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Determinant of Employee Performance at Community Health Center: Exploring the Intervening Effect of Job Satisfaction

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Abstract: Utilizing Partial Least Squares-Structural Equation Modeling (PLS-SEM), this study examines the structural relationships between work motivation, performance allowances, job satisfaction, and employee performance at community health centers in Surabaya. Based on survey data from 126 employees, the model demonstrates that motivation and performance-based incentives are significant predictors of both job satisfaction and performance. The analysis confirms the mediating role of job satisfaction within this framework. Consequently, the research recommends the development of robust motivation-driven policies and transparent benefit structures to achieve superior organizational performance.

Keywords: Employee Performance, Job Satisfaction, Work Motivation, Performannce Allowances, Community Health Centers

INTRODUCTION

Employee performance serves as the cornerstone of organizational success, particularly within the public health sector where the quality of service is intrinsically linked to community well-being. High-performing personnel are consistently associated with superior service delivery, operational efficiency, and a strengthened organizational reputation. As noted by Djastuti et al. (2023), employee performance was a critical factor in maintaining organizational resilience during the COVID-19 pandemic, underscoring the vital need for effective human resource management. In the specific environment of Community Health Centers (Puskesmas), performance is influenced not only by individual skills but also by external catalysts such as work motivation and performance-based rewards (Adiguzel, 2022; Mudhofar, 2021).

Puskesmas Simomulyo and Tanjungsari, operating under the Regional Public Service Agency (BLUD) framework, are tasked with the dual challenge of providing comprehensive health services while meeting financial performance targets. For instance, Puskesmas Simomulyo caters to over 80,000 residents across three sub-districts—a figure that significantly exceeds the ideal standard of 30,000 per center. Data from the 2023 and 2024 Puskesmas Performance Assessments (PKP) indicated shortfalls in critical health initiatives, such as TB prevention programs, which fell below a 60% success rate. Furthermore, an uptick in patient

complaints regarding staff responsiveness and service speed suggests underlying issues in the current service delivery model.

To optimize performance, it is essential to focus on the psychological drivers of work motivation and satisfaction. Motivation is conceptualized as the internal impulse that drives individuals to pursue professional objectives (Mudhofar, 2021). Theoretical frameworks, including Maslow's Hierarchy of Needs and Vroom's Expectancy Theory, offer profound insights into how individual values and anticipated rewards dictate workplace behavior. In a Puskesmas setting, highly motivated personnel are often more proactive and attentive to patient requirements (Azmy, 2023; Rachmaniah, 2022). This motivation may arise from intrinsic factors, such as personal fulfillment and social contribution, or extrinsic factors, including career advancement and formal recognition (Deci & Ryan, 2000).

Beyond motivation, performance-based allowances have become a fundamental element of public sector management. Fair and transparent compensation structures signal institutional support, foster a sense of equity among staff (Adams, 1965), and act as extrinsic motivators that reinforce professional effort (Mudhofar, 2021). These financial incentives are particularly vital in public health facilities characterized by high workloads and intense community expectations. Empirical evidence suggests that such allowances can enhance work discipline and substantially increase overall productivity (Azmy, 2022).

Another critical determinant of performance is job satisfaction—a positive emotional state resulting from an individual's appraisal of their work (Herzberg, 1959; Rachmaniah, 2022). Satisfied employees typically exhibit stronger commitment, lower absenteeism, and higher levels of output. Herzberg's Two-Factor Theory categorizes workplace elements into motivators (e.g., achievement and recognition) and hygiene factors (e.g., salary and working conditions), both of which are necessary for sustained satisfaction. Within the Puskesmas environment, satisfaction is often derived from opportunities for professional development, a collaborative work culture, and equitable treatment (Azmy, 2022).

Furthermore, job satisfaction may function as a bridge, mediating the impact of motivation and compensation on performance. Affective Events Theory (Weiss & Cropanzano, 1996) proposes that workplace experiences trigger emotional reactions, which subsequently influence behavioral outcomes. Empirical validation for this mediation is found in contemporary studies, such as Jufrizen et al. (2024), which confirm that job satisfaction acts as a primary transmission mechanism linking employee engagement to performance results.

