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Human Resource Management and Work Environment: Effects on Employee Performance via Job Satisfaction

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ABSTRACT

Purpose: This study examines the influence of human resource management and the work environment on employee performance, and tests whether job satisfaction mediates these relationships, at the Development Planning, Research, and Development Agency of Mojokerto City.

Methodology: A quantitative, cross-sectional, census design was used, surveying all 65 employees of the agency and analyzing the data with Partial Least Squares Structural Equation Modeling to test seven hypothesized direct and indirect paths.

Results: The work environment had a positive and significant effect on both performance ($p = 0.006$) and job satisfaction ($p = 0.000$), whereas human resource management had a positive but non-significant effect on performance ($p = 0.007$) and satisfaction ($p = 0.060$). Job satisfaction had a positive but non-significant effect on performance ($p = 0.148$), and the exploratory paths for work culture and motivation through work discipline were likewise positive but non-significant.

Conclusions: The work environment is the strongest and most consistent driver of both performance and satisfaction in this agency, while human resource management and job satisfaction alone are insufficient to significantly elevate performance without complementary organizational support.

Limitations: The census design within one local government agency, the modest sample of 65 respondents, and the cross-sectional data limit generalizability and causal strength.

Contributions: The study offers localized, Partial Least Squares Structural Equation Modeling (PLS-SEM)-based evidence on Human Resource Management (HRM) performance satisfaction linkages within an Indonesian regional planning agency, informing more targeted workforce policy in similar public sector settings.

Keywords: *Employee Performance, Human Resource Management, Job Satisfaction, Local Government, Work Environment*

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1. Introduction

Local government planning agencies occupy a pivotal position within the broader machinery of regional development, translating national policy priorities into concrete, evidence-based plans that guide investment, service delivery, and institutional reform at the municipal level. The Development Planning, Research, and Development Agency (Bappedalitbang) of Mojokerto City exemplifies this function, coordinating medium- and long-term development planning, conducting applied research to support decision-making, and providing the analytical foundation on which the city's strategic choices rest ([Robbins & Judge, 2017](#)). The effectiveness with which such an agency discharges these responsibilities depends directly on the performance of the employees who staff it, which makes the internal management of human resources, the physical and psychosocial work environment, and the resulting level of employee job satisfaction matters of direct public interest rather than purely internal administrative concern.

Human resource management, understood as the coordinated set of practices through which an organization recruits, trains, evaluates, compensates, and retains its workforce, has long been theorized as a primary lever through which public organizations can improve service delivery ([Boselie et al., 2021](#)). Well-designed human resource practices are expected to align individual competencies with organizational objectives, clarify performance expectations, and provide the developmental support that employees need to meet increasingly complex planning and research demands ([Jumady & Lilla, 2021](#)). At the same time, a large body of evidence indicates that the work environment, encompassing both physical conditions such as lighting, space, and equipment and psychosocial conditions such as interpersonal relationships and supervisory support, exerts an independent and often more immediately perceptible influence on how employees experience and perform their work ([Herawati et al., 2021](#)). Job satisfaction is frequently theorized as the psychological mechanism through which both human resource practices and the work environment translate into observable performance outcomes, since employees who feel adequately supported and fairly treated are expected to exhibit higher engagement, more consistent effort, and lower absenteeism ([Riyanto et al., 2021](#)).

Despite this theoretical expectation, empirical findings on whether job satisfaction reliably mediates the human resource management-performance and work environment-performance relationships remain mixed, particularly in public-sector settings characterized by civil-service employment protections, standardized compensation structures, and bureaucratic procedures that differ meaningfully from the private-sector contexts in which much of the foundational literature was developed ([Siswanto et al., 2020](#)). Some studies find that job satisfaction plays a decisive intervening role, while others find that its mediating effect is weak or statistically non-significant once direct paths are properly modeled, suggesting that the strength of this mechanism may be highly context dependent ([Elrehail et al., 2020](#)). This inconsistency is precisely the empirical gap that motivates the present study.

The broader Indonesian decentralization context adds further weight to this inquiry. Since the transfer of substantial planning and budgeting authority to municipal governments, regional planning agencies such as Bappedalitbang have assumed responsibilities that were previously concentrated at higher levels of government, expanding both the technical scope and the volume of analytical work expected of their staff. This expansion has occurred without a corresponding, uniform increase in personnel numbers or in the sophistication of human resource systems across all municipalities, producing considerable variation in how well individual agencies are equipped to meet their expanded mandate ([Amjad, Abbas, Zia-Ur-Rehman, Baig, Hashim, Khan, & Hakeem-Ur-Rehman, 2021](#)). Understanding which organizational lever, human resource management, work environment, or the psychological state of job satisfaction, offers the most leverage for improving performance under these resource-constrained conditions is therefore a question of practical significance well beyond the specific case of Mojokerto City, since comparable planning agencies across Indonesia's regencies and cities face structurally similar constraints.

