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The Role of Work Motivation as an Intervening Variable Between Employee Competence and Work Environment on Employee Performance

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ABSTRACT

This study examined the relationship between competence and work environment on employee performance, with work motivation functioning as a mediating factor. The study was implemented at Cilegon City's Environmental Office (Dinas Lingkungan Hidup) through a quantitative research design utilizing questionnaire surveys administered to 62 participants. Data analysis employed Structural Equation Modeling (SEM) via Partial Least Squares (PLS) methodology, processed through SmartPLS 4 software. Results revealed that work environment demonstrates significant influence on work motivation, while work motivation exhibits significant impact on employee performance. Notably, competence and work environment failed to demonstrate direct significant effects on performance outcomes. The mediating analysis showed that work motivation does not significantly mediate the competence-performance relationship, yet effectively mediates the work environment-performance relationship. These results highlight the critical importance of fostering supportive workplace conditions to strengthen employee motivation, which subsequently enhances performance outcomes. The research proposes actionable recommendations including improvements to physical and social workplace infrastructure, implementation of psychological support mechanisms, and establishment of non-monetary incentive frameworks. This study advances knowledge in public sector human resource management practices, particularly by demonstrating motivation's pivotal role in connecting work environment factors with employee performance achievements.

Keywords: Competence, Employee Performance, Work Environment, Work Motivation

INTRODUCTION

Contemporary public service administration recognizes employee performance as a fundamental determinant of governmental agencies' capacity to deliver efficient and accountable services. The Cilegon City Environment Agency (DLH), as a strategic governmental entity, plays critical responsibilities in waste management operations and environmental preservation initiatives. Nevertheless, personnel performance metrics within this organization have shown concerning volatility across the preceding three-year period, necessitating comprehensive investigation. Personnel records indicate that employee performance stood at 77.64% during 2022, increased to 86.69% in 2023, before declining to 81.6% in 2024, failing to meet the established benchmark of >85%. This performance deterioration has consequently reduced employee motivation levels.

Year **Target** Value (%) **Description** 2022 >68.50% 77.64 Good, Meets Target >76.75% 2023 86.69 Very Good, Meets Target 2024 >85% 81.6% Good, Not Meeting Requirements

Table 1 Summary of Employee Performance 2022 to 2024

Source: Cilegon City DLH Personnel Data



Figure 1 Employee Performance Standards 2022 - 2024 **Source:** DLH City of Cilegon LKjIP Report

Such performance instability reinforces the critical need for this investigation, which focuses on exploring and identifying the underlying factors causing inconsistencies in employee performance standard achievement. Available data regarding competency development and workplace environmental conditions show stagnation patterns or minimal advancement, thereby supporting the rationale for

this research. Therefore, this study is highly relevant for conducting in-depth analysis of the underlying dynamics that inform effective human resource management interventions, with the aim of improving consistent employee performance outcomes.

Primary suspected factors include stagnation within competency and workplace environment domains. Competency scores increased from 3.15 (2022) to 3.5 (2023), but remained stagnant at 3.5 throughout 2024. This competency stagnation over the past two years (2023-2024) requires comprehensive evaluation of appropriate enhancement programs.

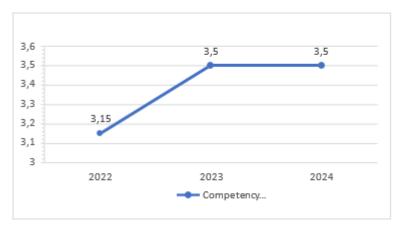


Figure 2 Competency Scores 2022–2024 **Source**: LKjIP DLH City of Cilegon Report

Workplace environmental conditions also showed volatility, declining from 3.4 (2022) to 3.04 (2023), with slight improvement to 3.42 in 2024. Therefore, workplace environmental factors are suspected to influence employee performance through support mechanisms and comfort provision, ultimately affecting personnel work motivation.



