

The Influence of Employee Income Supplement (TPP) and Leadership on Employee Performance with Work Motivation as a Moderating Variable in the Scope of the Secretariat of the Regional People's Representative Council (DPRD) of Kerinci Regency

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Abstract:

This study aims to determine, understand, and test the extent to which Employee Income Supplement (TPP) and Leadership affect Employee Performance with Work Motivation as a moderating variable within the Secretariat of the Regional People's Representative Council (DPRD) of Kerinci Regency. The respondents were all Civil Servants (ASN). Data were analyzed using statistical methods with SEM-PLS analysis techniques, which showed that TPP did not have a significant direct effect on Employee Performance ($p > 0.05$), while Leadership and Work Motivation had a significant direct effect on Employee Performance ($p < 0.05$). TPP also did not have a direct effect on Work Motivation, while Leadership had a direct effect on Work Motivation. Furthermore, the test of the indirect effect of TPP moderated by Work Motivation on Employee Performance showed no significant effect. However, Leadership had a significant effect on Employee Performance when moderated by Work Motivation. These findings are expected to serve as a basis for relevant parties to re-evaluate important components that influence the improvement of employee performance quality to achieve optimal organizational performance. It is also hoped that future researchers will continue to develop this study by considering variables related to employee welfare.

Kata kunci: Employee Performance, Employee Income Allowance (TPP), Leadership, Work Motivation

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INTRODUCTION

Employee performance is one of the key factors determining the success of an organization. In the public sector, the performance of Civil Servants (ASN) is crucial in realizing high-quality and accountable public services (Babalola, 2016; Pujiono et al., 2020; Thuda et al., 2019; Turek, 2020; Zhenjing et al., 2022). Employees who achieve good performance will produce high productivity, making it easier to achieve organizational goals. Therefore, it is important for organizations to understand the factors that can influence their employees' performance. There are several factors that can affect an employee's performance, such as: the salary received, educational background, incentives, competencies and skills, work discipline, leadership, work experience, education and training attended, organizational culture, job security, facilities provided by the organization, compensation and job guarantees, workload, work motivation, and career advancement opportunities (Kahn & Byun, 2022; Octaviannand et al., 2017; Prayogi & Annisa, 2023; Rivaldo & Nabella, 2023; Silen, 2016).

According to Kurniawan (2022), various methods are undertaken by organizations to improve employee performance, such as by considering compensation, work motivation, and organizational

commitment to employees to ensure consistent performance that continues to improve over time. Employee performance is influenced by several factors, including the quality and abilities of the employees, supporting facilities, and infrastructure. Supporting facilities are related to employee welfare, such as wages/salaries, social security, and job security.

The Secretariat of the Regional People's Representative Council (DPRD) of Kerinci Regency is led by the Secretary of the Regional People's Representative Council, who is technically operational under and accountable to the Regent of Kerinci. The Secretariat of the DPRD has the main tasks of organizing secretarial administration, financial administration, supporting the implementation of the duties and functions of the Regional People's Representative Council, and providing and coordinating the necessary expert staff for the DPRD in accordance with its duties and functions. According to Government Regulation No. 18 of 2016, the DPRD Secretariat is a "regional apparatus" that is an element of administrative services and provides support to the duties and functions of the Provincial or Regency/City DPRD.

The Secretariat of the Regional People's Representative Council (DPRD) of Kerinci Regency plays a crucial role in supporting the tasks and functions of the DPRD in fulfilling its duties and responsibilities. Therefore, the performance of the Secretariat's employees is key to achieving an effective and efficient organizational performance. Improving employee performance is one of the main goals of the organization, including the Secretariat of the DPRD of Kerinci Regency. Good employee performance will positively impact the achievement of the organization's goals and the quality of public services (Chen et al., 2018; Hamdani et al., 2018; Lu et al., 2023; Napitupulu et al., 2023; Supriaddin et al., 2022).

Following the enactment of Law No. 25 of 2008, which established Sungai Penuh as a new city administratively separate from Kerinci Regency, Sungai Penuh, which was previously the capital of Kerinci Regency, is no longer the capital. Sungai Penuh was approved as a new autonomous region after the division, so all governmental affairs that were previously the responsibility of Kerinci Regency are now no longer under its jurisdiction. Consequently, the Kerinci Regency Government had to promptly determine a new capital for the regency to replace Sungai Penuh for public service delivery, government control, and social services.

In short, in 2011, Siulak was officially designated as the new capital of Kerinci Regency, based on Government Regulation No. 27 of 2011 regarding the relocation of the regency's capital from Sungai Penuh to the Siulak sub-district of Kerinci Regency. This means that all activities related to government control, public service, economic development, and other social services must also be moved to the new capital, Siulak. After various debates and issues regarding the relocation and determination of the new capital area, the gradual transfer of government activities and public services to the new office area in Siulak took place. Over time, in May 2022, the office of the DPRD Secretariat of Kerinci Regency was officially moved temporarily to the Ujung Ladang General Hospital building. This hospital building was temporarily repurposed as the office of the DPRD Secretariat of Kerinci Regency until the new office building was completed.