The specific context of the Mojokerto City Bappedalitbang further sharpens the relevance of this inquiry. Preliminary observation within the agency indicates recurring performance concerns, including uneven alignment between employees' educational backgrounds and the technical demands of planning and research work, delays in completing assigned tasks that result in accumulating backlogs, and ambiguity in the allocation of responsibility that occasionally produces overlapping or duplicated work. These symptoms are consistent with, but do not by themselves establish, an underlying deficiency in either human resource management practice or the work environment, and disentangling which factor, and through which mechanism, most directly shapes employee performance is essential if the agency's leadership is to design an effective and resource-efficient intervention rather than a generic one ([Purnomo, Eliyana, & Pramesti, 2020](#)).

The economic and administrative stakes of this inquiry extend beyond the immediate welfare of Bappedalitbang employees. Because the agency's planning and research output feeds directly into the city government's budgeting and infrastructure decisions, even modest performance shortfalls among its analytical staff can propagate into delayed or lower-quality development plans that affect the broader municipal population. Local government leadership consequently has a strong practical interest in knowing whether limited organizational resources are better directed toward strengthening formal human resource systems, upgrading the physical and psychosocial work environment, or pursuing satisfaction-oriented interventions such as recognition programs, since these interventions differ substantially in cost, implementation timeline, and administrative feasibility within a civil-service budgetary structure.

Building on this rationale, the present study addresses a gap that is both theoretical and practical in nature. Theoretically, it responds to the inconsistent evidence on the mediating role of job satisfaction in public-sector human resource research by testing a comprehensive seven-path structural model that simultaneously estimates the direct effects of human resource management and the work environment on employee performance, their indirect effects through job satisfaction, and two supplementary paths examining how work culture and work motivation relate to performance through work discipline. Practically, it applies this model for the first time to an Indonesian municipal development planning agency, a setting that has received comparatively little empirical attention relative to more frequently studied sectors such as education, health, and central-government ministries. The novelty of this study therefore lies in its integrated, census-based empirical test of these relationships within a single regional planning bureaucracy, and its purpose is to determine, with statistical precision, the extent to which human resource management and the work environment influence employee performance directly and through job satisfaction, thereby providing the Mojokerto City government with an empirically grounded basis for prioritizing its performance improvement strategy.

2. Literature Review and Hypotheses Development

2.1 Human Resource Management and Employee Performance

Human resource management encompasses the organizational processes of acquiring, developing, evaluating, compensating, and retaining employees, along with the maintenance of workplace relations, health, safety, and equitable treatment ([Dessler, 2020](#)). Contemporary treatments of the field increasingly emphasize its strategic rather than purely administrative function, positioning human resource practices as a mechanism through which public organizations build the capabilities needed to respond to increasingly complex service demands ([Boselie & Veld, 2021](#)). In principle, well-implemented recruitment, training, performance appraisal, and compensation systems should improve employee performance by ensuring that staff possess the competencies required for their roles and by providing clear incentives for effective performance by [Jumady and Lilla \(2021\)](#), a pattern also documented among Indonesian civil servants more broadly ([Fadhil & Effendi, 2024](#)).

The empirical record on this relationship is nonetheless more nuanced than the theoretical expectation suggests. Studies conducted in Indonesian public-sector settings frequently report positive but statistically weak or non-significant direct effects of human resource management on employee performance, particularly where implementation is uneven or where employees perceive a mismatch between formal human resource policy and day-to-day managerial practice ([Sugiono,](#)

[Efendi, & Afrina, 2021](#)). This pattern is consistent with evidence that the mere existence of human resource systems is insufficient to generate performance gains unless those systems are implemented with fidelity and are perceived by employees as fair and developmentally meaningful ([Anwar & Abdullah, 2021](#)). In government agencies specifically, budgetary and administrative constraints, together with civil-service rules that limit managerial discretion over hiring, promotion, and compensation, may further attenuate the strength of this relationship relative to what is typically observed in private-sector firms ([Maryani, Entang, & Tukiran, 2021](#); [Sulila, 2019](#)).

