

The Role of Motivation in Mediating the Relationship of Emotional Intelligence in Leadership, Compensation, Work Environment to Performance

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Abstract:

This study aims to investigate the role of motivation as a mediating factor in the relationship between emotional intelligence in leadership, compensation, and work environment on employee performance at the Regional Secretariat of Badung Regency. A quantitative approach was utilized, involving 173 out of 304 civil servants as the sample. Data collection was conducted through questionnaires and analyzed using SEM-PLS with SmartPLS4 software. The findings revealed that emotional intelligence in leadership and compensation do not significantly influence employee motivation. Conversely, the work environment positively and significantly affects motivation. Emotional intelligence in leadership has a significant negative impact on employee performance, while compensation and work environment have a significant positive impact. Motivation also has a significant positive effect on employee performance. Furthermore, motivation does not mediate the influence of emotional intelligence in leadership and compensation on employee performance, but it does significantly mediate the relationship between work environment and employee performance. These findings underscore the importance of a conducive work environment in enhancing employee motivation and performance, providing valuable insights for human resource management in making informed decisions to improve employee performance in government institutions.

Keywords: Motivation, Emotional Intelligence in Leadership, Compensation, Work Environment, Employee Performance

1. Introduction

In achieving the mission and goals of any company, it is impossible to attain high performance without being supported by high-performing human resources (HR) who contribute maximally in carrying out their tasks. According to Prabu & Mangkunegara in the article by Yunita (2021), the term "performance" refers to the end results, both qualitatively and quantitatively, of an employee's efforts when performing assigned tasks. Low motivation and perceptions of salary equity are common issues related to employee performance. According to research by Wulandari, Prastiwi, & Romdhoni (2021), organizations can influence employee performance by implementing rules that ensure they receive adequate remuneration. An organization may achieve better results from its workforce if it takes steps to inspire employees to perform at their best. There is a positive correlation between the level of intrinsic motivation of employees and their output at work (Wicaksono, 2023). Financial compensation typically comes in two forms: direct remuneration, which can be in the form of salary or work incentives, and indirect remuneration, also known as indirect financial compensation, which is not given in cash but has a determinable monetary value. Non-financial compensation is the third type of compensation. The compensation referred to in this study is direct compensation. According to D. Hasibuan in the journal by Nopriandi (2023), direct compensation is the right received by employees and is an obligation for the company or organization to pay. The direct compensation used in this study is incentives. Direct compensation used in this study is incentives. Incentives are additional rewards that can be given to certain employees for their performance exceeding

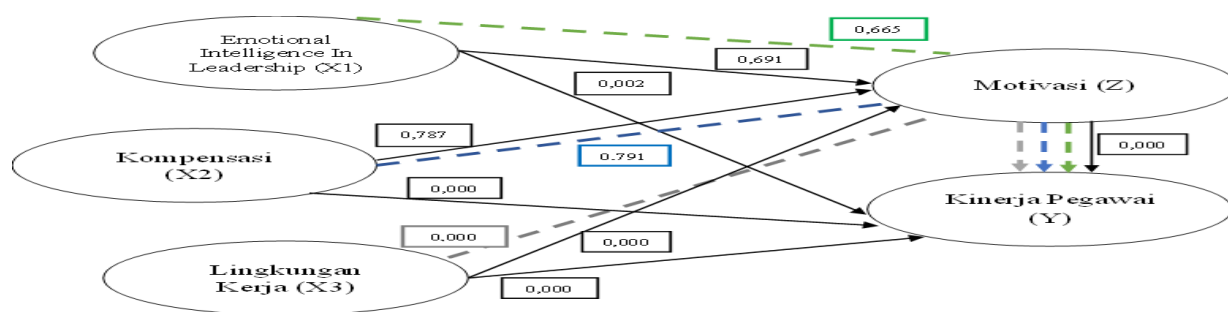
standard achievements. The motivation applied by the author is in the form of recognition for employee performance, such as additional bonuses or job promotions, so that employees feel appreciated. According to Hidayatullah (2022), employee performance is not only seen from perfect work ability but also from the ability to master and manage oneself and the ability to build relationships with others. In a government agency, particularly in the Badung Regency Government, employee performance results are summarized annually in the Government Agency Performance Report, which consists of several indicators for each strategic goal.