Figure 3 Work Environment 2022 – 2024 **Source:** LKjIP DLH City of Cilegon Report

This stagnation suggests that structural enhancement initiatives have not achieved full effectiveness in sustaining consistent employee performance improvements. While competency and workplace environment constitute two

factors traditionally recognised as performance influencers, practical evidence demonstrates that improvements in these domains do not necessarily yield direct impact without accompanying psychological encouragement derived from internal employee sources, specifically work motivation. In *Self-Determination Theory*, Ryan and Deci (2020) emphasized that the need for competence, autonomy, and social connectedness constitutes the foundation for intrinsic motivation. Similarly, Herzberg (1968) underscores the significance of motivational factors including achievement and recognition in cultivating workplace enthusiasm.

Multiple studies corroborate motivation's essential role in performance enhancement. Suhardi (2019) demonstrates that motivation mediates the relationship between competency and employee performance. The study by Christiyaningsih and Marsudi (2024) additionally established that workplace environment influences work motivation, subsequently affecting performance outcomes. These findings suggest that without elevated work motivation levels, competency and workplace environment influences on performance remain suboptimal (Iman et al., 2023; Wahyuningsih et al., 2024).

Nevertheless, research comprehensively examining how work motivation functions as a bridge between competency and workplace environment regarding performance outcomes remains limited, particularly within local governmental agency contexts such as DLH Kota Cilegon. Therefore, this investigation assumes importance in addressing this research gap while providing theoretical and practical contributions to public sector human resource management strategy formulation. Performance Report scores were derived from LKjIP data spanning 2022-2024.

This approach aligns with Permendagri Number 86 of 2017, stipulating that governmental employee performance determination depends upon work outcomes, specifically competency measures. This regulation emphasises that public organisation success depends not solely upon competent individuals but also upon creating supportive workplace environments and maintaining work motivation to facilitate optimal contributions. Following this framework, assessment scoring utilises the following criteria:

Table 2 Percentage of Environmental Agency Employee Performance

No.	Category	Average %/Achievement
1	Very high	91 ≤ 100
2	High	$76 \le 90$
3	Average	66 ≤ 75
4	Low	51 ≤ 65
5	Very Low	≤50

Source: Permendagri Number 86 of 2017

Aligned with Permendagri No. 86 of 2017, no explicit minimum numerical performance standards are specified, particularly for LKjIP frameworks. This highlights the critical need for human resource enhancement in local government, including the Cilegon City Environmental Agency. Performance fluctuations present primary challenges influenced by competency, workplace environment, and work motivation. In this context, work motivation's intervening role becomes crucial in strengthening competency-workplace environment relationships toward consistent employee performance. This research contributes both theoretically to human resource management and practically as strategic input for enhancing public agency accountability.

Competency constitutes a vital factor influencing employee performance and organizational effectiveness. Previous studies show inconsistent results regarding competency's performance impact, creating research gaps requiring deeper examination. Research by Ochoa Pacheco and Coello-Montecel (2023) demonstrates significant positive competency-performance relationships, showing employees possess adequate task execution capabilities due to superior work understanding, enabling effective and efficient implementation. Atikah et al. (2024) similarly found significant positive competency-performance relationships, identifying knowledge, skills, and attitude as performance-enhancing aspects when competency serves as motivation foundation. Sulistyaningrum and Pinaraswati (2024) confirmed significant positive competency-performance relationships affecting human resource development and promotion opportunities. Salsabila and Lo (2023) established comparable relationships, suggesting leaders must prioritize competency through communication training and inter-divisional discussions at PT Balai Pustaka (Persero). However, Shodiqin and Srimindarti (2015) found positive but statistically insignificant competency effects on performance.

Workplace environment research reveals varied findings. Research by Ferliani et al. (2022) identified three dimensions: work atmosphere, facilities, and employee relations, finding inadequate facilities in Selayar Islands Regency despite excellent atmosphere and relations. Mokodompit et al. (2023) confirmed positive workplace environment-performance relationships in Gorontalo Province's Education Office. Studies indicate supportive environments enhance performance through physical comfort, psychological value, and organizational clarity. Nevertheless, Suriani and Kusumayadi (2021) found unfavorable environments and inadequate leadership negatively impact performance. Research from Sulastri (2020) showed no significant workplace environment effects at Perumda Air Minum Tirta Baribis due to minimal office facilities.