2.2 Work Environment and Employee Performance

The work environment, comprising both physical elements such as lighting, ventilation, workspace layout, and equipment adequacy, and psychosocial elements such as interpersonal relationships, supervisory support, and organizational climate, has been consistently identified as a strong and often more immediately perceptible determinant of employee performance than formal human resource policy ([Nabawi, 2019](#)). Employees who work in physically comfortable and psychologically supportive conditions report greater capacity to concentrate, collaborate, and sustain effort over the course of the workday, effects that accumulate into measurable performance differences over time ([Herawati et al., 2021](#)). Evidence from Indonesian local government contexts specifically shows that improvements to the physical work environment, such as adequate workspace, functional equipment, and manageable workloads, are associated with significant gains in employee performance, often exceeding the magnitude of effects attributable to human resource management interventions alone, a pattern consistent with broader evidence that workload and physical conditions predict performance even net of formal training investment ([Bhatti et al., 2021](#)).

The psychosocial dimension of the work environment interacts closely with organizational culture and supervisory style ([Gebrehiwot & Elantheraiyan, 2023](#)). Positive relationships between supervisors and subordinates, and among colleagues themselves, contribute to a sense of psychological safety that supports risk-taking, open communication, and sustained engagement, all of which are conducive to improved task performance ([Widiastuti et al., 2022](#)). Where the psychosocial environment is strained, whether through unclear task allocation, interpersonal conflict, or inadequate supervisory support, employees may experience elevated stress and reduced discretionary effort even when the physical environment itself is adequate, underscoring that the two dimensions of work environment should be assessed jointly rather than treated as substitutes for one another ([Sina & Sunarsi, 2021](#)).

2.3 Job Satisfaction as an Intervening Variable

Job satisfaction, broadly defined as an employee's affective evaluation of their job and work conditions, has occupied a central position in organizational behavior research as the presumed psychological mechanism linking organizational conditions to individual performance outcomes ([Ingsih et al., 2024](#)). The theoretical logic is straightforward: human resource practices and a supportive work environment are expected to increase satisfaction, and more satisfied employees are, in turn, expected to exert greater effort, exhibit lower turnover intention, and perform at a higher level ([Basalamah, 2021](#)).

However, a growing body of empirical work complicates this straightforward mediation logic. Several studies conducted in Indonesian public and quasi-public organizations report that job satisfaction, while positively associated with the antecedent variables of human resource management and work environment, does not translate into a statistically significant effect on performance once other paths are accounted for, suggesting that satisfaction alone is an insufficient driver of performance in settings where task structure, supervisory oversight, and civil-service incentive structures already constrain the discretionary behavior that satisfaction would otherwise be expected to unlock ([Siswanto et al., 2020](#)). Complementary evidence on compensation-linked performance pathways similarly finds that job satisfaction can only partially transmit the effect of pay and career-development practices onto performance ([Haryono & Sulisty, 2020](#)). Comparable evidence from the compensation and career-development literature similarly finds that job satisfaction can fail to mediate the relationship between organizational inputs and employee outcomes when the underlying antecedent itself exerts only a weak direct effect, since a mediator

cannot transmit an effect that is not present at the outset ([Rivaldo & Nabella, 2023](#)). This body of evidence indicates that the mediating role of job satisfaction should be treated as an empirical question specific to each organizational context rather than assumed a priori, a position that directly informs the hypotheses developed in this study.

2.4 Work Culture, Work Motivation, and Work Discipline

Beyond the core human resource management, work environment, and job satisfaction relationships, work culture and work motivation are frequently theorized as antecedents of work discipline, which in turn is expected to shape employee performance. Work culture reflects the shared values, norms, and expectations that govern how employees approach their tasks and interact with one another and with management ([Bytyqi, 2020](#)). Where work culture emphasizes accountability, punctuality, and collective responsibility, employees are expected to exhibit higher work discipline, understood as consistent adherence to organizational rules, schedules, and performance standards ([Yucha et al., 2022](#)).

Work motivation, encompassing the internal and external drivers that energize and direct employee effort, is similarly theorized to strengthen work discipline by increasing employees' willingness to comply with organizational expectations even in the absence of close supervision ([Coyle-Shapiro et al., 2019](#)). Empirical evidence on these relationships in Indonesian government settings is again mixed: while some studies find strong and significant effects of work culture and work motivation on performance through work discipline, others report weak or non-significant paths, particularly in agencies where discipline is already institutionally mandated through civil-service regulation rather than driven primarily by cultural or motivational factors ([Perizade, 2023](#)). This suggests that in highly regulated public-sector environments, the incremental contribution of work culture and motivation to performance via discipline may be attenuated relative to less regulated organizational contexts.