Data presented illustrates the performance measurement results of the Badung Regency Government in 2021 and 2022, covering various strategic goals and performance indicators for each goal. In efforts to improve religious tolerance, the survey to measure the index of religious harmony was not conducted in 2022, while community participation in cultural preservation significantly increased from 86.19% in 2021 to 95.77% in 2022. However, the community satisfaction index with public services showed a slight decline from 85.4 to 84.14 in the same period. Additionally, data on performance accountability and regional financial management quality were not available for 2022. On the other hand, there was an increase in the human development index indicators, but the poverty rate saw a significant spike from 0.40% in 2021 to 2.62% in 2022. Nonetheless, the contribution of the MSME sector to GDP showed a positive trend with a marked increase from 10.70% to 135.27%. Furthermore, the performance measurement results of the Badung Regency Government in 2022, with key performance indicators regulated by Regent Regulation No. 11 of 2022, can be seen. For the main performance indicator to improve clean and accountable bureaucracy, the SAKIP score was 78.75 (BB) and 75.39 (BB) for 2022. This indicates that performance in achieving this target falls into the "BB" (Good) category but has declined from the previous year. From this data, it can be concluded that there were changes in performance achievements for some strategic goals between 2021 and 2022. Further analysis can be conducted to identify the factors causing these changes and plan necessary improvement steps to achieve the set targets.

In the context of government performance management, understanding the presented statistical data is an important initial step. However, an equally crucial dimension is emotional intelligence (EQ) in leadership. Recognizing this, Goleman (in an article by Suhendro & Agustina, 2022) emphasizes the importance of EQ in leadership success, especially in dynamic and complex work environments such as government. With EQ, a leader can understand themselves, express ideas effectively, and read the emotions and needs of others. For instance, a deep understanding of performance data can help leaders manage expectations and direct teams more effectively, while the ability to manage emotions can help them stay calm and focused under pressure. Therefore, developing EQ becomes a key aspect of improving leadership quality, which in turn can significantly contribute to achieving government strategic goals.

Great leaders not only control their emotions but also motivate their followers to do the same. This study aims to determine the extent of the influence of Emotional Intelligence in Leadership, Compensation, and Work Environment on improving Employee Performance with Motivation as a Mediator. This motivates the researcher to conduct further studies to provide new research findings for future researchers.

Based on reviews of relevant literature and previous research, the research model utilized in this study can be described as:



____: Direct effect
 - - - -: Indirect effect

Fig. 1 Theoretical Framework

This study has formulated the hypotheses based on the literature research and figures before;

H₁: The higher the Emotional Intelligence in Leadership, the higher the employee motivation.

H₂: As the compensation given to employees increases, it will enhance their motivation to work.

H₃: A good work environment will increase employee motivation.

H₄: The higher the Emotional Intelligence in Leadership, the better the employee performance.

H₅: As the compensation given to employees increases, it will improve employee performance.

H₆: A good and comfortable work environment will improve employee performance.

H₇: Increased employee motivation will improve employee performance.

H₈: Good emotional intelligence from a leader will enhance employee motivation and indirectly improve employee performance.

H₉: As the compensation given to employees increases, it will motivate employees and indirectly improve employee performance.

H₁₀: A good and comfortable work environment will motivate employees to work and indirectly improve employee performance.

2. Research Method

This research was conducted at the Regional Secretariat of the Badung Regency Government to assess the quality of human resources and employee performance, with a population of 304 ASN employees and a sample of 173 employees using the Slovin formula with a 5% margin of error. The variables studied include Emotional Intelligence in Leadership (self-awareness, self-regulation, self-motivation, social awareness, social skills), Compensation (salary, incentives, facilities, allowances), Work Environment (physical and non-physical conditions), Motivation (rewards, working conditions, work facilities, job achievements, influence of supervisors), and Employee Performance (quality of work, quantity of work, teamwork, organizational contribution). Data were collected through interviews and questionnaires using a scale of 1-10 and analyzed using Structural Equation Modeling (SEM) with Smart PLS 4 software. The analysis includes model conceptualization, analysis algorithms, resampling or bootstrapping, and path diagram illustration. Model evaluation was conducted through convergent validity, discriminant validity, composite reliability, Cronbach's Alpha, and predictive power between variables using R-Square (R²) values. Hypothesis testing was performed using the t-statistic test with a significance level of 5%.

