains limited.

Moreover, this result suggests that the work environment may function more as a supporting or enabling factor rather than a direct determinant of performance. A conducive work environment may reduce discomfort, stress, or dissatisfaction, but it does not automatically enhance productivity unless employees are equipped with the competencies, tools, and authority required to perform effectively. This explains why the work environment may exert stronger effects on attitudinal outcomes (e.g., job satisfaction or organizational commitment) than on performance metrics.

The Impact of Job Satisfaction on Employee Performance

Based on the hypothesis testing results, job satisfaction has a significant and positive effect on employee performance in the PSN area. This finding confirms that employees who are more satisfied with their work tend to achieve superior performance

outcomes. Job satisfaction functions as a critical attitudinal factor that enhances employees' psychological attachment to their roles, thereby encouraging greater effort, persistence, and responsibility in task execution.

This result supports the widely accepted view in organizational behavior literature that satisfied employees are more likely to exhibit higher commitment, improved morale, lower turnover intention, and a stronger willingness to go beyond formal job requirements. Employees who feel valued and fairly treated tend to internalize organizational goals, which in turn positively influences their work quality and productivity. In contrast to motivation or the work environment, which may not directly translate into performance improvements, job satisfaction appears to be a more immediate and reliable predictor of performance outcomes in structured organizational settings such as PSN.

Empirically, this finding is consistent with previous studies. Apriyanti et al. (2020) demonstrated that job satisfaction significantly enhances employee performance by fostering positive work attitudes and reducing counterproductive behaviors. Similarly, Budiman et al. (2024) confirmed that job satisfaction plays a decisive role in improving employee performance, particularly in public-sector organizations where formal procedures and performance standards limit discretionary behavior. These studies reinforce the notion that satisfaction acts as a key psychological mechanism linking organizational practices with actual performance.

From a theoretical standpoint, this finding aligns with attitude–behavior theory, which suggests that positive job-related attitudes are likely to manifest in favorable work behaviors. Additionally, social exchange theory holds that when employees perceive fair treatment, support, and recognition from their organization, they feel an obligation to reciprocate by improving their performance. In the PSN context, where compliance, accuracy, and service reliability are critical, such reciprocal behavior becomes especially valuable.

The Mediating Role of Job Satisfaction in the Relationship Between Motivation and Employee Performance

Based on the hypothesis testing results, job satisfaction does not significantly mediate the relationship between motivation and employee performance. Accordingly, the proposed mediating hypothesis is not supported. While motivation is found to positively influence job satisfaction, this satisfaction does not subsequently translate into improved performance outcomes within the PSN context. This indicates that job satisfaction does not function as an effective psychological transmission mechanism through which motivation can be converted into higher employee performance.

This finding suggests that although motivated employees may feel more satisfied with their jobs, satisfaction alone is insufficient to drive performance improvements in the PSN environment. In other words, job satisfaction appears to play a more attitudinal than instrumental role. Employees may feel content, valued, and emotionally attached to their organization, yet their actual performance remains constrained by structural, procedural, or resource-related limitations.

Empirically, this result aligns with Jannah et al. (2023), who reported that work motivation has a positive, but statistically insignificant, indirect effect on employee performance when job satisfaction is used as a mediating variable.

From a theoretical perspective, this finding challenges the assumption—commonly derived from attitude–behavior theory—that positive job attitudes automatically lead to enhanced work performance. In the PSN setting, performance is heavily regulated by standardized procedures, compliance requirements, and formal

authority structures. As a result, even when employees are highly motivated and satisfied, they may lack sufficient discretion, autonomy, or enabling resources to translate these psychological states into tangible performance gains.

This result can also be explained using expectancy theory (Vroom, 1964). Motivation is likely to result in performance only when employees perceive a strong linkage between effort, performance, and rewards. If employees believe that performance outcomes are weakly linked to satisfaction-related rewards or that effort will not substantially alter performance evaluations, the motivational pathway through satisfaction becomes ineffective. Thus, job satisfaction does not fulfill the expectancy or instrumentality conditions required for effective performance mediation.