From Person-Environment Fit Theory perspective, employee-workplace relationships form through competency-organizational demand compatibility. High-competency employees demonstrate greater adaptability and contribute positively to work dynamics. Herzberg's Two Factor Theory positions workplace environment as fundamental factors encouraging or inhibiting motivation

emergence. Self-Determination Theory indicates motivation arises when competency, autonomy, and relatedness needs are met. Expectancy Theory suggests employees perform well when believing efforts will produce valued outcomes. Thus, motivation serves as an internal driver bridging competency and workplace environment influences on performance.

Work motivation functions as an intervening variable connecting competency and workplace environment with performance outcomes. High competency alone does not ensure optimal performance without internal encouragement. Supportive environments foster security and appreciation, maximizing work enthusiasm. This is consistent with Abbas's et al. (2023) research that states motivation is essential for driving action capabilities. Anggraeni (2023) supports motivation's mediating role in strengthening competency-environment-performance relationships.

Empirical studies demonstrate work motivation as a mediating variable. Suhardi (2019) found motivation significantly mediates competency influences on performance, indicating high-competency employees show optimal performance with elevated motivation. Likewise, Nurgiyantoro et al. (2025) believed that motivation affects performance while organizational commitment mediates competency-motivation-performance relationships. Furthermore, research by Christiyaningsih and Marsudi (2024) established workplace environment's significant positive effect on work motivation, emphasizing motivation as the pathway translating environmental influences into actual performance.

This research addresses empirical gaps regarding work motivation's intervening role in competency-workplace environment-performance relationships. Through quantitative approaches using questionnaire instruments and Structural Equation Modeling (SEM), this study examines direct competency and workplace environment influences while analyzing motivation's mediating capacity. Results show motivation plays significant roles in bridging workplace environment influences on performance improvement, though no significant mediating role was found in competency-performance relationships. These findings provide new perspectives that motivation represents an essential psychological productivity factor in public organizations. Creating supportive environments and continuously developing competencies constitute strategic factors for building optimal work enthusiasm. This study provides practical implications for policy makers in designing adaptive human resource management strategies oriented toward sustainable public sector organizational effectiveness and productivity improvement.

LITERATURE REVIEW

Self-Determination Theory

Self-Determination Theory, developed by Edward L. Deci and Richard M. Ryan, is a contemporary motivational framework that explains how fundamental

psychological needs influence individual motivation, behavior, and performance outcomes. Ryan and Deci (2020) confirmed that Self-Determination Theory can explain relationships between environmental conditions (external factors) and work outcomes (output measures) through motivational pathways. Within this framework, motivation acts as a mediating mechanism linking factors such as competency and workplace environment to employee performance.

Hypothesis Development

The Influence of Competency on Employee Performance

Setiawan and Purwanto (2024) showed that competency exerts positive and significant effects on employee performance at PT. PKJ Gresik. Their findings emphasized that employee competency, encompassing both technical skills and managerial capabilities, is crucial for performance enhancement and organizational goal achievement. Atikah et al. (2024) found that competency and motivation have positive and significant effects on employee performance at Samsat offices in Jambi City, reinforcing the importance of competency and motivational development for optimal performance. Similarly, Sulistyaningrum and Pinaraswati (2024) revealed positive and significant competency and motivation effects on employee performance, with job satisfaction serving as an intervening variable in goods/services procurement and development administration departments at Surabaya City Regional Secretariat.