Table 1. : Variables and Indicators

Variable	Indicators	Source
Emotional Intelligence	Self Awareness Self Regulation Self Motivation Social Awareness Social Skill	(Oktavia & Badri, 2023)
Compensation	Salary Incentives Facilities Allowances	(Umar & Norawati, 2022)
Work Environment	Physical Work Environment <ul style="list-style-type: none"> • Room Temperature • Workspace Arrangement • Cleanliness of the Workplace Non-Physical Work Environment <ul style="list-style-type: none"> • Relationships with Colleagues, Superiors, and Subordinates • Familial Atmosphere at Work 	(Hidayatullah, 2022)
Employee Performance	Quality of Work Quantity of Work Collaboration among Employees Contribution to the Organization	(Bowo & Junaedi Hendro, 2023)

Motivation	Remuneration Working Conditions Work Facilities Work Presentation Influence from Superiors	(Berto & Noor, 2023)
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3. Result dan Discussion

3.1 Outer model Smart PLS

The measurement model (outer model) is used to assess the validity and reliability of the constructs.

1) Convergent Validity

Convergent validity in the measurement scale is measured through the outer model. According to Ghazali (2018), a good measurement scale has an outer loading value of at least 0.70, but a value of 0.50 is still considered acceptable. In this study, the minimum outer loading value used is 0.50. Items with outer loading values less than 0.50 will be removed from the model. The outer loading values in the convergent validity test of the research scale are presented in the following table:

Table 2: Convergent Validity Test Results [Outer Loading]

Variable	Dimension	Outer Model Value	Desc
Emotional Intelligence in Leadership (EITiL) (X₁)	<i>EITiL 1</i>	0,934	Valid
	<i>EITiL 2</i>	0,925	Valid
	<i>EITiL 3</i>	0,884	Valid
	<i>EITiL 4</i>	0,919	Valid
	<i>EITiL 5</i>	0,847	Valid
	<i>EITiL 6</i>	0,848	Valid
	<i>EITiL 7</i>	0,931	Valid
	<i>EITiL 8</i>	0,942	Valid
	<i>EITiL 9</i>	0,943	Valid
	<i>EITiL 10</i>	0,943	Valid
Compensation (X₂)	Kompen1	0,830	Valid
	Kompen2	0,850	Valid
	Kompen3	0,838	Valid
	Kompen4	0,912	Valid
	Kompen5	0,865	Valid
	Kompen6	0,858	Valid
	Kompen7	0,792	Valid
	Kompen8	0,867	Valid
Work Environment (X₃)	LK1	0,746	Valid
	LK2	0,788	Valid
	LK3	0,898	Valid
	LK4	0,817	Valid
	LK5	0,918	Valid
	LK6	0,923	Valid
	LK7	0,826	Valid
Motivation (Z)	MOTIV1	0,837	Valid
	MOTIV2	0,742	Valid
	MOTIV3	0,912	Valid
	MOTIV4	0,908	Valid
	MOTIV5	0,857	Valid
	MOTIV6	0,952	Valid
	MOTIV7	0,928	Valid
Employee Performance (Y)	KINPEG1	0,915	Valid
	KINPEG2	0,935	Valid
	KINPEG3	0,918	Valid
	KINPEG4	0,833	Valid
	KINPEG5	0,859	Valid
	KINPEG6	0,937	Valid
	KINPEG7	0,774	Valid

	KINPEG8	0,842	Valid
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Based on Table 2, the outer loading values for each dimension exceed 0.50 (>0.50). This indicates that all the dimensions used in the study have met the criteria for convergent validity and are valid for measuring the variables in the study.

Table 3: Convergent Validity Test Result [Average Variance Extracted (AVE)]

	<i>Average Variance Extracted (AVE)</i>
Emotional Intelligence in Leadership (X ₁)	0,832
Compensation (X ₂)	0,726
Work Environment (X ₃)	0,718
Motivation (Z)	0,773
Employee Performance (Y)	0,772

Source: Primary data processed, 2024

The results of the convergent validity test through the Average Variance Extracted (AVE) output are shown in Table 3. The table indicates that the AVE values for each research construct, including emotional intelligence in leadership, compensation, work environment, motivation, and employee performance, have obtained values above the determined criterion of 0.5. Therefore, it can be stated that the variables used in this study are valid.

2) Discriminant Validity

Discriminant validity ensures that constructs that are supposed to be unrelated are, in fact, distinct and not highly correlated. This is measured through cross loading values, where a scale is considered to have discriminant validity if the correlation value of the cross loading with its latent variable is greater than the correlation with other latent variables, as shown in the following table:

Table 4: Discriminant Validity Test Result [Cross Loading]