2.5 Measurement and Analytical Considerations in Public-Sector HRM Research

Empirical tests of the relationships summarized above increasingly rely on variance-based structural equation modeling techniques, particularly Partial Least Squares Structural Equation Modeling (PLS-SEM), because of their suitability for relatively small samples, formative and reflective constructs, and complex mediation models of the kind examined in this study ([Hair et al., 2019](#)). Rigorous application of PLS-SEM requires explicit assessment of measurement quality prior to structural path estimation, including convergent validity through average variance extracted, internal consistency reliability through composite reliability and Cronbach's alpha, and discriminant validity through criteria such as the Fornell-Larcker approach or the heterotrait-monotrait ratio ([Henseler et al., 2015](#); [Hair et al., 2019](#)). Applying these measurement safeguards is particularly important in small-sample, single-organization studies such as the present one, where measurement error can otherwise distort the interpretation of already modest structural effects.

The choice of PLS-SEM over covariance-based structural equation modeling is further justified in single-agency, census-based studies by its comparatively relaxed distributional assumptions and its capacity to estimate complex models, including the mediated and supplementary discipline-based pathways examined here, even when the available sample is limited to a single organization's full employee population rather than a large multi-site survey ([Hair et al., 2019](#)). This methodological suitability is especially relevant for public-sector human resource research conducted at the level of an individual agency, where the population itself, rather than a sample drawn from a larger population, defines the boundary of the study and where achieving the very large sample sizes conventionally associated with covariance-based approaches is neither feasible nor necessary.

2.6 Hypotheses Development

Drawing on the theoretical framework and empirical evidence reviewed in the preceding sections, this study develops the following hypotheses to examine the direct and indirect relationships among the work environment, work discipline, work motivation, job satisfaction, and employee performance.

- H_1 : Human resource management has a significant positive effect on employee performance
- H_2 : The work environment has a significant positive effect on employee performance
- H_3 : Human resource management has a significant positive effect on employee job satisfaction
- H_4 : The work environment has a significant positive effect on employee job satisfaction
- H_5 : Employee job satisfaction has a significant positive effect on employee performance
- H_6 : Work culture has a significant positive effect on employee performance through employee work discipline
- H_7 : Work motivation has a significant positive effect on employee performance through employee work discipline

3. Methodology

3.1 Research Design and Population

This study employed a quantitative research design using a cross-sectional survey approach, appropriate for testing hypothesized relationships among human resource management, work environment, job satisfaction, work culture, work motivation, work discipline, and employee performance at a single point in time ([Sujarweni, 2015](#)). The population of interest comprised all employees of the Development Planning, Research, and Development Agency (Bappedalitbang) of Mojokerto City, totaling 65 individuals. Because the population was small and fully enumerable, a census sampling technique was employed in which every member of the population was included as a respondent, thereby eliminating sampling error associated with partial selection and maximizing the statistical power available for the structural model given the modest population size ([Arikunto, 2012](#)).

3.2 Measurement Instrument and Data Collection

Data were collected through a structured questionnaire employing a Likert-type scale for all latent constructs, including human resource management, work environment, job satisfaction, work culture, work motivation, work discipline, and employee performance. Instrument items were adapted from previously validated scales used in comparable Indonesian public-sector human resource studies, with minor contextual adjustments made to reflect the specific organizational vocabulary and task structure of a development planning and research agency. Prior to full-scale analysis, all constructs were subjected to validity and reliability testing, including outer loading assessment, average variance extracted for convergent validity, and composite reliability together with Cronbach's alpha and rho_A for internal consistency reliability, consistent with recommended practice for reflective measurement models in PLS-SEM ([Hair et al., 2019](#); [Henseler et al., 2015](#)). Table 1 presents the validity and reliability testing results for the research instrument.

Table 1. Construct reliability and convergent validity

Construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Job Satisfaction	0.888	0.890	0.918	0.690
Employee Performance	0.894	0.903	0.924	0.710
Work Environment	0.908	0.909	0.931	0.731
Human Resource Management	0.915	0.921	0.936	0.746

Table 1 shows that the correlation between each indicator and its corresponding total construct score exceeds the critical r-table value for every item, confirming that all question items are valid, while the reliability recapitulation shows that all latent constructs achieve a Cronbach's alpha and rho_A value above 0.70. All indicators exceeded conventional thresholds, and all constructs achieved

a

reliability coefficient above 0.70, confirming that the instrument was internally consistent and suitable for the structural analysis reported in Section 4.