Furthermore, Sulistiowati (2024) examined organizational commitment, transformational leadership, and employee competency influences on performance, finding significant competency effects on employee performance. Parashakti et al. (2020) stated that employee competency significantly affects performance, indicating that higher competency levels improve employee performance outcomes. Most studies show that competency has positive and significant relationships with employee performance, though some research indicates competency does not always produce significant performance effects. This suggests other factors including organizational policies, institutional support, and appropriate training programs play important roles in influencing performance. Organizations must consider these various aspects to optimize employee performance enhancement. Based on comprehensive study findings, the following hypothesis is proposed:

H1: Higher competency levels lead to enhanced employee performance

The Influence of Workplace Environment on Employee Performance

Ferliani et al. (2022) found that favorable physical, social, and psychological workplace conditions enhance job satisfaction, motivation, and employee performance. When employees experience environmental comfort through supportive facilities, harmonious colleague and supervisor relationships, and

adequate social support, they show increased work motivation. These findings align with existing evidence showing workplace environment has positive and significant employee performance impacts. Healthy and supportive workplace environments create positive atmospheres while strengthening employee-organization relationships. Mokodompit et al. (2023) found that conducive workplace environments play important roles in employee performance quality improvement, showing positive and significant workplace environment effects on employee performance.

Nugroho and Wahjoedi (2023) found that favorable workplace environments, combined with effective communication, increase employee morale. Although communication shows greater performance development influence, workplace environment maintains important roles in supporting employee morale and performance. Ahmad et al. (2022) found that comfortable and supportive workplace environments facilitate more efficient and effective task performance. Their research identified ergonomic workspaces, adequate lighting, and supportive facilities as crucial elements creating positive employee atmospheres. Social factors including positive interpersonal relationships among colleagues and supervisor support contribute to improved work performance. Chantika et al. (2025) found that favorable performance significantly affects job satisfaction, subsequently improving employee performance. Their study showed that supportive workplace environments including comfortable facilities, positive working relationships, and equitable organizational policies create positive atmospheres encouraging employee productivity. Based on comprehensive study findings, the following hypothesis is proposed:

H2: Higher workplace environment quality leads to enhanced employee performance

The Influence of Employee Competence on Work Motivation

Competence represents a crucial factor in motivating employees toward higher performance achievement. Research by Amrulah and DS (2018) showed that competence significantly affects work motivation, revealing that employees with higher competence experience increased confidence in task execution. Employee competence has been found to positively influence work motivation, enabling employees to overcome tasks more effectively while feeling more motivated (Wahyuni & Budiono, 2022). However, some studies indicated positive but statistically insignificant results, suggesting other factors may contribute more significantly to shaping work motivation. Based on these findings:

H3: The higher the competence, the higher the work motivation.

The Influence of the Work Environment on Work Motivation

Matualaga et al. (2024) revealed that favorable work environments produce positive and significant effects on work motivation through comfortable facilities and supportive colleague relationships. Polii et al. (2023) found that comfortable work environments increase employee motivation through environmental physical aspects including clean workspaces and adequate lighting. Maytania (2022) established that conducive work environments positively affect work motivation through social support and effective communication. Hafee et al. (2019) confirmed that work environments including lighting, ventilation, and employee relationships foster comfort and contentment, directly increasing work motivation. Saidi et al. (2019) revealed that favorable working environments increase employee motivation in comfortable and supportive settings. Based on these findings:

H4: The higher the work environment, the higher the work motivation.

The Influence of Work Motivation on Employee Performance

Ongko and Evyanto (2023) established that high intrinsic and extrinsic work motivation produces significant positive impacts on employee performance through external factors including rewards and compensation. Shihab et al. (2022) emphasized work motivation importance in improving employee performance, showing that high work motivation increases productivity and effectiveness. Fadhlan and Dwianto (2024) found that high work motivation produces significant positive impacts on employee performance in private organizations while strengthening employee engagement. Additional investigations confirmed that increased work motivation contributes to higher employee performance through intrinsic motivation including achievement and personal satisfaction. Based on these findings:

H5: The higher the work environment, the higher the work motivation.