	<i>Emotional Intelligence in Leadership (X₁)</i>	<i>Compensation(X₂)</i>	<i>Work Environment (X₃)</i>	<i>Motivation(Z)</i>	<i>Employee Performance(Y)</i>
EITiL1	0,934	0,750	0,714	0,636	0,624
EITiL2	0,925	0,762	0,762	0,696	0,736
EITiL3	0,884	0,597	0,639	0,611	0,539
EITiL4	0,919	0,691	0,691	0,629	0,549
EITiL5	0,847	0,683	0,642	0,509	0,480
EITiL6	0,848	0,545	0,558	0,569	0,455
EITiL7	0,931	0,628	0,705	0,650	0,550
EITiL8	0,942	0,738	0,778	0,717	0,639
EITiL9	0,943	0,727	0,725	0,681	0,623
EITiL10	0,943	0,761	0,830	0,765	0,687
Kompen1	0,725	0,830	0,765	0,652	0,782
Kompen2	0,674	0,850	0,708	0,644	0,742
Kompen3	0,580	0,838	0,654	0,559	0,693
Kompen4	0,573	0,912	0,711	0,659	0,730
Kompen5	0,575	0,865	0,674	0,625	0,672
Kompen6	0,522	0,858	0,672	0,585	0,664
Kompen7	0,753	0,792	0,778	0,724	0,721
Kompen8	0,727	0,867	0,834	0,756	0,793
LK1	0,414	0,676	0,746	0,570	0,687
LK2	0,558	0,654	0,788	0,605	0,632
LK3	0,629	0,810	0,898	0,780	0,850
LK4	0,568	0,660	0,817	0,800	0,752
LK5	0,775	0,767	0,918	0,847	0,797
LK6	0,832	0,790	0,923	0,850	0,791
LK7	0,791	0,708	0,826	0,758	0,678
MOTIV1	0,738	0,693	0,721	0,837	0,685

MOTIV2	0,585	0,548	0,632	0,742	0,572
MOTIV3	0,653	0,716	0,849	0,912	0,818
MOTIV4	0,578	0,748	0,842	0,908	0,858
MOTIV5	0,482	0,579	0,674	0,857	0,729
MOTIV6	0,676	0,722	0,861	0,952	0,840
MOTIV7	0,690	0,699	0,838	0,928	0,786
KINPEG1	0,589	0,820	0,812	0,764	0,915
KINPEG2	0,651	0,806	0,850	0,803	0,935
KINPEG3	0,590	0,789	0,784	0,775	0,918
KINPEG4	0,495	0,696	0,677	0,737	0,833
KINPEG5	0,613	0,752	0,720	0,730	0,859
KINPEG6	0,588	0,757	0,821	0,827	0,937
KINPEG7	0,583	0,696	0,739	0,705	0,774
KINPEG8	0,475	0,679	0,759	0,740	0,842

Source: Primary data processed, 2024

Based on Table 4, the square root of the average variance extracted (\sqrt{AVE}) for each latent variable is higher than the correlation values between variables. This demonstrates that all the variables in this study meet the requirements for discriminant validity.

3) Composite Reliability

Composite reliability assesses the internal consistency of the indicators forming the construct and identifies common latent variables. In this study, reliability testing uses Cronbach's Alpha coefficient, where values above 0.70 indicate that the instrument used is reliable (Ghozali, 2018). A good and acceptable composite reliability value is more than 0.60 (>0.60). The results of the internal consistency reliability test in this study are presented in the following table:

Table 5: Composite Reliability Test Results

Variable	Composite Reliability	Cronbach Alpha	Desc
<i>Emotional Intelligence in Leadership (X₁)</i>	0,980	0,978	<i>Reliable</i>
Compensation (X ₂)	0,955	0,946	<i>Reliable</i>
Work Environment (X ₃)	0,947	0,934	<i>Reliable</i>
Motivation (Z)	0,959	0,950	<i>Reliable</i>
Employee Performance (Y)	0,964	0,957	<i>Reliable</i>

Source: Primary data processed, 2024

Based on Table 5, it can be seen that each variable has a Cronbach's alpha value greater than 0.70 (>0.70) and a composite reliability value greater than 0.60 (>0.60). This indicates that each construct in the study, including emotional intelligence in leadership, compensation, work environment, motivation, and employee performance, meets the reliability criteria.

