The Role of Work Motivation in Mediating the Influence of Leadership on Employee Performance in the Regional Revenue Agency Batu Bara Regency

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Abstract

Employee performance is an important factor in determining the success of public sector organizations, particularly the Batu Bara District Revenue Agency, which plays a strategic role in managing regional revenue. Employee performance is influenced not only by individual abilities, but also by leadership and work motivation. This study aims to analyze the influence of leadership on employee performance, the influence of leadership on work motivation, the influence of work motivation on employee performance, and the role of work motivation in mediating the influence of leadership on employee performance at the Batu Bara District Revenue Agency. The research method used is a quantitative method with a survey approach. The population in this study consisted of all 100 civil servants at the Batu Bara Regency Regional Revenue Agency, all of whom were included in the research sample. The data were analyzed using the Partial Least Square (PLS) method with the help of SmartPLS software. The results showed that leadership had a positive and significant effect on employee performance, leadership had a positive and significant effect on work motivation, and work motivation had a positive and significant effect on employee performance. In addition, work motivation was proven to act as a mediating variable in the relationship between leadership and employee performance. These findings indicate that effective leadership can increase employee work motivation, which ultimately has an impact on improving employee performance. This study is expected to be taken into consideration by leaders in formulating leadership policies that are oriented towards continuously improving employee motivation and performance.

Keywords: Leadership, Work Motivation, Employee Performance

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Introduction

Employee performance is one of the main factors that determine the success of public sector organizations in achieving their goals and providing optimal services to the community. In local government agencies, particularly the Batu Bara Regency Revenue Agency, employee performance plays a strategic role because it is directly related to the management and optimization of regional revenue. The high demands of the community for transparent, accountable, and professional public services require government officials to perform optimally in terms of quality, quantity, and timeliness of work completion.

Employee performance is not only influenced by technical abilities and individual competencies, but also greatly influenced by managerial factors, one of which is leadership. Effective leadership is able to provide clear work directions and objectives, build good communication, and create a conducive work environment. Robbins and Judge (2020) state that leadership is the ability to influence a group of individuals to work effectively in achieving organizational goals. Leaders who are able to set an example, provide support, and motivate their subordinates tend to be able to increase employee morale and performance. Conversely, ineffective leadership can reduce motivation and have an impact on low employee performance.

In addition to leadership, work motivation is a psychological factor that plays an important role in determining employee performance levels. Work motivation is an internal or external drive that encourages individuals to work optimally in achieving organizational goals. Employees with high work motivation tend to show greater enthusiasm, initiative, and responsibility in carrying out their duties. According to Vo et al. (2022), work motivation arises from the fulfillment of individual needs for competence, autonomy, and social connectedness, which ultimately encourages productive and effective work behavior.

In the context of public organizations such as the Batu Bara District Revenue Agency, the role of work motivation becomes increasingly important given the complexity of tasks, pressure to meet revenue targets, and high accountability demands. Good leadership is expected to not only be able to direct employees but also to inspire their work motivation. Thus, work motivation is seen as a variable that can bridge or mediate the influence of leadership on employee performance. Leaders who are able to motivate employees effectively will encourage improved performance, both individually and organizationally.

Based on this description, research on the role of work motivation in mediating the influence of leadership on employee performance at the Batu Bara District Revenue Agency is important to conduct. This research is expected to provide empirical contributions to the development of public sector human resource management science, particularly regarding the role of leadership and work motivation in improving employee performance. In addition, the results of this study are expected to be taken into consideration by leaders in formulating leadership policies and strategies oriented towards continuously improving employee motivation and performance.

Literature Review Employee Performance Definition of Employee Performance

Ridwan et al. (2020) define performance as the overall results or level of success of an individual in a certain period when carrying out tasks, compared to predetermined and agreedupon work standards, targets, and criteria.

Factors Affecting Employee Performance

Factors Affecting Employee Performance according to Ridwan et al. (2020):

1) Quality of Human Resources (HR)
   Leadership encompasses the knowledge, skills, abilities, and expertise possessed by employees. The higher the level of leadership, the greater the ability of employees to produce optimal performance.
2) Leadership

A leader's style, attention, support, and guidance greatly determine the success of employees' work. Leaders who are able to motivate, set an example, and provide guidance can improve the performance of their employees.