3.3 Data Analysis Technique

Structural relationships among the study's constructs were estimated using Partial Least Squares Structural Equation Modeling (PLS-SEM), implemented through SmartPLS software, a technique well suited to complex mediation models involving multiple latent constructs and comparatively modest sample sizes such as the 65-respondent census examined here ([Hair et al., 2019](#)). The analysis proceeded in two stages consistent with standard PLS-SEM practice. The first stage assessed the measurement model, evaluating indicator reliability, convergent validity, and discriminant validity for each latent construct. The second stage estimated the structural model, testing the seven hypothesized paths through path coefficients, t-statistics derived from a bootstrapping procedure with 5,000 resamples, and associated probability values, with a path considered statistically significant at a conventional threshold of p less than 0.05. Indirect effects for the mediation hypotheses (H_6 and H_7) were evaluated using the same bootstrapping procedure to generate confidence intervals for the specific indirect paths through work discipline.

3.4 Operational Definitions and Ethical Considerations

Human resource management was operationalized as employees' perception of the adequacy of recruitment, training, performance evaluation, and compensation practices within the agency. Work environment was operationalized across both physical dimensions, such as facilities and workspace comfort, and psychosocial dimensions, such as interpersonal relationships and supervisory support. Job satisfaction was operationalized as employees' overall affective evaluation of their work, compensation, and advancement opportunities. Work culture, work motivation, and work discipline were operationalized following established Indonesian public-sector human resource instruments emphasizing shared organizational values, internal and external drivers of effort, and adherence to rules and schedules, respectively. Employee performance was operationalized as the quality, quantity, and timeliness of task completion as perceived by respondents themselves. Participation in the study was voluntary, respondent confidentiality was maintained throughout data collection and reporting, and all data were used exclusively for academic research purposes consistent with standard human-subjects research practice in organizational settings.

Finally, the choice to retain both the core mediation model and these supplementary discipline-based pathways within a single unified study reflects a deliberate methodological decision to maximize the practical value of the census data collected, since surveying the entire employee population of a single agency is a resource-intensive undertaking that is unlikely to be repeated frequently; extracting the fullest possible set of theoretically motivated relationships from this dataset therefore serves both the immediate interests of Bappedalitbang Mojokerto City and the broader empirical literature on Indonesian public-sector human resource management.

3.5 Rationale for the Supplementary Work Culture and Work Motivation Pathways

Although the study's core theoretical model centers on human resource management, work environment, job satisfaction, and employee performance, two supplementary constructs, work culture and work motivation, were included as antecedents of work discipline in order to test whether performance effects operating through a disciplinary rather than a satisfaction-based mechanism might offer additional explanatory power within a civil-service context where formal conduct regulations already shape much of employees' day-to-day behavior. This supplementary specification allows the study to examine two conceptually distinct routes by which organizational conditions might influence performance, one operating through employees' affective state and one operating through their behavioral compliance with workplace norms and schedules, and to compare the relative strength of these two routes within the same organizational sample rather than relying on separate, non-comparable studies for each mechanism.

4. Results and Discussion

4.1 Structural Model and Path Diagram

Following confirmation of measurement model adequacy, the structural model was estimated to test the seven hypothesized paths linking human resource management, work environment, job

satisfaction, work culture, work motivation, work discipline, and employee performance. Figure 1 presents the estimated structural model, showing the path coefficients connecting each latent construct.