The Mediating Effect of Competence on the Relationship Between Work Motivation and Employee Performance

Work motivation has been identified as a significant mediating variable that links employee competence to performance (Rahmawan et al., 2024; Setyowati et al., 2023). This is because high competence not only improves an individual's ability to complete tasks but also stimulates increased motivation (Setyowati et al., 2023). However, some findings suggest that while competence may positively influence motivation, the overall mediating effect is not always statistically significant, indicating a potential need for other supporting factors to strengthen this relationship (Ritonga et al., 2024). Based on these findings:

H6: Competence can mediate the relationship between Work Motivation and Employee Performance

The Mediating Effect of Work Motivation on Workplace Environment-Employee Performance Relationships

Amelia and Agustin (2023) hat work motivation mediates workplace environment influences on employee performance. Their research indicated that while conducive workplace environments can directly improve employee performance, work motivation serves as a factor strengthening workplace environment-employee performance relationships. Studies showed that work motivation does not mediate workplace environment-employee performance relationships, indicating that although favorable workplace environments positively affect employee performance, other factors including compensation or job satisfaction may exert more dominant influences (Lianasari & Ahmadi, 2022). Al-Katsury et al. (2019) discovered that workplace environment does not consistently have significant employee performance impacts through work motivation as a mediating variable. It indicated that while workplace environment can influence motivation, indirect performance effects through motivation lack statistical significance. Based on these research findings, the following hypothesis is proposed:

H7: The work environment can mediate the relationship between work motivation and employee performance.

RESEARCH METHODOLOGY

This research employed a quantitative approach utilizing a survey-based methodology. Quantitative research methodology follows a systematic process that encompasses problem identification, objective establishment, development, population determination, sampling procedures, and appropriate analytical method selection (Amir & Ralph, 2018). The survey method was selected as it enables comprehensive data collection without manipulating the studied variables, facilitating objective measurement through structured data gathering instruments (Creswell & Creswell, 2022). The target population comprised 83 employees at the Environmental Agency of Cilegon City, including both civil servants and non-civil servant staff members distributed across five operational divisions: the Secretariat Division, the Environmental Pollution Control and Damage (PEDAL) Division, the Environmental Pollution and Damage Control (PPKLH) Division, the Waste Management and Supervision Division, and the Environmental Protection and Quality Control (PLHPK) Division. Given the relatively small and accessible population size, this study implemented a saturated sampling technique (census sampling), which involves including all members of the population as research subjects, thereby eliminating sampling error and providing comprehensive representation (Sugiyono, 2017).

Data collection was conducted through a structured questionnaire that featured a 10-point Likert scale. This scale was chosen to more accurately capture the subtle differences in respondent attitudes than a traditional 5-point scale, which improved the precision of our measurements (Dawes, 2008). The collected data was analyzed using the Structural Equation Modeling with Partial Least Squares (SEM-PLS) technique. We chose this method because it can simultaneously assess multiple relationships among latent constructs while also handling smaller sample sizes and data that isn't normally distributed (Hair et al., 2019). The research process was conducted through questionnaire development and validation, direct data collection from all target respondents, data screening and preliminary analysis, followed by comprehensive statistical analysis using SEM-PLS methodology with proper ethical considerations including informed consent procedures and confidentiality assurance for all participants.

RESULT AND DISCUSSION

Based on the results of descriptive analysis of respondent characteristics, several strategic aspects relevant to human resource management in organizations can be explained. The majority of respondents in this study were male, numbering 35 people or 53%. Based on age group, most respondents were in the 25-40 age range (61%). In terms of position, respondents were dominated by Executive Staff, numbering 47 people or 71%, and finally in terms of education, the majority of respondents had a bachelor's degree, numbering 37 people (57%).

Table 3 Characteristics of Respondents Based on Gender, Age, Length of Service, and Education

No	Category	Type	Number	Percentage
1	Gender	Male	35	53
		Female	31	47
		17 – 25 years old	2	3
2	Age	25 – 40 years old	40	61
		40 – 58 years old	24	36
3	Employment Status	Civil Servant	31	47
		Non-Civil Servant	35	53
	Position	Head of Department	1	2
		Department Secretary	1	2
4		Division Head	1	2
		Functional	16	24
		Implementing Staff	47	71
5	Education	High School/Equivalent	18	27
		Diploma/Equivalent	1	2

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No	Category	Type	Number	Percentage
		Bachelor	37	56
		Professional	0	0
		Master	10	15

Source: Processed Primary Questionnaire Data, 2025

The outer loading test results from the figure above demonstrate that the structural model has no issues with convergent validity, as all indicators have an outer loading value greater than 0.70. Beyond factor loading, convergent validity is also determined by the Average Variance Extracted (AVE) value. For each variable, the AVE value should be greater than 0.5. The results of this *convergent validity* are as follows:

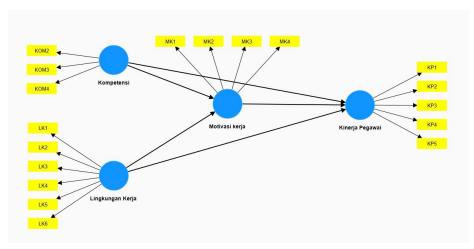


Figure 4 Outer Loading Test Results **Source:** Output from SmartPLS4 Software 2025

As shown in the output from Table 4.10, all values for Cronbach's alpha and composite reliability are greater than 0.70. This leads to the conclusion that the instruments for all research variables are reliable and have successfully met the reliability criteria. The research model is therefore considered viable and ready to move on to the next analytical phase.

Table 4 Reliability Test Values

Variable	Cronbach's alpha	Composite reliability	Critical Value	Description
Employee Performance (Y)	0.899	0.914	Cronbach's	Reliable
Competency (X1)	0.767	0.784	Alpha and	Reliable

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Variable	Cronbach's alpha	Composite reliability	Critical Value	Description
Work Environment (X2)	0.867	0.875	Composite Reliability > 0.7	Reliable
Work Motivation (Z)	0.866	0.873		Reliable

Source: Data processed using PLS, 2025

The R-squared value for the Work Motivation variable is 0.692, which shows the model can account for about 69.2% of the variance in employee work motivation. As an R-squared value between 0.67 and 1.00 is considered substantial in SEM-PLS analysis, this suggests that the model has significant explanatory power for the work motivation variable. Additionally, the R-squared value for the Employee Performance variable is 0.555. This indicates that the model explains roughly 55.5% of the variance in employee performance. Since this value falls into the moderate category, the model is considered to have adequate explanatory power for the employee performance variable.

Table 5 R. Square Values

Variable	R-Square	Adjusted R- Square
Employee performance	0.555	0.534
Work motivation	0.692	0.683

Source: Output from SmartPLS4 Software 2025

This hypothesis testing proposes the acceptance or rejection of a hypothesis using *Bootstrapping* in SmartPLS.

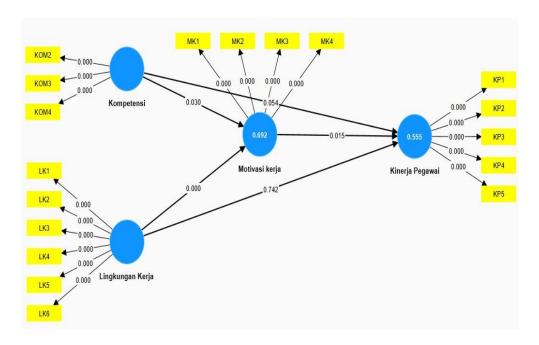


Figure 5 Final Mode Test After Inner Model Test **Source:** Output from SmartPLS4 Software 2025

Table 6 Hypothesis Test Results

Hypothesis	Original Sample	T Statistics	P Values	Description
Competence has a significant positive effect on Employee Performance	0.268	1.923	0.054	Hypothesis 1 is rejected
Work environment has a significant positive effect on employee performance	0.060	0.329	0.742	Hypothesis 2 is rejected
Competence has a significant positive effect on work motivation	0.265	2.171	0.030	Hypothesis 3 is accepted
The work environment has a significant positive effect on employee motivation	0.623	5.11	0.000	Hypothesis 4 is accepted
Work Motivation has a significant positive effect on Employee Performance	0,479	2.428	0.015	Hypothesis 5 is accepted
Competence positively mediates the relationship between Work Motivation and Employee Performance	0.127	1.506	0.132	Hypothesis 6 is rejected
Work Environment positively mediates the relationship between Work Motivation and Employee Performance	0.289	2.396	0.017	Hypothesis 7 is accepted

Source: Data Analysis by the Researcher using SMART-PLS (2025)

The Effect of Competence on Employee Performance

Structural model hypothesis testing results revealed that competence exerted a positive but statistically insignificant effect on employee performance at the Cilegon City Environment Agency. The path coefficient of 0.054 and p-value of 0.173 (> 0.05) indicated that competence increases did not produce direct statistical impacts on performance improvement. This suggests that while competence theoretically tends to enhance performance, the relationship remained weak and statistically non-significant. These outcomes indicate that employee abilities, knowledge, and skills have not been optimally utilized in duty execution and work achievement.