3) Organizational Culture
   Values, norms, habits, and behavior patterns in the work environment influence employee behavior. A conducive organizational culture, such as values of hard work, discipline, and cooperation, will encourage better performance.
4) Organizational Culture System
   Organizational culture in the form of compensation, incentives, recognition, and promotion plays a role in increasing work motivation. Employees who receive organizational culture in line with their achievements tend to show higher performance.

Employee Performance Indicators

According to Ridwan et al. (2020), employee performance indicators consist of:

1) Work Quality
   Describes the level of accuracy, precision, compliance with standards, and quality of employee work results.
2) Work Quantity
   Describes the amount of work that employees are able to complete within a certain period.
3) Time Accuracy
   Assessing employees' ability to complete work within the specified time limit.
4) Responsibility
   Demonstrating the seriousness of employees in carrying out their duties and responsibilities.
5) Cooperation
   Assessing employees' ability to work effectively with colleagues.
6) Initiative
   Assessing employees' internal drive to act without waiting for instructions.

Work Motivation Understanding Work Motivation

According to Vo et al., 2022, work motivation is a drive that stems from individual needs (competence, autonomy, social relationships) that encourage productive and effective individual work behavior.

Indicators of Work Motivation

The indicators of work motivation according to Vo et al., 2022 are as follows:

1) Competence
   Refers to an individual's ability to perform tasks well and feel capable of mastering their work. In this study, competence is measured through "highest level of education achieved" as a proxy.
2) Autonomy
   Refers to individual freedom and control over how they perform their work, namely the ability to make their own decisions and have choices at work.
3) Social connectedness
   Refers to the individual's need to feel connected, accepted, and have positive relationships with others in the work environment, for example, feeling that they belong to a group, are supported by coworkers, and have a sense of social belonging.

Leadership

Definition of Leadership

Robbins & Judge (2020) define leadership as the ability to influence a group to achieve goals. In essence: focus on influence and the achievement of organizational goals.

Leadership Indicators

Leadership indicators according to Robbins & Judge (2020):

1) Ability to Provide Direction

Effective leaders are able to explain tasks, provide work structure, and clearly define goals.

2) Ability to Provide Support

Demonstrated through attention, empathy, and good interpersonal relationships with subordinates.

3) Ability to Motivate Subordinates

Leaders influence subordinates through intrinsic and extrinsic motivation.

4) Decision-Making Skills

Leaders must be able to make fair, logical, and quick decisions.

5) Communication Skills

Robbins & Judge emphasize the importance of two-way communication in effective leadership.

6) Influencing Skills

Effective leaders use power positively to encourage the work behavior of subordinates.

Conceptual Framework

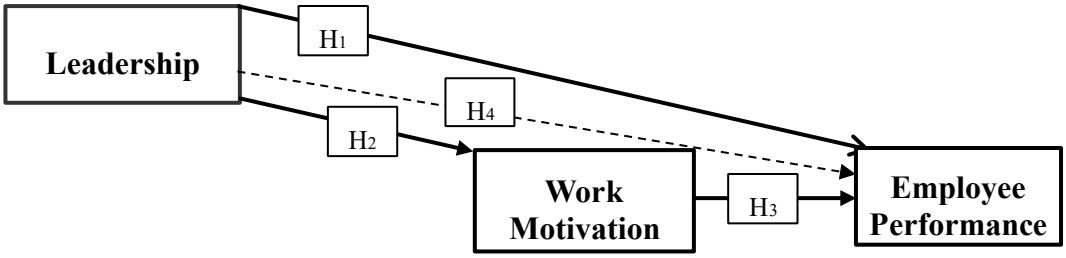

Figure 1. Conceptual Framework

Research Hypothesis

H_1 Leadership has a positive and significant effect on employee performance at the Batu Bara District Revenue Agency.

H_2 Leadership has a positive and significant effect on work motivation at the Regional Revenue Agency of Batu Bara Regency.

H_3 Work motivation has a positive and significant effect on employee performance at the Regional Revenue Agency of Batu Bara Regency.

H_4 : Leadership has a positive and significant effect on employee performance through work motivation at the Regional Revenue Agency of Batu Bara Regency.