3.1.3 Evaluation of Inner Model

The inner model or structural model testing is conducted to measure the causal relationships between the constructs studied.

a. R-Square (Coefficient of Determination)

R-Square analysis aims to measure the extent of variation in the dependent variable explained by the independent variables. The higher the R² value, the better the prediction model from the research model (Hair et al., 2019). The R² results are shown in the following table:

Table 6: R-Square Test Results

Variable	R-Square (R ²)
Employee Performance	0,859

Motivation	0,788
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Source: Primary data processed, 2024

Based on Table 6, the model for the influence of emotional intelligence in leadership, compensation, and work environment on motivation has an R-Square (R^2) value of 0.788. This means that 78.8% of the variability in motivation is explained by these variables, while 21.2% is explained by other variables outside the study. The model for the influence of emotional intelligence in leadership, compensation, work environment, and motivation on employee performance has an R-Square (R^2) value of 0.859. This indicates that 85.9% of the variability in employee performance is explained by these variables, with 14.1% explained by other variables. These other factors could include organizational culture, job training, job achievements, job satisfaction, employee engagement, supervisor support, etc.

b. Q-Square

The Q-Square (Q^2) value is calculated to determine the predictive relevance of the model. The Q-Square (Q^2) value is calculated as follows:

$$\begin{aligned}
 Q^2 &= 1 - (1 - R_1^2) (1 - R_2^2) \\
 &= 1 - (1 - 0,859) (1 - 0,788) \\
 &= 1 - (0,141) (0,212) \\
 &= 1 - 0,029 \\
 &= 0,971
 \end{aligned}$$

The obtained Q-Square (Q^2) value is 0.971. This value is greater than 0, indicating that 97.1% of the variation in employee performance is influenced by emotional intelligence in leadership, compensation, work environment, and motivation, while 2.9% is explained by other variables outside the study.

1) Hypothesis Testing

Hypothesis testing in this study involves measuring the path coefficient values that indicate the level of significance. The criteria for significance include p-values less than the alpha value of 5% (<0.05) and t-statistic values greater than 1.96 (>1.96). The significance analysis of each relationship between variables is presented in the following table:

Table 7: Direct Effect Testing

Direct Effect	Path Coefficient	T Statistics (O/STDEV)	P Values
Emotional Intelligence in Leadership (X_1) -> Employee Performance (Y)	-0,207	3,044	0,002
Emotional Intelligence in Leadership (X_1) -> Motivation(Z)	0,058	0,398	0,691
Compensation (X_2) -> Employee Performance (Y)	0,439	6,222	0,000
Compensation (X_2) -> Motivation(Z)	0,017	0,271	0,787
Work Environment (X_3) -> Employee Performance(Y)	0,298	3,727	0,000
Work Environment (X_3) -> Motivation (Z)	0,828	6,158	0,000
Motivation (Z) -> Employee Performance (Y)	0,412	4,945	0,000

Source: Primary data processed, 2024

Analysis of Direct Effect:

a) Impact of Emotional Intelligence in Leadership on Motivation:

The path coefficient is 0.058 (positive) with a p-value of 0.691, which is greater than the alpha value of 0.05. This indicates that emotional intelligence in leadership has a positive but not significant effect on motivation. Therefore, hypothesis H1 in this study is rejected.

b) Impact of Compensation on Motivation:

The path coefficient is 0.017 (positive) with a p-value of 0.787, which is greater than the alpha value of 0.05. This indicates that compensation has a positive but not significant effect on motivation. Thus, hypothesis H2 is rejected.

c) Impact of Work Environment on Motivation:

The path coefficient is 0.828 (positive) with a p-value of 0.000, which is less than the alpha value of 0.05. This indicates that the work environment has a positive and significant effect on motivation. Hence, hypothesis H3 is accepted.

d) Impact of Emotional Intelligence in Leadership on Employee Performance:

The path coefficient is -0.207 (negative) with a p-value of 0.002, which is less than the alpha value of 0.05. This indicates that emotional intelligence in leadership has a negative and significant effect on employee performance. Therefore, hypothesis H4 is rejected.

e) Impact of Compensation on Employee Performance:

The path coefficient is 0.439 (positive) with a p-value of 0.000, which is less than the alpha value of 0.05. This indicates that compensation has a positive and significant effect on employee performance. Thus, hypothesis H5 is accepted.

f) Impact of Work Environment on Employee Performance:

The path coefficient is 0.298 (positive) with a p-value of 0.000, which is less than the alpha value of 0.05. This indicates that the work environment has a positive and significant effect on employee performance. Therefore, hypothesis H6 is accepted.

g) Impact of Motivation on Employee Performance:

The path coefficient is 0.412 (positive) with a p-value of 0.000, which is less than the alpha value of 0.05. This indicates that motivation has a positive and significant effect on employee performance. Hence, hypothesis H7 is accepted.