These results align with Hidayat (2021), who also identified positive but insignificant relationships between competence and performance. The study explained that initiative deficits, competence application limitations in tasks, and organizational structural barriers can hinder competence actualization in work outcomes. Rudiansyah et al. (2024) supported these findings, stating that individual competencies only affect performance when supported by organizational structures and work systems that provide space for practical ability application. Furthermore, in public sector organizations like the Environmental Agency, rigid bureaucratic and procedural structures can limit employee competence actualization opportunities. Inaccurate task placement, insufficient continuous training, and minimal strategic decision-making involvement also weaken competency contributions to performance achievement.

The Influence of the Work Environment on Employee Performance

The results from the structural model's hypothesis testing showed that the work environment had a positive, but statistically insignificant, impact on employee performance at the Cilegon City Environment Agency. This was supported by a path coefficient of 0.060 and a p-value of 0.742, both of which were well above the 0.05 significance level. Therefore, statistical analysis concluded that work environment did not exert significant direct effects on employee performance in this investigation, as empirical data provided insufficient support. The positive relationship direction theoretically indicates that work environment quality improvements tend to impact employee performance enhancement, but the relationship strength remained weak and statistically non-significant. This suggests that existing work environment conditions have not directly determined employee performance success in duty and responsibility execution.

These findings correspond with research that found work environment does not always directly affect employee performance but functions as a work motivation facilitating factor (Salsabila & Lo, 2023). Similarly, research established that favorable work environments only positively impact performance when accompanied by supportive psychological conditions including motivation, work enthusiasm, and organizational recognition (Rudiansyah et al., 2024). These factors

serve as intermediaries bridging work environment and employee performance gaps. In public organizations such as the Environmental Agency, bureaucratic and procedural organizational structures often obstruct productive work environment actualization. Limited employee involvement in decision-making, task implementation flexibility deficits, and minimal psychological work environment evaluation—including role clarity, job security, and social recognition—can result in work environments providing temporary comfort without triggering actual performance increases.

The Influence of Competence on Work Motivation

Test results revealed that competence did not significantly affect employee work motivation. Although the relationship direction showed positive effects, statistical effects were insufficiently strong for significance categorization. These findings indicate that employee competence levels do not necessarily directly encourage work motivation increases within the studied agency context. These results align with research concluding that competence produces positive but insignificant effects on work motivation (Khasanah et al., 2024). The researchers explained that despite employees possessing good knowledge, skills, and work attitudes, this does not automatically increase work enthusiasm or motivation.

From *Maslow's Hierarchy of Needs theory* perspectives, competence relates to higher-level need fulfillment efforts, particularly in actualization dimensions representing individual needs to develop maximum potential. However, when basic needs remain unmet, even highly competent individuals are not guaranteed development opportunities, positive feedback, or appreciation, which can hinder motivation.

The Influence of the Work Environment on Work Motivation

Test results indicated that environment exerted positive and significant influences on work motivation. These findings demonstrate that work environment factors including social support, time pressure, and developmental opportunity challenges have encouraged employee enthusiasm and work motivation. Employees tend to feel more valued and motivated when working in comfortable environments. Thus, positive work environments not only create conducive working atmospheres but also serve as important foundations in shaping high work motivation among Cilegon City Environment Agency employees.

This investigation aligns with research explaining how comfortable, safe, and supportive work environments can increase work motivation because employees feel valued and given growth opportunities (Matualaga et al., 2024). Additionally, Saidi et al. (2019) stated that work environment physical and psychological aspects, including harmonious relationships, can increase enthusiasm and work spirit. This was reinforced by conclusions that work motivation tends to increase when work

environments provide security, task clarity, and superior recognition (Vo et al., 2022).