Despite the wealth of literature regarding motivation and compensation, there is a scarcity of research specifically focusing on Puskesmas as decentralized health institutions facing unique operational hurdles. Much of the existing research has centered on the private sector or industrial organizations (Dan et al., 2023; Layanan, 2023), leaving a significant gap in how these dynamics function within public health settings. Additionally, the specific role of job satisfaction as a mediator remains underexplored in this particular context.

This study intends to address this research gap by analyzing the direct and indirect influences of work motivation and performance allowances on employee performance, with job satisfaction serving as the mediating variable. The investigation focuses on Puskesmas Simomulyo and Tanjungsari in Surabaya as representative models of primary public health services. The research is guided by seven core questions: (1) Does work motivation significantly improve employee performance?; (2) Do performance allowances significantly enhance employee performance?; (3) Does work motivation influence job satisfaction?; (4) Do performance allowances influence job satisfaction?; (5) Does job satisfaction impact employee performance?; (6) Does job satisfaction mediate the effect of motivation on performance?; and (7) Does job satisfaction mediate the effect of allowances on performance?

The primary objectives of this research are threefold: (1) To analyze the direct impact of motivation and allowances on employee performance; (2) To examine how motivation and

allowances affect job satisfaction; and (3) To investigate the mediating role of job satisfaction in the relationship between these variables and performance.

This research contributes to the field of human resource management in public healthcare by integrating psychological and financial perspectives into performance analysis. The novelty of this study lies in its specific focus on the Puskesmas environment and the application of PLS-SEM to model the intricate relationships between motivation, compensation, satisfaction, and performance. By conducting a dual-case analysis of Simomulyo and Tanjungsari under a unified governance structure, this study provides comparative insights that are expected to inform policy development and performance improvement strategies within Indonesia's public health sector.

METHOD

This research adopts an associative quantitative design utilizing an *ex post facto* and survey-based approach. The primary objective is to determine the causal relationships between work motivation and performance-based allowances as independent variables and employee performance as the dependent variable, with job satisfaction serving as the mediator. The study employs a cross-sectional design, in which data were gathered at a specific point in time through a structured survey method.

The geographical and thematic scope of this study is centered on two locations: Puskesmas Simomulyo and Puskesmas Tanjungsari in Surabaya.[1] The investigation focuses on four core variables: work motivation, performance allowances, job satisfaction, and employee performance.

The population for this study consists of all 126 employees currently working at the two health centers.[2] By applying a total sampling (saturated sampling) technique, the entire population was included in the research sample to ensure a comprehensive and representative data set.

The research instrument consists of a structured questionnaire developed from established indicators for each respective variable. Participants' responses were measured using a five-point Likert scale. To ensure instrument quality, validity was assessed through Pearson correlation, as well as convergent and discriminant validity tests within the PLS-SEM framework. Reliability was rigorously evaluated using Cronbach's Alpha and Composite Reliability, both adhering to a minimum acceptable threshold of 0.70.

Data were collected via written questionnaires and processed using both descriptive and inferential statistical techniques. Descriptive analysis was utilized to examine the distribution of respondent tendencies across each indicator. For inferential analysis, the study employed Partial Least Squares-Structural Equation Modeling (PLS-SEM) using SmartPLS version 4.1.1.4 software to evaluate both the measurement model (outer model) and the structural model (inner model), including a detailed mediation analysis.

The outer model evaluation included assessments of convergent validity (based on outer loadings and Average Variance Extracted), discriminant validity (via the Fornell-Larcker criterion and HTMT ratio), and construct reliability. The inner model was scrutinized using R-square, Q-square, Variance Inflation Factor (VIF), Goodness of Fit (GoF), and the Standardized Root Mean Square Residual (SRMR). Hypothesis testing was conducted using a bootstrapping procedure with 5,000 subsamples, with results interpreted based on t-statistics and p-values. Furthermore, mediation analysis followed the Baron and Kenny (1986) framework to identify direct, indirect, and total effects.

RESULTS AND DISCUSSION

The findings of this study were derived from questionnaires distributed to a total of 126 employees at the Simomulyo and Tanjungsari Community Health Centers in Surabaya.

This dataset provides a comprehensive overview of the workforce within these two public health institutions, serving as the empirical basis for analyzing the relationships between the studied variables.