Research Methodology Type of Research

The type of research used by the researcher is quantitative research. According to Sugiyono (2022), quantitative research can be defined as a method based on positivism philosophy, used to study a specific population or sample, with sampling techniques generally conducted randomly, data collection using research instruments, and quantitative/statistical data analysis with the aim of testing predetermined hypotheses. This type of quantitative research was conducted to create a study aimed at adjusting a study and analyzing leadership and organizational culture on employee performance with work motivation as a mediating variable at the Batu Bara District Revenue Agency.

Research Location and Time

The research location was at the Batu Bara District Revenue Agency Office, located in Pematang Panjang, Air Putih Subdistrict, Batu Bara District. The research was conducted over a period of 3 months, from October to December 2025.

Population and Sample

Sugiyono (2021) defines population as a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then concluded. The population and sample in this study were all employees with civil servant (PNS) status at the Batu Bara Regency Regional Revenue Agency office. There were 100 employees with PNS status. In this study, the entire population was used as the sample, which is known as a population study.

Research Data Sources

The data source used in this study is primary data.

Results Outer Model Analysis

Outer Model Analysis using the PLS Algorithm produced the following results: **Validity Test**

Table 1. Outer Loadings Values

	Employee Performance	Leadership	Work Motivation
X1.1		0.787	
X1.2		0.708	
X1.3		0.866	
X1.4		0.819	
X1.5		0.754	
X1.6		0.772	
Y.1	0.693		
Y.2	0.816		
Y.3	0.755		
Y.4	0.873		
Y.5	0.748		
Y.6	0.815		
Z.1			0.787
Z.2			0.836
Z.3			0.868

Source: Smart PLS Output, 2025

Based on the values in Table 1 above, which show the results of outer model testing through loading factor/outer loadings values, all indicators in each variable have a loading value ≥ 0.60. This indicates that each indicator is measured validly and strongly. Therefore, it can be concluded that all items in the questionnaire have met the validity criteria, as shown in the following figure.

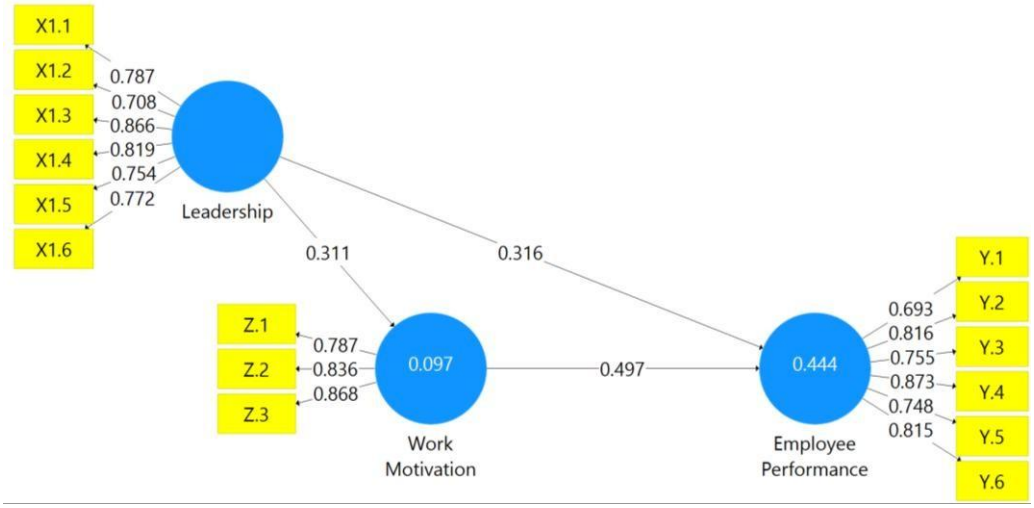

Figure 2. Outer Loading

Reliability Test

Table 2. Construct Reliability And Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0.875	0.888	0.906	0.617
Leadership	0.876	0.886	0.906	0.618
Work Motivation	0.778	0.803	0.870	0.691

Source: Smart PLS Output, 2025

From Table 2 above, the reliability test results show that the Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70. This indicates that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and suitable for use in structural model testing.

Coefficient of Determination (R^2)

In assessing the model with PLS, we begin by looking at the R-square for each dependent latent variable. The table below shows the Rsquare estimation results using SmartPLS.

