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The Effect of Motivation and Performance Allowances on Employee Performance With Job Satisfaction as an Intervening Variable in Simomulyo and Tanjungsari Community Health Center

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Abstract: This study aims to analyze the effect of work motivation and performance allowances on employee performance with job satisfaction as an intervening variable at the Simomulyo and Tanjungsari Community Health Centers in Surabaya. This study uses a quantitative approach with a survey method using questionnaires administered to 126 respondents. Data analysis techniques use Partial Least Square-Structural Equation Modeling (PLS-SEM) through the SmartPLS 4.1.1.4 application. The results of the study indicate that work motivation and performance-based allowances have a direct and significant influence on job satisfaction and employee performance. Additionally, job satisfaction is proven to act as a mediating variable in the relationship between motivation and allowances on employee performance. This study recommends the importance of strategies to enhance motivation and a fair benefits system, as well as strengthening job satisfaction, in efforts to improve employee performance.

Keyword: Work Motivation, Performannce Allowances, Employee Performance, Job Satisfaction, Community Health Centers (Puskesmas).

INTRODUCTION

Employee performance plays a central role in determining the success of organizations, especially in the public health sector where service quality directly affects community well-being. High-performing employees are associated with better service outcomes, greater efficiency, and improved organizational reputation. According to Djastuti et al. (2023), employee performance significantly contributed to organizational continuity during the COVID-19 pandemic, highlighting the strategic importance of managing human resources effectively. In the context of public health centers (Puskesmas), performance is not only shaped by individual competencies but also by external drivers such as work motivation and performance-based compensation (Adiguzel, 2022; Mudhofar, 2021).

Puskesmas Simomulyo and Tanjungsari, operating under the Regional Public Service Agency model, face the dual mandate of delivering health services and achieving financial

performance. For example, Puskesmas Simomulyo serves more than 80,000 people across three sub-districts—which exceeds the standard service population of 30,000 residents. Data from the Puskesmas Performance Assessment (PKP) in 2023 and 2024 revealed underachievement in key health programs such as TB prevention, with success rates falling below 60%. Moreover, the increasing number of complaints—particularly regarding staff friendliness and service speed—indicates challenges in service delivery.

To enhance performance, it is crucial to address employee motivation and satisfaction. Motivation can be defined as an internal force driving individuals to achieve job goals (Mudhofar, 2021). Theories such as Maslow's Hierarchy of Needs and Vroom's Expectancy Theory provide insight into how personal values and expected outcomes influence work behavior. In the context of Puskesmas, highly motivated staff tend to be more proactive and responsive to patient needs (Azmy, 2023; Rachmaniah, 2022). Motivation can stem from intrinsic sources—such as personal fulfillment and social value—or extrinsic ones, such as promotions and recognition (Deci & Ryan, 2000).

In addition to motivation, performance-based allowances have emerged as a crucial factor in public employee management. Fair and transparent allowances signal organizational support, foster equity perceptions (Adams, 1965), and serve as extrinsic motivators that reinforce effort (Mudhofar, 2021). These financial incentives are particularly important in public health facilities where workloads are high and societal expectations are intense. Empirical studies have shown that allowances can strengthen work discipline and boost productivity (Azmy, 2022).

Another determinant of employee performance is job satisfaction—a positive emotional state resulting from job appraisal (Herzberg, 1959; Rachmaniah, 2022). Satisfied employees demonstrate greater commitment, less absenteeism, and higher productivity. Herzberg's Two-Factor Theory classifies job-related elements into motivators (e.g., achievement, recognition) and hygiene factors (e.g., salary, work conditions). Both are necessary to foster sustained job satisfaction. In Puskesmas settings, satisfaction stems from professional growth opportunities, positive work culture, and equitable treatment (Azmy, 2022).

Furthermore, job satisfaction may mediate the influence of motivation and compensatio n on performance. The Affective Events Theory (Weiss & Cropanzano, 1996) suggests that workplace experiences shape affective reactions, which then influence behavior. Empirical support for this mediation is found in studies such as (Jufrizen et al., 2024), who confirmed that job satisfaction serves as a key transmission mechanism linking engagement and performance.

Despite extensive literature on motivation, compensation, and performance, few studies focus specifically on Puskesmas as decentralized healthcare institutions with unique challenges. Much prior research has focused on private sector or industrial organizations (Dan et al., 2023; Layanan, 2023), leaving a gap in understanding how these constructs operate within public health settings. Furthermore, the mediating role of satisfaction remains underexplored in this context.

This study aims to address this gap by investigating the direct and indirect effects of work motivation and performance allowances on employee performance, with job satisfaction as a mediating variable. The study focuses on Puskesmas Simomulyo and Tanjungsari in Surabaya as representative units of public primary health services.