2) Indirect Effects Testing

In this study, the indirect effects of motivation as a mediating variable on the influence of emotional intelligence in leadership, compensation, and work environment on employee performance are examined. The results are presented in the following table:

Table 8: Indirect Effect Testing

Indirect Effect	Path Coefficient	T Statistics (O/STDEV)	P Values
Emotional Intelligence in Leadership (X1) -> Motivation (z) -> Employee Performance (Y)	0,024	0,434	0,665
Compensation (X2) -> Motivation (z) -> Employee Performance (Y)	0,007	0,265	0,791
Work Environment (X3) -> Motivation (z) -> Employee Performance (Y)	0,341	3,928	0,000

Source: Primary data processed, 2024

Analysis of Indirect Effects:

a) Impact of Emotional Intelligence in Leadership on Employee Performance with Motivation as a Mediating Variable:

The path coefficient is 0.024 with a p-value of 0.665, which is greater than the alpha value of 0.05. This indicates that motivation does not mediate the relationship between emotional intelligence in leadership and employee performance. Therefore, hypothesis H8 in this study is rejected.

b) Impact of Compensation on Employee Performance with Motivation as a Mediating Variable:

The path coefficient is 0.007 with a p-value of 0.791, which is greater than the alpha value of 0.05. This indicates that motivation does not mediate the relationship between compensation and employee performance. Thus, hypothesis H9 is rejected.

c) Impact of Work Environment on Employee Performance with Motivation as a Mediating Variable:

The path coefficient is 0.341 with a p-value of 0.000, which is less than the alpha value of 0.05. This indicates that motivation significantly mediates the relationship between work environment and employee performance. Hence, hypothesis H10 is accepted.

3) Mediation Effects Testing

In this study, mediation effects are tested according to the criteria proposed by Hair et al. (2017: 248). The types of mediation effects are categorized based on the significance of indirect (p1.p2) and direct effects (p3). Here are the conditions for mediation effects as per Hair et al. (2017: 248):

1. Complementary Partial Mediation: If the indirect effect p1.p2 is significant, the direct effect p3 is significant, and they are in the same direction.
2. Competitive Partial Mediation: If the indirect effect p1.p2 is significant, the direct effect p3 is significant, and they are in opposite directions.
3. Full Mediation: If the indirect effect p1.p2 is significant and the direct effect p3 is not significant.
4. No Mediation: If the indirect effect p1.p2 is not significant and the direct effect p3 is significant.
5. No Mediation: If both the indirect effect p1.p2 and the direct effect p3 are not significant.

The explanations regarding mediation effects are presented in Table 9.

Table 9: Explanation of Mediation Effects

Influence	Effect			Desc
	p_1	p_2	p_3	
Emotional Intelligence in Leadership (X_1) → Motivation (Z) → Employee Performance (Y)	0,691 (Sig.)	0,000 (Sig.)	0,002 (Sig.)	No mediation
Compensation (X_2) → Motivation (Z) → Employee Performance (Y)	0,787 (Sig.)	0,000 (Sig.)	0,000 (Sig.)	No mediation
Work Environment (X_3) → Motivation (Z) → Employee Performance (Y)	0,000 (Sig.)	0,00 (Sig.)	0,000 (Sig.)	Complementary partial mediation

Source: Primary data processed, 2024

Description: Significance (Sig.) = p-value <0.05 and t-statistic >1.96

p1 = direct effect of exogenous variable (X) on mediating variable (Z)

p2 = direct effect of mediating variable (Z) on endogenous variable (Y)

p3 = direct effect of exogenous variable (X) on endogenous variable (Y)

Based on the analysis in Table 9, the mediation effects can be understood as follows:

a) The indirect effect of emotional intelligence in leadership on motivation (p1) and motivation on employee performance (p2) are found to be non-significant. The direct effect of emotional intelligence in leadership on employee performance (p3) is significant and in the same direction as expected. Therefore, motivation does not mediate (no mediation) the relationship between emotional intelligence in leadership and employee performance.

b) The indirect effect of compensation on motivation (p1) and motivation on employee performance (p2) are found to be non-significant. The direct effect of compensation on employee performance (p3) is significant and in the same direction as expected.

Therefore, motivation does not mediate (no mediation) the relationship between compensation and employee performance.

c) The indirect effect of work environment on motivation (p1) and motivation on employee performance (p2) are found to be significant. The direct effect of work environment on employee performance (p3) is significant and in the same direction as expected. Therefore, motivation can partially mediate as a complementary partial mediation the relationship between work environment and employee performance.