The respondent profiles were categorized based on their profession, length of service, and employment status. The analysis reveals that the majority of participants hold non-core medical roles, accounting for 44.4% of the sample. Furthermore, in terms of professional experience, 80.2% of the respondents have served for more than two years, while the employment status is dominated by State Civil Apparatus (ASN) personnel, representing 63.5% of the total participants.

Descriptive Results of Research Variables

Table 1. Presents the descriptive statistics of the main research variables:

Table 1. Descriptive Statistics

Variable	Mean	Std. Deviation	Interpretation
Motivation to Work	4.25	0.898	Very High
Work Allowances	4.26	0.732	Very High
Job Satisfaction	4.46	0.637	Very High
Employee Performance	4.36	0.741	Very High

Source: Data Analyst (2025)

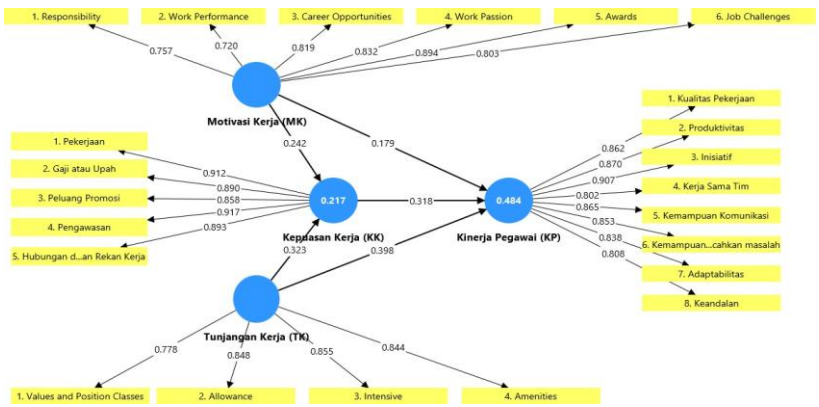
These results indicate that employees in both Puskesmas have a high level of motivation, are satisfied with their job and benefits, and demonstrate high performance.

Validity and Reliability Results

The results of the instrument testing confirm that all 37 questionnaire items successfully passed the validity assessment across both small and large sample groups. Every item demonstrated a Pearson correlation coefficient (r) that exceeded the established critical thresholds, specifically surpassing 0,361 for the small-scale pre-test and 0,175 for the large-scale distribution, thereby ensuring that each indicator accurately measures its intended construct.

Furthermore, the reliability analysis yielded exceptional outcomes, with both Cronbach's Alpha and Composite Reliability scores consistently exceeding 0,9 These values, which are well above the standard academic requirements, signify a very high degree of internal consistency across all variables. This confirms that the research instrument is highly stable and reliable for use in the subsequent structural equation modeling analysis.

Outer Model Evaluation



Gambar 1. ***Outer Model***

Source: Data Analyst

The convergent validity was confirmed as all indicator loadings were > 0.70, AVE > 0.50, and CR > 0.70 (Hair et al., 2019). Discriminant validity was achieved through Fornell-Larcker and HTMT tests, with all HTMT values < 0.90. Table 2 summarizes the AVE and CR values:

Table 2. Summarizes the AVE and CR values

Construct	Composite Reliability	AVE
Job Satisfaction	0.94	0.799
Employee Performance	0.946	0.725
Motivation to Work	0.901	0.65
Employee Performance	0.858	0.692

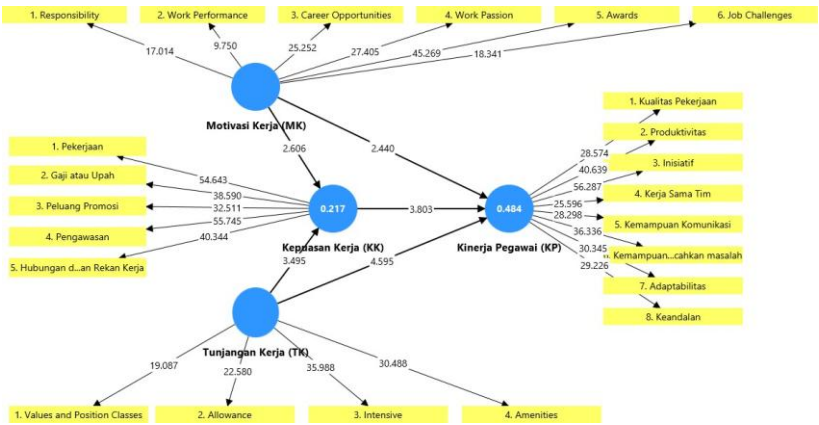
Source: Data Analyst (2025)

Inner Model Evaluation

The evaluation of the structural model, commonly referred to as the inner model within the Partial Least Squares Structural Equation Modeling (PLS-SEM) framework, is designed to assess the quality and validity of the causal relationships among the latent constructs. This process is essential for verifying the theoretical framework by examining how these variables interact and align with the established research model.