Based on Maslow's Hierarchy of Needs theory, employee work motivation is greatly influenced by basic to higher hierarchical need fulfillment. In conducive work environment contexts, physiological needs and security are fulfilled through comfortable work atmospheres and job stability. Furthermore, social needs are met through harmonious employee relationships and social support from superiors and coworkers. Appreciation needs are evident in how employees feel valued for contributions. This provides empirical evidence supporting existing theories while emphasizing work environment importance as a major employee motivation factor.

The Influence of Work Motivation on Employee Performance

The test results revealed that work motivation has a significant and positive effect on employee performance. This suggests that as an employee's motivation increases, so does their ability to complete tasks and responsibilities, leading to better overall performance. This higher motivation can come from either intrinsic factors like personal satisfaction or extrinsic factors such as rewards and recognition.

These findings align with established research that employees with work motivation tend to demonstrate high work productivity and stronger organizational commitment (Dirwan, 2018). Consistent work ethic represents recognition and self-achievement need fulfillment. Furthermore, Shihab et al. (2022) emphasized that work motivation contributes significantly to employee work effectiveness and efficiency. Motivated employees can withstand work pressure, demonstrate greater discipline, and maintain clear, measurable results orientation, thereby significantly improving performance. Open-ended question respondents revealed how many employees were emotionally driven to perform optimally. However, structural issues including superior support deficits, unclear career paths, and poor reward systems prevented complete emotional drive conversion into work results.

The Role of Competency Mediation in Employee Work Motivation and Performance

The mediation test for the Competence \rightarrow Work Motivation \rightarrow Employee Performance pathway revealed that competence had a significant impact on work motivation (p = 0.030), and work motivation in turn significantly affected employee performance (p = 0.015). However, the indirect effect of competence on employee performance via work motivation was not statistically significant, with a p-value of 0.132 and a t-statistic of 1.506.

This indicates that within this study context, work motivation cannot yet statistically mediate relationships between competence and employee performance. This means competence increases do not necessarily lead to employee performance increases through work motivation. These findings contradict several previous

studies demonstrating motivation's mediating role in strengthening competence influences on performance (Setyowati et al., 2023; Suhardi, 2019). Result differences may stem from organizational context variations, respondent characteristic differences, or public bureaucracy structural pressures.

The Role of Workplace Mediation in Employee Motivation and Performance

The analysis of the Work Environment \rightarrow Work Motivation \rightarrow Employee Performance pathway yielded a p-value of 0.017 and a t-statistic of 2.396, which indicates a statistically significant indirect effect. This finding shows that work motivation significantly mediates the relationship between the work environment and employee performance. Thus, a supportive work environment leads to higher employee motivation, which in turn improves performance. These results are consistent with Herzberg's two-factor theory, which posits that external factors, such as a positive physical and social work environment, can foster intrinsic motivation. This was also supported by Bindu and Ollukkaran (2012), who demonstrated work environment as a strong factor in increasing work enthusiasm.

CONCLUSION

The study's findings suggest that competence has a positive but insignificant effect on employee performance, implying that increasing competence doesn't always result in a direct, immediate improvement in performance. Similarly, the work environment has a positive but insignificant impact on performance, indicating that current workplace conditions are not strong enough to directly boost employee performance. Competence has a significant and positive effect on employee work motivation, showing that a better understanding of tasks and technical skills enhances employee morale.

The work environment also has a significant and positive effect on employee motivation, which means that a supportive work atmosphere boosts morale. It was found that work motivation does not significantly mediate the relationship between competence and employee performance. However, work motivation was shown to be a significant mediator of the work environment's effect on performance. This highlights the importance of fostering a supportive work environment to improve both motivation and performance. The main recommendations suggested for the Cilegon City Environment Agency are to design a work environment that supports intrinsic motivation, improve the effectiveness of competency development in line with organizational goals, clarify the performance evaluation and employee reward system, and require regular monitoring of the effectiveness of the Cilegon City Environment Agency employees.

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