From everything mentioned above, the following can be summarized:

The Influence of Emotional Intelligence in Leadership on Motivation

Statistical analysis results indicate that the influence of emotional intelligence in leadership on employee motivation at the Regional Secretariat of the Badung Regency Government is not significant (path coefficient = 0.058, p-value = 0.691). This rejects the first hypothesis (H1), which stated that higher emotional intelligence in leadership would increase employee motivation. Although this finding differs from Hakiki's (2020) study, it is consistent with the studies by Primadya et al. (2022) and Saputra et al. (2023), which showed that the influence of emotional intelligence on work motivation is not significant. However, descriptive analysis shows that other factors, such as good administrative services and intrinsic support, still contribute to high work motivation, indicating that emotional intelligence remains relevant in improving work quality. Therefore, this study emphasizes the need for a more comprehensive approach to understanding and enhancing employee motivation, including interventions focused on specific aspects of the job and employee well-being.

The Influence of Compensation on Motivation

Statistical analysis indicates that the influence of compensation on employee motivation at the Regional Secretariat of the Badung Regency Government is not significant, with a path coefficient value of 0.017 and a p-value of 0.787, which is greater than the significance threshold of 0.05, thus rejecting the second hypothesis (H2). Although compensation is generally considered a significant incentive, this finding contradicts the findings of Adiba and Rosita (2023) and Adisti and Musadieg (2017), which stated that compensation has a positive and significant influence on employee motivation. Additionally, Mulyapradana et al. (2020) showed that adequate compensation could motivate employees to perform their best. However, Siagian's (2018) research aligns with this finding, indicating that compensation does not significantly affect motivation. This discrepancy might be due to specific characteristics of the Regional Secretariat of the Badung Regency Government, such as an already adequate compensation structure or the dominance of other intrinsic factors in motivating employees. Therefore, these findings suggest that other factors, such as intrinsic aspects of the job, may be more important in motivating employees in this environment, highlighting the need for a more holistic approach to understanding and enhancing employee motivation, including considering factors like recognition, career development opportunities, and a conducive work environment.

The Influence of the Work Environment on Motivation

Statistical analysis indicates that the influence of the work environment on employee motivation at the Regional Secretariat of the Badung Regency Government is significant (path coefficient = 0.828, p-value = 0.000), thus accepting the third hypothesis (H3). This finding aligns with the research by Ingsiyah et al. (2019) and Jasmine and Edalmen (2020), which found that the work environment positively affects employee motivation. The findings are also supported by the research of Wahyuni et al. (2023), which confirms that a good work environment can enhance employee morale. Therefore, this study emphasizes the importance of a supportive work environment as a key factor in motivating employees. Improvements to the

work environment, both physically and psychologically, at the Regional Secretariat of the Badung Regency Government can significantly contribute to increasing motivation and employee performance, potentially enhancing productivity and well-being.

The Influence of Emotional Intelligence in Leadership on Employee Performance

Statistical analysis indicates that the influence of emotional intelligence in leadership on employee performance at the Regional Secretariat of the Badung Regency Government is significant (path coefficient = -0.207, p-value = 0.002), but with a negative direction of influence. Thus, the fourth hypothesis (H4) is rejected, showing sufficient statistical evidence to support the claim that emotional intelligence in leadership significantly influences employee performance, but with a negative impact. This finding contrasts with previous research, such as that by Adzansyah et al. (2023) and Akhmad (2022), which found that emotional intelligence positively influences employee performance. This difference might be due to contextual factors in the Regional Secretariat of the Badung Regency Government, such as different leadership styles or organizational structures. Overall, these findings indicate that while emotional intelligence in leadership is important, other factors are more significant in influencing employee performance in this environment, emphasizing the need for performance improvement strategies that may need to focus on other aspects, such as technical skill development or the enhancement of more objective performance appraisal systems.

The Influence of Compensation on Employee Performance

Statistical analysis indicates that the influence of compensation on employee performance at the Regional Secretariat of the Badung Regency Government is significant (path coefficient = 0.439, p-value = 0.000), thus accepting the fifth hypothesis (H5). This finding is consistent with previous research, such as that by Hiondardjo and Utami (2019) and Prahiawan and Dibyantoro (2023), which found that compensation significantly influences employee performance. Fauzan and Epindo Lumban Gaol (2022) also showed that appropriate compensation could improve employee performance. These results highlight the importance of fair and adequate compensation as a key factor in improving employee performance. In the Regional Secretariat of the Badung Regency Government, providing adequate compensation can motivate employees to perform better and achieve organizational goals more effectively.

The Influence of the Work Environment on Employee Performance

Statistical analysis indicates that the influence of the work environment on employee performance at the Regional Secretariat of the Badung Regency Government is significant (path coefficient = 0.298, p-value = 0.000), thus accepting the sixth hypothesis (H6). This finding aligns with previous research, such as that by Novriani and Henny (2021) and Irwan et al. (2022), which found that a good and comfortable work environment positively influences employee performance. Irawan et al. (2021) also support the view that a conducive work environment can enhance employee performance. These results emphasize the importance of a supportive work environment as a key factor in improving employee performance. Improvements to the work environment, both physically and psychologically, at the Regional Secretariat of the Badung Regency Government can significantly contribute to achieving organizational goals.