This inner model delineates the specific direction and magnitude of influence between latent variables, grounded firmly in the hypotheses formulated earlier in the study. Such an evaluation is critical as it determines the model's overall explanatory power regarding the phenomena under investigation and establishes its predictive relevance for the endogenous variables.

Figure 2. The structural model shows three main constructs that play a role in the model: Work Motivation (WM) and Work Benefits (WB) as exogenous variables, Job Satisfaction (JS) as a mediating variable, and Employee Performance (EP) as the main endogenous variable. Each path in the model shows the path coefficient value and the t-statistic value resulting from the bootstrapping procedure of 5000 subsamples, as recommended by Hair et al. (2019) to obtain robust estimates even though the data distribution is not normal.



Gambar 2. ***Inner Model***

Source: Data Analyst

The assessment of the inner model in this study covers several key indicators, namely:

1. **Multicollinearity Test (VIF):** All VIF values were < 5, indicating no multicollinearity issues.

Table 3. Multicollinearity Test (VIF)

	VIF
Job Satisfaction -> Employee Performance	1.276

Motivation to Work -> Job Satisfaction	1.135
Motivation to Work -> Employee Performance	1.210
Employee Performance -> Job Satisfaction	1.135
Employee Performance -> Employee Performance	1.269

2. R-Square (R^2)

The R-Square (R^2) value or coefficient of determination is used to measure how well the independent variable explains the variation of the dependent variable in the structural model.

Table 4. R-Square (R^2)

Endogenous Variable	R^2	Interpretation
Job Satisfaction	0.217	Weak
Employee Performance	0.484	Moderate

Source: Data Analyst (2026)

3. Q-Square (Q^2)

Predictive relevance of the model is supported as $Q^2 > 0$ for all endogenous constructs:

Table 5. Q-Square QR²)

Variable	Q^2	Interpretation
Job Satisfaction	0,372	Considerable
Employee Performance	0.483	Strong

4. Goodness of Fit (GoF)

Calculated GoF = $\sqrt{(AVE_mean \times R^2_mean)} = \sqrt{(0.7165 \times 0.3505)} = 0.501 \rightarrow$ High fit.

5. SRMR (Standardized Root Mean Square Residual):

SRMR0.062 < 0.08 → Good fit.

6. Hypothesis Testing Results

The hypothesis testing was performed using bootstrapping with 5000 subsamples. All seven hypotheses were supported with t-statistics > 1.96 and p-values < 0.05.

Table 5. Q-Square QR²)

Hypothesis	Path	Coefficient	T-Statistic	P-Value	Decision
H1	Motivation → Performance	0.179	2.440	0.015	Accepted
H2	Allowances → Performance	0.398	4.595	0.000	Accepted
H3	Motivation → Job Satisfaction	0.242	2.606	0.009	Accepted
H4	Allowances → Job Satisfaction	0.323	3.495	0.000	Accepted
H5	Job Satisfaction → Performance	0.318	3.803	0.000	Accepted
H6	Motivation → Job Satisfaction → Perf	0.077	2.199	0.028	Accepted
H7	Allowances → Job Satisfaction → Perf	0.103	2.475	0.013	Accepted

These results indicate that both motivation to work and work allowances significantly influence employee performance, both directly and through job satisfaction as a mediating variable. The strongest direct effect is observed from allowances to performance (H2), while job satisfaction serves as a crucial mediator in the indirect relationships (H6 and H7).

Discussion

H1: Motivation to Work → Employee Performance

Research indicates that motivation significantly enhances employee performance. Highly motivated staff—regardless of whether they are fueled by intrinsic values like responsibility or extrinsic rewards such as recognition—tend to be more productive and

committed. These results are consistent with the principles of Self-Determination Theory (Deci & Ryan, 2000) and the findings of Azmy (2022) and Hadianto (2021). Notably, at Puskesmas Simomulyo, employees with longer tenure exhibited more stable motivation, leading to improved task completion rates and organizational responsiveness.