Furthermore, this finding suggests that job satisfaction may operate as an outcome rather than a process variable in the PSN context. While satisfaction is valuable for reducing turnover intentions, enhancing morale, and maintaining organizational stability, it does not necessarily serve as a mechanism for performance enhancement unless accompanied by performance-enabling conditions.

The Mediating Role of Job Satisfaction in the Relationship Between Work Environment and Employee Performance

Based on the hypothesis testing results, the work environment has a significant indirect effect on employee performance through job satisfaction. This finding indicates that improvements in the work environment within the PSN area do not directly enhance employee performance but instead operate through an intermediate mechanism—job satisfaction. In other words, a conducive work environment increases employees' job satisfaction, which, in turn, leads to improved performance outcomes. Thus, job satisfaction functions as a meaningful mediating variable that transmits the positive influence of the work environment to employee performance.

This result provides an important explanation for earlier findings showing that the work environment does not have a significant direct effect on performance. While environmental improvements alone may not immediately alter measurable performance indicators, they play a crucial role in shaping employees' affective responses toward their jobs. A supportive work environment—characterized by adequate facilities, a safe and comfortable workspace, positive interpersonal relationships, and supportive supervision—enhances employees' sense of comfort, fairness, and organizational support. These positive perceptions foster job satisfaction, which in turn motivates employees to perform their duties more effectively.

Empirically, this finding aligns with Budiman et al. (2024), who demonstrated that job satisfaction significantly mediates the relationship between the work environment and employee performance.

From a theoretical standpoint, this result is consistent with social exchange theory, which posits that employees reciprocate positive organizational treatment with favorable attitudes and behaviors. When employees perceive their work environment as supportive and conducive, they experience greater satisfaction and feel obligated to reciprocate by improving their performance. Additionally, this finding aligns with the attitude-behavior framework, which explains how positive work attitudes serve as a bridge between organizational conditions and employee behavior.

In the PSN context, the mediating role of job satisfaction is particularly salient. Given the highly regulated, procedural nature of PSN tasks, environmental improvements may not directly change how they are performed. However, a positive work environment can reduce stress, increase psychological comfort, and strengthen employees' emotional attachment to their organization. These attitudinal improvements

encourage employees to perform with greater diligence, accuracy, and cooperation, thereby enhancing overall performance.

From a practical perspective, these findings imply that Customs management in PSN areas should prioritize creating and maintaining a supportive and encouraging work environment as a strategic pathway to performance improvement. Such efforts may include improving workplace facilities, fostering positive supervisor–subordinate relationships, promoting open communication, and ensuring a safe and respectful work climate. By enhancing job satisfaction through environmental improvements, management can indirectly but effectively improve employee performance.

5. CONCLUSIONS, IMPLICATIONS, SUGGESTIONS AND LIMITATION OF THE RESEARCH

This study examines the effects of motivation and the work environment on employee performance, with job satisfaction identified as a mediating variable within the Customs Office of the National Strategic Project (PSN) Nickel Processing Area. The findings indicate that both motivation and the work environment significantly enhance job satisfaction, underscoring their essential roles in cultivating a satisfied and productive workforce. However, neither motivation nor the work environment directly influences employee performance, suggesting that their effects are mediated by other factors. Job satisfaction demonstrates a clear positive impact on performance, affirming its significance as a determinant of performance outcomes. Furthermore, the results reveal that job satisfaction significantly mediates the relationship between the work environment and employee performance, but not between motivation and performance. These findings suggest that improving the work environment can indirectly enhance performance by increasing job satisfaction, while motivation alone may not lead to improved outcomes without additional support. Overall, the study highlights the importance of promoting a positive work environment and increasing job satisfaction as primary strategies for optimizing employee performance.

The scope of this study is limited to a single PSN sector, which requires caution when generalizing the findings to other sectors. Future research should broaden the analysis to include multiple PSN sectors or additional government agencies to achieve a more comprehensive understanding of these relationships. Additionally, subsequent studies could incorporate variables such as leadership, organizational culture, and technological support to strengthen the analysis and enhance the validity of the findings.

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