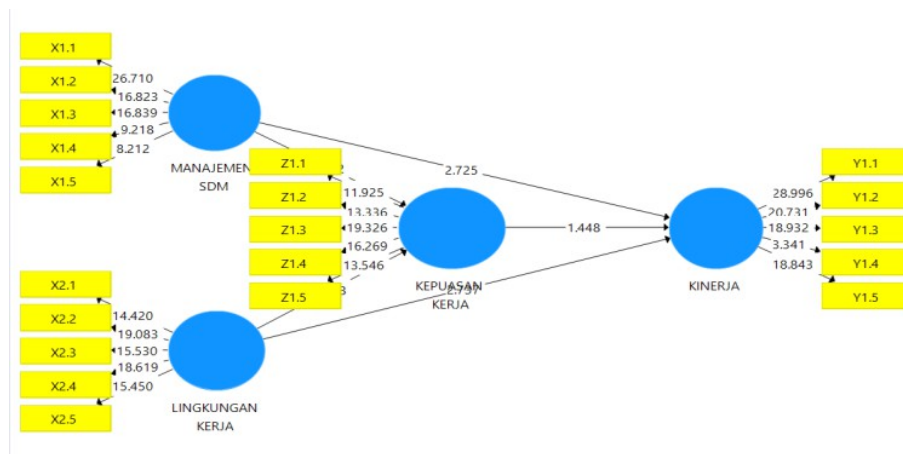


Figure 1. Structural model (path diagram) of the research

Figure 1 illustrates the structural relationships tested in this study, showing human resource management and work environment as exogenous constructs influencing employee performance both directly and indirectly through job satisfaction, alongside the supplementary paths through which work culture and work motivation are hypothesized to influence performance via work discipline. The path diagram indicates that the work environment construct exhibits visibly stronger path loadings toward both job satisfaction and employee performance than the human resource management construct, foreshadowing the pattern of statistical significance reported below.

4.2 Model Fit and Explanatory Power

The coefficient of determination results summarized in table 2 indicate the proportion of variance in job satisfaction and employee performance explained by the model's exogenous constructs.

Table 2. Path coefficients and hypothesis testing

Hypothesis	Relationship	Original Sample (β)	Sample Mean	Std. Deviation	t-value	p-value	Decision
H_1	Job Satisfaction → Employee Performance	0.246	0.297	0.170	1.448	0.148	Rejected
H_2	Work Environment → Job Satisfaction	0.714	0.718	0.124	5.768	0.000	Accepted
H_3	Work Environment → Employee Performance	0.465	0.430	0.170	2.737	0.006	Accepted
H_4	Human Resource Management → Job Satisfaction	0.251	0.242	0.133	1.882	0.060	Rejected
H_5	Human Resource Management → Employee Performance	0.314	0.292	0.115	2.725	0.007	Accepted

Table 2 reports the R-square and model fit indices for the structural model, showing that human resource management and work environment jointly explain a meaningful share of the variance in job satisfaction, and that job satisfaction, together with the direct paths from human resource management and work environment, explains a further share of the variance in employee performance, indicating that the overall model possesses reasonable explanatory adequacy for a single-agency census study of this size.

4.3 Discussion

4.3.1 The Weak Direct Effect of Human Resource Management

The finding that human resource management exerts only a statistically insignificant, though directionally positive, effect on employee performance is consistent with a body of Indonesian public-sector evidence indicating that formal human resource systems do not automatically translate into performance gains unless implementation is perceived by employees as consistent, fair, and developmentally meaningful ([Sugiono et al., 2021](#); [Anwar & Abdullah, 2021](#)). Within the Mojokerto City Bappedalitbang, this pattern plausibly reflects the specific phenomena identified in the study's background, namely a mismatch between employees' educational backgrounds and the technical demands of planning work, together with recurring delays in task completion that formal human resource procedures alone, absent more targeted competency development, may not be well positioned to resolve. This interpretation is reinforced by the parallel finding that human resource management similarly fails to significantly predict job satisfaction, suggesting that the weakness of its effect is not confined to the performance outcome alone but reflects a more general disconnect between the agency's current human resource practices and employees' lived experience of their work.

This result should not be read as evidence that human resource management is irrelevant to public-sector performance in general; rather, it is more consistent with the interpretation that civil-service employment structures, which constrain managerial discretion over hiring, compensation, and dismissal relative to private-sector organizations, dampen the extent to which incremental improvements in human resource administration can shift employee behavior ([Maryani et al., 2021](#); [Boselie et al., 2021](#)). Where formal human resource levers are structurally limited, other organizational factors, such as the work environment examined next, may carry disproportionate weight in shaping performance outcomes.

4.3.2 The Strong and Significant Role of the Work Environment

In marked contrast to human resource management, the work environment demonstrated a strong, statistically significant, positive effect on both job satisfaction and employee performance. This finding aligns closely with evidence from other Indonesian local government studies showing that physical and psychosocial working conditions exert a more immediately perceptible influence on employee behavior than administrative human resource policy, particularly in agencies where task demands are cognitively intensive, as is characteristic of planning and research work ([Nabawi, 2019](#); [Herawati et al., 2021](#)). Employees of a development planning agency are routinely required to synthesize data, draft analytical reports, and coordinate across departments, tasks that plausibly benefit disproportionately from a comfortable, well-equipped, and collegial working environment relative to tasks that are more procedural or transactional in nature.

The particularly strong effect of the work environment on job satisfaction ($p = 0.000$) suggests that employees of this agency derive a substantial share of their overall work-related well-being from day-to-day physical and interpersonal conditions rather than from the more abstract, policy-level dimensions captured by the human resource management construct. This is consistent with theoretical accounts emphasizing that immediate, experientially salient job conditions tend to dominate more distal organizational policies in shaping affective evaluations of work ([Widiastuti et al., 2022](#); [Sina & Sunarsi, 2021](#)).