H2: Work Allowances → Employee Performance

Work allowances emerged as the strongest direct predictor of performance, supporting the core tenets of Equity Theory (Adams, 1965) and the Total Rewards Model (WorldatWork, 2021). The results emphasize that fair and timely structured compensation is essential for fostering responsibility and productivity. Field observations at the Puskesmas further revealed that employees receiving clear performance-based incentives demonstrated greater discipline and higher motivation in their daily tasks.

H3: Motivation to Work → Job Satisfaction

High employee motivation is strongly associated with increased satisfaction, a result that supports both SDT and Herzberg's motivation-hygiene framework. In the Puskesmas context, motivated staff members demonstrate deep emotional commitment and find profound meaning in their work, even when facing significant professional obstacles.

H4: Work Allowances → Job Satisfaction

Beyond their financial value, allowances serve as a vital form of institutional recognition. This aligns with the principles of Organizational Justice (Colquitt et al., 2001), indicating that fair and transparent compensation fosters a greater sense of appreciation and higher satisfaction levels among the workforce.

H5: Job Satisfaction → Employee Performance

Job satisfaction significantly enhances performance outcomes, aligning with the Job Satisfaction–Performance Hypothesis (Judge et al., 2001). Employees who experience professional fulfillment are more likely to achieve better results. These findings are further supported by practical observations, which noted increased initiative and a reduction in absenteeism cases among highly satisfied personnel.

H6: Motivation → Job Satisfaction → Performance

Results indicate that job satisfaction partially mediates the link between motivation and performance, supporting the framework of Affective Events Theory (Weiss & Cropanzano, 1996). In this model, internal motivation enhances satisfaction, which then leads to improved performance. Nevertheless, the modest coefficient (0.077) confirms that the mediation effect is only partial, meaning that motivation also influences performance through other channels or direct paths.

H7: Work Allowances → Job Satisfaction → Performance

Results further indicate that job satisfaction partially mediates the relationship between allowances and performance. Adequate financial rewards enhance satisfaction, which in turn promotes better service delivery outcomes. However, given the partial mediation effect (coefficient: 0.103), it is evident that direct compensation continues to play a critical role in performance, independent of the satisfaction pathway.

CONCLUSION

This research sought to evaluate the impact of work motivation and performance-based allowances on employee performance at Puskesmas Simomulyo and Tanjungsari, utilizing job

satisfaction as a mediating variable. Through the application of Partial Least Squares Structural Equation Modeling (PLS-SEM), the study established that both motivation and allowances significantly determine performance outcomes, manifesting through both direct pathways and indirect channels via satisfaction.

The empirical evidence demonstrates that work motivation positively influences not only task performance but also job satisfaction, which subsequently serves to further amplify performance levels. Concurrently, performance-based allowances were identified as the most potent direct predictor of employee performance while also contributing meaningfully to satisfaction, thereby reinforcing the overall structural effect within the organization. This dual-pathway highlights the importance of addressing both psychological and financial drivers simultaneously.

These findings provide robust validation for foundational human resource management frameworks, specifically Self-Determination Theory, Herzberg's Two-Factor Theory, and Equity Theory, confirming their relevance within the public healthcare sector. The pivotal role of job satisfaction as a mediator underscores its strategic necessity in converting motivational drivers into tangible performance outputs, effectively bridging the gap between internal psychological states and external professional conduct.

Furthermore, this study advances the current understanding of performance dynamics within community health centers (Puskesmas) by illustrating that psychological elements such as motivation and satisfaction—must be harmonized with structural factors like allowances. Achieving optimal organizational results requires an integrated approach where internal employee drives are supported by a fair, transparent, and timely compensation architecture.

From a scientific standpoint, this research enriches public sector HR theory by proposing a comprehensive model that synthesizes internal motivation, compensation, and satisfaction into a unified performance framework. It strengthens the empirical foundation for using PLS-SEM to analyze complex mediational effects in healthcare settings. Given the ongoing evolution of decentralized governance in public health, these insights offer timely and contextually grounded strategies for effective workforce management in the primary care integration (ILP) era.

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