Table 3. R Square Results

	R Square	Adjusted R-Square
Work Motivation	0.097	0.088
Employee Performance	0.444	0.433

Source: Smart PLS, 2025

Table 3 shows the R-square values for both dependent variables. For the work motivation variable, the R-square value is 0.334, meaning that the influence of leadership is 0.097 or 9.7%, with the remainder attributable to other variables outside the model. The R-square value for employee performance is 0.444, meaning that leadership and work motivation account for 0.444 or 44.4%, with the remainder attributable to other variables outside the model.

Structural Model Testing (Inner Model) Hypothesis Testing Direct Influence Between Variables

The direct effect between variables can be seen in the path coefficients. The data analysis results show the direct effect values in the following table.

Table 4. Path Coefficients (Direct Effects)

	Original Sample	T Statistics	P Values	Conclusion
Leadership -> Employee Performance	0.316	3.724	0.000	Accepted
Leadership -> Work Motivation	0.311	3.475	0.001	Accepted
Work Motivation -> Employee Performance	0.497	7.278	0.000	Accepted

Source: Smart PLS Output, 2025

Table 4 shows the following direct effect values:

1. Leadership has a positive and significant effect on employee performance with a t-statistic value of 3.724 above 1.96 and a significance of 0.000 below 0.05, meaning that leadership has a real effect on employee performance because the significance value is below 0.05 . The results of this study are in line with previous studies, namely that leadership has a positive and significant effect on employee performance (Fitrahayati & Surya, 2025).
2. Leadership has a positive and significant effect on work motivation with a t-statistic value of 3.475 above 1.96 and a significance of 0.001 below 0.05, meaning that leadership has a significant effect on work motivation because the significance value is below 0.05. The results of this study are in line with previous studies, namely that leadership has a positive and significant effect on work motivation (Fadillah & Mesra, 2023).
3. Work motivation has a positive and significant effect on employee performance with a tstatistic value of 7.278 above 1.96 and a significance of 0.000 below 0.05, meaning that work motivation has a significant effect on employee performance because the significance value is below 0.05. The results of this study are consistent with previous research findings, namely that work motivation has a positive and significant effect on employee performance (Siahaan et al., 2022).

Indirect Influence Between Variables

The indirect effect between variables can be seen in the specific indirect effects value. The data analysis results show the indirect effect value in Table 5 below.

Table 5. Specific Indirect Effects (Indirect Effects)

	Original Sample	T Statistics	P Values	Conclusion
Leadership -> Work Motivation -> Employee Performance	0.154	3.211	0.001	Accepted

Source: Smart PLS, 2025

Table 5 shows the indirect influence between variables, namely: leadership has a positive and significant effect on employee performance through work motivation with a t-statistic value of 3.211 above 1.96 and a significance value of 0.001 below 0.05, meaning that work motivation acts as an intervening variable between leadership and employee performance.

Conclusion

1. Leadership has a positive and significant effect on employee performance at the Regional Revenue Agency of Batu Bara Regency.
2. Leadership has a positive and significant effect on work motivation at the Regional Revenue Agency of Batu Bara Regency.
3. Work motivation has a positive and significant effect on employee performance at the Regional Revenue Agency of Batu Bara Regency.

4. Leadership has a positive but insignificant effect on employee performance through work motivation at the Regional Revenue Agency of Batu Bara Regency.

Recommendations

1. Employee performance with the lowest score was "I produce work that meets the established standards." Therefore, the recommendation is to improve the quality of work to meet the established standards. The organization needs to strengthen employees' understanding of work standards through the dissemination of clear and easy-to-understand SOPs. In addition, it is necessary to conduct regular performance monitoring and evaluation as well as provide constructive feedback from leaders so that employees are aware of the shortcomings in their work and are motivated to continue to improve the quality of their work.
2. Work motivation with the lowest score was "I feel I have sufficient competence to carry out my work." To improve employee competence in carrying out their work, organizations are advised to organize training and competency development programs that are in line with job requirements and demands. In addition, providing opportunities for technical guidance, mentoring, and periodic competency evaluations is necessary so that employees become more confident and able to carry out their duties professionally and optimally.
3. Leadership with the lowest score: "Leaders provide clear work directions and objectives to employees." To improve the clarity of work directions and objectives, leaders need to communicate targets, priorities, and performance expectations clearly and measurably to all employees. In addition, it is important to conduct regular communication through briefings or work meetings so that employees understand their roles and contributions in achieving organizational goals, so that the implementation of tasks can run more directionally and optimally.

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