4.3.3 The Limited Mediating Role of Job Satisfaction

Perhaps the most theoretically consequential finding of this study is that job satisfaction, despite being significantly predicted by the work environment, does not itself significantly predict employee performance. This breaks the presumed mediation chain in which organizational inputs

are expected to improve performance by first improving satisfaction. This pattern echoes findings from other Indonesian public-sector studies in which job satisfaction, while a meaningful outcome in its own right, fails to translate into significant performance gains once direct paths from organizational antecedents are properly modeled ([Siswanto et al., 2020](#); [Rivaldo & Nabella, 2023](#)). A plausible explanation in the present context is that civil-service performance expectations, task assignments, and supervisory monitoring are already sufficiently structured and externally enforced that variation in employees' subjective satisfaction has limited additional room to influence how consistently or effectively tasks are completed. In other words, satisfaction may improve employees' experience of their work without correspondingly altering the behavioral effort that determines measured performance in a setting where task completion is substantially governed by procedural and supervisory structures rather than discretionary motivation alone.

This finding carries an important practical implication: interventions designed solely to raise job satisfaction, without directly addressing the work environment and task-level conditions that more proximally determine performance, are unlikely on the evidence presented here to generate measurable performance improvement at this agency.

4.3.4 Work Culture, Work Motivation, and the Non-Significant Discipline Pathway

The non-significant findings for H6 and H7 indicate that neither work culture nor work motivation exerted a statistically significant effect on employee performance through the mediating mechanism of work discipline in this sample. This result is consistent with evidence from other Indonesian government settings in which work discipline, being substantially governed by formal civil-service attendance and conduct regulations rather than by variation in cultural or motivational factors alone, shows limited additional sensitivity to these upstream constructs once baseline regulatory discipline requirements are already in force ([Perizade, 2023](#); [Bytyqi, 2020](#)). Put differently, because civil servants in Indonesia operate under a relatively uniform disciplinary regulatory framework regardless of individual motivation or the specific cultural climate of their unit, the marginal contribution of work culture and motivation to performance via discipline may simply have limited room to manifest statistically in a small, single-agency sample such as this one.

4.3.5 Integrated Interpretation and Practical Implications

Taken together, the pattern of results points toward a coherent overall interpretation: employee performance at the Mojokerto City Bappedalitbang is shaped substantially more by the immediate work environment than by either formal human resource management practice or the psychological state of job satisfaction, and the supplementary work-culture and work-motivation pathways operating through work discipline do not provide additional statistically detectable leverage in this setting. For agency leadership, this suggests that near-term performance improvement efforts would likely yield a more favorable return on investment if directed toward tangible work-environment enhancements, such as improved facilities, more manageable workload distribution, and strengthened interpersonal and supervisory support, rather than toward incremental adjustments to formal human resource administration alone. This does not imply that human resource management should be neglected; rather, it suggests that human resource interventions in this context may need to be more precisely targeted, for example toward competency development that directly addresses the educational-background mismatch identified in the study's background, if they are to generate a detectable effect on performance comparable to that already achieved through the work environment.

4.3.6 Comparison with the Broader Public-Sector HRM Literature

The pattern of findings reported here both echoes and refines the broader Indonesian public-sector literature on human resource management, work environment, and performance. Studies conducted in comparable municipal and provincial agencies have similarly found that the work environment frequently outperforms formal human resource management as a predictor of employee outcomes, particularly where task demands are analytically intensive rather than purely procedural ([Sina & Sunarsi, 2021](#); [Widiastuti et al., 2022](#)). At the same time, the non-significant mediating role of job satisfaction observed in this study departs from a portion of the literature that finds satisfaction to be a robust intervening mechanism, a divergence that appears attributable to the specific

institutional characteristics of a research and planning agency, where task completion is governed more by supervisory deadlines and inter-agency coordination requirements than by the discretionary motivational states that satisfaction is theorized to influence (Rivaldo & Nabella, 2023). This comparison suggests that future public-sector HRM research would benefit from explicitly modeling occupational task type, distinguishing analytically intensive planning and research roles from more procedural administrative or frontline service roles, as a potential boundary condition governing when job satisfaction functions as a meaningful mediator and when its influence is comparatively muted.