The research problem is articulated in the following questions: (1) Does work motivation have a significant positive effect on employee performance?; (2) Do performance-based allowances have a significant positive effect on employee performance?; (3) Does work motivation significantly influence job satisfaction?; (4) Do performance-based allowances significantly influence job satisfaction?; (5) Does job satisfaction significantly affect employee performance?; (6) Does job satisfaction mediate the effect of motivation on employee performance?; (7) Does job satisfaction mediate the effect of allowances on employee performance?

The objectives of this research are to: (1) Analyze the direct effect of motivation and allowances on employee performance; (2) Examine the impact of motivation and allowances on job satisfaction; (3) Investigate the mediating role of job satisfaction in influencing employee performance.

This research contributes to the field of human resource management in public healthcare by integrating psychological and compensation-based perspectives in analyzing performance. The novelty lies in the specific Puskesmas context and the use of PLS-SEM to model the complex interplay among motivation, allowances, satisfaction, and performance. This research also offers added value by analyzing dual case units (Simomulyo and Tanjungsari) under the same governance structure, enabling comparative learning. The implications from this study are expected to support policy development and performance enhancement strategies in Indonesia's public health sector.

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METHOD

This study employs a quantitative associative design using an ex post facto and survey approach. It aims to determine the causal relationship between work motivation and performance-based allowances (as independent variables) and employee performance (as the dependent variable), with job satisfaction serving as the mediating variable. The study adopts a cross-sectional design, wherein data were collected at a single point in time using a questionnaire-based survey method.

The scope of the study includes two locations: Puskesmas Simomulyo and Puskesmas Tanjungsari in Surabaya. The research focuses on four key variables: work motivation, performance allowances, job satisfaction, and employee performance.

The study population consisted of 126 employees working at the two Puskesmas. A total sampling technique was used, meaning the entire population was included as the research sample.

The research instrument was a structured questionnaire developed based on established indicators for each variable. Each item was measured using a five-point Likert scale. The validity of the instrument was assessed using Pearson correlation, as well as convergent and discriminant validity tests through the PLS-SEM method. Reliability was evaluated using Cronbach's Alpha and Composite Reliability, both of which had a minimum threshold of 0.70.

Data were collected through written questionnaires and analyzed using both descriptive and inferential statistical techniques. Descriptive analysis was employed to examine respondents' tendencies for each variable indicator. Inferential analysis was conducted using the Partial Least Squares Structural Equation Modelling (PLS-SEM) technique via the SmartPLS version 4.1.1.4 software, to assess both the measurement model (outer model) and the structural model (inner model), including mediation analysis.

The outer model evaluation included tests of convergent validity (based on outer loading values and Average Variance Extracted), discriminant validity (via the Fornell-Larcker criterion and the HTMT ratio), and construct reliability (using Composite Reliability and Cronbach's Alpha). The inner model was evaluated using the R-square (R^2), Q-square (Q^2), Variance Inflation Factor (VIF), Goodness of Fit (GoF), and the Standardised Root Mean Square Residual (SRMR). Hypothesis testing was performed using a bootstrapping technique with 5,000 subsamples, and the results were interpreted based on the t-statistic and p-value. Mediation analysis followed the Baron and Kenny (1986) approach, and effects were interpreted as direct, indirect, or total effects.

RESULTS AND DISCUSSION

The results of this study were obtained from a questionnaire distributed to 126 employees at Puskesmas Simomulyo and Tanjungsari in Surabaya. The characteristics of respondents are based on profession, length of service, and employment status. The majority of respondents are

from non-core medical roles (44.4%), have more than 2 years of work experience (80.2%), and hold ASN status (63.5%).

Descriptive Results of Research Variables
Table 1 presents the descriptive statistics of the main research variables:

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

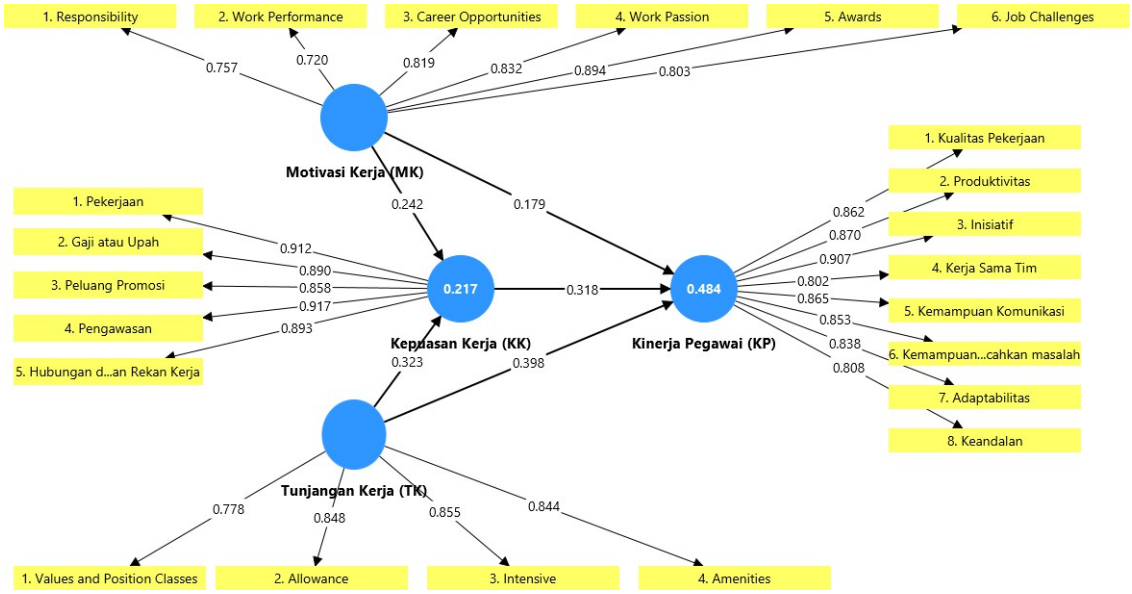
Source : Data Analyst (2025)

These results indicate that employees at both Puskesmas demonstrate high levels of motivation, job satisfaction, and performance., and demonstrate high performance.

Validity and Reliability Results

All 37 questionnaire items passed validity testing, both in small and large samples, with all Pearson r values exceeding the critical values (r > 0.361 for small samples and r > 0.175 for large samples). Reliability testing using Cronbach's Alpha and Composite Reliability also produced values > 0.9, indicating high internal consistency.

Outer Model Evaluation



Gambar 1. *Outer Model*
Source : Data Analyst (2025)

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

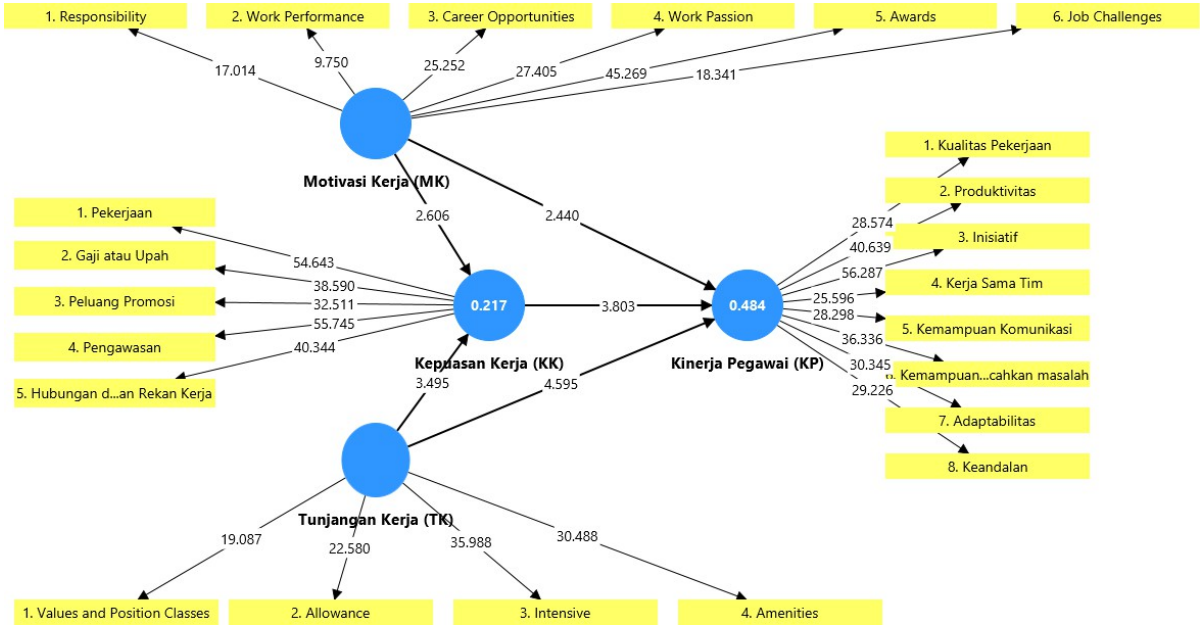
Work Allowances	0.858	0.692

Source : Data Analyst (2025)