The Influence of Motivation on Employee Performance

Statistical analysis indicates that the influence of motivation on employee performance at the Regional Secretariat of the Badung Regency Government is significant (path coefficient = 0.412, p-value = 0.000), confirming the acceptance of the seventh hypothesis (H7). This finding is consistent with previous research, such as that by Yolinda (2023), which found that work motivation positively affects employee performance. Sultan (2021) also supports the view that employee motivation is essential to improving their performance. These results highlight the importance of motivation as a key factor in enhancing employee performance. In the Regional Secretariat of the Badung Regency Government, strategies to increase employee motivation, such as providing recognition for achievements and career development opportunities, are expected to

significantly contribute to achieving organizational goals as well as increasing productivity and service quality.

The Influence of Emotional Intelligence in Leadership on Employee Performance with Motivation as a Mediating Variable

Statistical analysis indicates that motivation does not mediate the influence of emotional intelligence in leadership on employee performance at the Regional Secretariat of the Badung Regency Government, with a path coefficient value of 0.024 and a p-value of 0.665, rejecting the eighth hypothesis (H8). This finding differs from previous research, such as that by Yusrif et al. (2023), which found that emotional intelligence positively influences employee performance through motivation. Shahara and Rahmawati (2021) also support the view that leaders with good emotional intelligence can enhance employee motivation and performance. These results highlight that in this environment, the mediating effect of motivation on employee performance is very small and insignificant, suggesting the need to focus on other factors, such as technical skill improvement or the development of more objective performance appraisal systems, to effectively enhance employee performance.

The Influence of Compensation on Employee Performance with Motivation as a Mediating Variable

Statistical analysis indicates that motivation does not mediate the influence of compensation on employee performance at the Regional Secretariat of the Badung Regency Government, with a path coefficient value of 0.007 and a p-value of 0.791, rejecting the ninth hypothesis (H9). This result indicates that in this environment, the mediating effect of motivation on employee performance is very small and insignificant, suggesting that although compensation may influence motivation, its impact is not strong enough to improve employee performance through motivation. This finding differs from some previous studies, such as that by Pramestya et al. (2023), which found that compensation significantly influences employee performance through motivation. Mardiani and Widiyanto (2021) also support the view that appropriate compensation can motivate employees and improve their performance. These results emphasize the importance of fair and adequate compensation as a key factor in improving employee motivation and performance in the organization.

The Influence of the Work Environment on Employee Performance with Motivation as a Mediating Variable

Statistical analysis indicates that motivation can mediate the influence of the work environment on employee performance at the Regional Secretariat of the Badung Regency Government, with a path coefficient value of 0.341 and a p-value of 0.000, accepting the tenth hypothesis (H10). This result indicates that the mediating effect of motivation on employee performance is significantly large, suggesting that a good and comfortable work environment is strong enough to improve employee performance through motivation. This finding is consistent with previous research, such as that by Prakoso et al. (2014), which found that the work environment positively affects employee performance through motivation. These results emphasize the importance of a supportive work environment in enhancing employee motivation and performance in the organization, highlighting the need for physical and psychological improvements in the work environment to achieve organizational goals effectively.

4. Conclusions

The results of this study indicate that the influence of emotional intelligence in leadership and compensation on employee motivation, although positive, is not significant at the Regional Secretariat of the Badung Regency Government. However, the work environment has been proven to have a positive and significant influence on employee motivation. Additionally, emotional intelligence in leadership has a negative and significant influence on employee performance, while compensation, along with the work environment and motivation, has a positive and significant impact on employee performance. Another interesting finding is that although emotional intelligence in leadership positively affects employee performance, motivation does

not serve as a significant mediator in this relationship. However, motivation does mediate the relationship between a good work environment and employee performance.

In the context of improving organizational performance, it is recommended that management pay attention to factors that influence employee motivation, such as compensation and a conducive work environment. Additionally, further research could expand the scope of variables to explain the variability in employee motivation and performance that is not fully covered by this research model. Qualitative approaches and mixed-methods could also be used to gain a deeper understanding of these factors. Furthermore, considering research suggestions to investigate other variables such as organizational culture, job training, and job satisfaction could provide more comprehensive insights into efforts to improve employee performance and motivation.

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