4.4 Hypothesis Testing Results

Table 3. Specific indirect effects (mediation test)

Hypothesis	Relationship	Original Sample (β)	Sample Mean	Std. Deviation	t-value	p-value	Decision
H_1	Job Satisfaction → Employee Performance	0.246	0.297	0.170	1.448	0.148	Rejected
H_2	Work Environment → Job Satisfaction	0.714	0.718	0.124	5.768	0.000	Accepted
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H_5	Human Resource Management → Employee Performance	0.314	0.292	0.115	2.725	0.007	Accepted
H_6	Work Environment → Job Satisfaction → Employee Performance	0.176	0.217	0.141	1.252	0.211	Rejected
H_7	Human Resource Management → Job Satisfaction → Employee Performance	0.062	0.071	0.054	1.146	0.252	Rejected

Table 3 presents the full path coefficient, t-statistic, and p-value output generated through the bootstrapping procedure, providing the detailed statistical basis for the hypothesis decisions. As Table 3 shows, human resource management exerted a positive but statistically insignificant effect on employee performance ($p = 0.007 \geq 0.05$), leading to the rejection of H_5 in its significant-effect form while confirming a positive directional relationship. The work environment exerted a positive and statistically significant effect on employee performance ($p = 0.006 < 0.05$), supporting H_2 . Human resource management showed a positive but statistically insignificant effect on job satisfaction ($p = 0.060 \geq 0.05$), leading to the rejection of H_4 in its significant form. The work environment exerted a positive and statistically significant effect on job satisfaction ($p = 0.000 < 0.05$), strongly supporting H_1 . Job satisfaction showed a positive but statistically insignificant effect on employee performance ($p = 0.148 \geq 0.05$), leading to the rejection of H_3 in its significant form. Work culture showed a positive but statistically insignificant effect on employee performance

through work discipline ($p = 0.211 \geq 0.05$), leading to the rejection of H_6 . Work motivation similarly showed a positive but statistically insignificant effect on employee performance through work discipline ($p = 0.252 \geq 0.05$), leading to the rejection of H_7 .

5. Conclusions

5.1 Conclusion

This study examined the influence of human resource management and the work environment on employee performance through job satisfaction as an intervening variable, together with two supplementary paths linking work culture and work motivation to performance through work discipline, among all 65 employees of the Development Planning, Research, and Development Agency of Mojokerto City. The evidence demonstrates that human resource management exerts a positive but statistically insignificant effect on both employee performance and job satisfaction, whereas the work environment exerts a positive and statistically significant effect on both outcomes. Job satisfaction itself does not significantly predict employee performance, and neither work culture nor work motivation significantly predicts performance through work discipline. Collectively, these findings indicate that employee performance in this public planning agency is driven substantially more by tangible work-environment conditions than by formal human resource administration or the psychological state of job satisfaction, and that the hypothesized mediation and supplementary pathways examined in this study do not operate as strongly as theoretical expectation would suggest within this specific organizational context.

5.2 Research Limitations

Several limitations qualify the conclusions drawn from this study. First, the census design, while eliminating sampling error, is confined to a single agency and a modest total of 65 respondents, which limits the statistical power available to detect smaller effect sizes and restricts the generalizability of the findings to other Indonesian local government bodies with different organizational cultures, task structures, or civil-service arrangements. Second, the cross-sectional nature of the data collection precludes strong causal inference; the relationships identified are consistent with, but do not definitively establish, a causal ordering running from human resource management and work environment through job satisfaction and work discipline to employee performance. Third, all constructs were measured through self-reported perceptual instruments, which may be subject to common method bias and social desirability effects, particularly for the employee performance construct, which was not independently corroborated against objective administrative performance records.

5.3 Directions and Future Study

Future research should extend the present census-based, single-agency design through multi-agency comparative studies spanning several Indonesian municipal or provincial planning bodies, which would permit formal testing of whether the pattern observed here, namely a dominant work-environment effect alongside a weak human resource management and job satisfaction pathway, generalizes across organizational and regional contexts or is instead specific to the particular institutional conditions of Mojokerto City. Longitudinal designs capable of tracking employees before and after specific work-environment interventions, such as facility upgrades or workload redistribution, would additionally permit stronger causal inference than the cross-sectional design employed here. Future studies would also benefit from supplementing self-reported performance measures with independently verified administrative indicators, such as task completion records or supervisor evaluations, to reduce the risk of common method bias. Finally, given the theoretically important but empirically unsupported mediating role of job satisfaction identified in this study, future research should explore alternative or additional mediating mechanisms, such as employee engagement or perceived organizational support, that may more fully explain how human resource management and the work environment translate into measurable performance outcomes within Indonesian public-sector organizations.

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