Inner Model Evaluation

The evaluation of structural models (inner models) in the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach aims to assess the quality of causal relationships between latent constructs in the research model. The inner model describes the direction and strength of influence between latent variables based on previously formulated hypotheses. This evaluation is important because it determines how well the model explains the phenomenon being studied and how predictive the model is of 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, Work Satisfaction (WS) 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 (2025)

The assessment of the inner model in this study includes 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
Work Allowances -> Job Satisfaction	1.135
Work Allowances -> Employee Performance	1.269

Source : Data Analyst (2025)

R-Square (R^2):

2. R-Square (R^2) or coefficient of determination is used to measure how much the independent variable can explain 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 (2025)

3. Q-Square (Q^2):

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

Table 5 Q-Square QR^2)

Variable	Q^2	Interpretation
Job Satisfaction	0.372	Considerable
Employee Performance	0.483	Strong

Source : Data Analyst (2025)

1. Goodness of Fit (GoF):

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

2. SRMR (Standardized Root Mean Square Residual):

SRMR0.062 < 0.08 → Good fit.

3. 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 QR^2)

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 per Hypothesis :

H1: Motivation to Work → Employee Performance

Motivation significantly and positively affects employee performance. Employees who are highly motivated—whether intrinsically (e.g., responsibility, job satisfaction) or extrinsically (e.g., recognition, rewards)—tend to be more productive, responsible, and enthusiastic. This is aligned with Self-Determination Theory (Deci & Ryan, 2000) and supported by findings from Azmy (2022) and Hadianto (2021) At Puskesmas Simomulyo, long-serving employees showed more consistent motivation levels, which translated into better task completion and responsiveness.

H2: Work Allowances → Employee Performance

Work allowances have the strongest direct effect on performance. This validates Equity Theory (Adams, 1965) and the Total Rewards Model (WorldatWork, 2021), emphasizing that fair, timely, and structured compensation drives responsibility, loyalty, and output. Observation at the puskesmas found that staff receiving clear performance-based bonuses were more disciplined and enthusiastic.

H3: Motivation to Work → Job Satisfaction

Employees with high motivation report greater satisfaction, confirming SDT and Herzberg's motivation-hygiene theory. In the Puskesmas context, motivated employees feel emotionally invested and view their work as meaningful, despite challenges.

H4: Work Allowances → Job Satisfaction

Allowances not only compensate financially but serve as a form of recognition. This finding aligns with Organizational Justice theory (Colquitt et al., 2001), showing that fair compensation increases perceived appreciation and satisfaction.

H5: Job Satisfaction → Employee Performance

Job satisfaction significantly drives performance. Employees who feel valued and fulfilled tend to demonstrate higher performance outcomes, in line with the Job Satisfaction–Performance Hypothesis (Judge et al., 2001). Observations also noted greater initiative and fewer absenteeism cases among satisfied staff.

H6: Motivation → Job Satisfaction → Performance

Job satisfaction partially mediates the motivation–performance link. The mechanism follows the Affective Events Theory (Weiss & Cropanzano, 1996), where internal motivation boosts satisfaction, which then enhances performance. However, the modest coefficient (0.077) shows that the effect is partial.

H7: Work Allowances → Job Satisfaction → Performance

Similarly, job satisfaction partially mediates the impact of allowances on performance. When staff feel adequately rewarded, satisfaction increases, which promotes better service delivery. However, the partial nature of this mediation (coefficient 0.103) implies that direct compensation also remains crucial.

CONCLUSION

This study aimed to analyze the influence of work motivation and performance-based allowances on employee performance at Puskesmas Simomulyo and Tanjungsari, with job satisfaction serving as a mediating variable. Based on the findings from PLS-SEM analysis, it can be concluded that motivation and allowances significantly affect employee performance, both directly and indirectly through satisfaction. Specifically, work motivation positively

influences not only performance but also job satisfaction, which in turn enhances performance further. Likewise, performance-based allowances have the strongest direct impact on performance and also contribute to satisfaction levels, reinforcing the overall effect.

The results validate key theories in human resource management, including Self-Determination Theory, Herzberg's Two-Factor Theory, and Equity Theory, and demonstrate their applicability in public healthcare contexts. The mediating role of job satisfaction underscores its strategic importance in translating motivational drivers into performance outcomes. This study advances the understanding of performance dynamics in Puskesmas by highlighting how both psychological (motivation, satisfaction) and structural (allowances) factors must be aligned to achieve optimal results.

From a scientific perspective, this research contributes to the development of public sector human resource theory by offering a comprehensive model that integrates internal motivation, compensation, and satisfaction into a coherent performance framework. It also strengthens the empirical base for the use of PLS-SEM in analyzing mediational effects in health service organizations. As public health centers continue to evolve under decentralized governance, the findings from this study offer timely insights into workforce management strategies that are both effective and contextually relevant.

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