The relocation of the Secretariat office of the DPRD of Kerinci Regency to the Ujung Ladang General Hospital has certainly sparked both support and opposition, including concerns about its impact on employee performance. Several factors can influence employee performance, such as the level of readiness to adapt to the new work environment, the effectiveness of compensation provided

to employees in the form of additional income, and the efforts made by leaders to maintain employee morale and motivation. Two factors that are often associated with employee performance, particularly in government and public services, are Employee Additional Income (TPP) and leadership.

TPP is an allowance given to employees as recognition for their performance and achievements. It is expected that TPP can enhance work motivation and employee productivity. In addition to TPP, leadership is also a crucial factor that can influence employee performance. Effective leadership can motivate and encourage employees to work better in order to achieve the organization's goals. Furthermore, work motivation is an internal factor for employees that can affect their performance. High work motivation can drive employees to work with greater enthusiasm and dedication.

However, the impact of TPP and leadership on employee performance does not always run smoothly. Employee work motivation as a moderating variable can either strengthen or weaken the relationship between these two variables. Therefore, the author is interested in studying the influence of Employee Additional Income (TPP) and leadership on employee performance with work motivation as a moderating variable at the Secretariat of the Regional People's Representative Council (SETWAN) of Kerinci Regency. Consequently, further research is necessary to objectively assess its impact on SETWAN employees' performance in Kerinci Regency.

Table 1. Employee Performance Scores at the Secretariat of the DPRD of Kerinci Regency

Performance Indicator	Year 2020	Year 2021	Year 2022	Year 2023
Main Performance Achievement	89	89.3	89.4	89.7
Work Behavior	89	89.2	89.4	89.4
Average	89	89.25	89.4	89.55

Source: BKPSDMD Kerinci Regency

Table 1 presents the performance scores obtained by SETWAN employees in Kerinci Regency from 2020 to 2023. The table shows that the performance scores of employees have consistently increased each year, although not significantly, and tend to remain stagnant in terms of main performance achievements, work behavior, and average performance scores, as reflected by the Employee Performance Target (SKP) ratings assessed by each employee's superior. At first glance, this performance result suggests that SETWAN employees in Kerinci Regency are performing well without any significant problems or obstacles in carrying out their main duties and functions, despite the relocation of their office. However, upon further investigation, the minimal improvement requires deeper analysis because the increase is not significant and tends to stagnate. This is further supported by the decrease in the percentage of Employee Additional Income (TPP), which has notably declined. The TPP is also one of the factors that determine employee performance outcomes. This can be seen in Table 2 below:

Table 2. Percentage of TPP Receivables at the Secretariat of the DPRD of Kerinci Regency

Year	TPP Percentage
2020	85%
2021	87%
2022	70%
2023	69%

Source: BKPSDMD Kerinci Regency

As shown in the table above, the percentage of TPP receivables for SETWAN employees in Kerinci Regency has experienced a significant decline, especially in 2022, where it dropped by 17%, from 87% in 2021 to just 70% in 2022. The decline in TPP reflects a decrease in the welfare of SETWAN employees in Kerinci Regency. As we know, allowances or Employee Additional Income (TPP) are important factors in encouraging employees to improve their performance, as noted by Enembe et al. (2023). Enembe (2023) found that TPP has a positive and significant impact on employee performance. This is evidenced by the regression coefficient of TPP, which shows that if TPP increases or improves, employee performance will also increase.

However, the data above shows a different phenomenon, where TPP has been decreasing each year, yet employee performance has actually improved, albeit stagnating. This highlights a contradiction, as TPP is typically.

It addresses a gap left by previous studies such as Kurniawan (2022) and Enembe et al. (2023), which demonstrated that TPP has a positive direct effect on employee performance but did not explore contexts where TPP decreases while performance remains stable or improves. The novelty of this research lies in its approach that not only examines the direct effects of TPP and leadership but also considers the moderating role of work motivation to better understand the complex relationship between these variables in the context of government office relocation and changes in the work environment. Thus, this study offers a theoretical contribution to the development of performance models in the public sector and provides practical value for policymakers in formulating strategies to enhance employee performance that are not solely dependent on financial incentives, but also take into account motivation and leadership styles amid organizational transitions. This study aims to analyze the effect of Employee Additional Income (TPP) and leadership on employee performance with work motivation as a moderating variable at the Secretariat of the Regional People's Representative Council (DPRD) of Kerinci Regency.

METHOD

The research method used in this study is a quantitative approach with descriptive and explanatory designs. The purpose of this research is to describe and explain a phenomenon based on data obtained from respondents through a questionnaire as the main instrument. The descriptive approach is used to present an objective picture of the conditions or situations being studied, while the explanatory or causal approach is used to examine the relationships and effects between the variables in the study.

The population in this study consists of all employees, including both civil servants (PNS) and government employees with a contract (PPPK) at the Secretariat of the Regional People's Representative Council (DPRD) of Kerinci Regency, with a total of 33 individuals. The sample in this study is determined using a saturated sampling technique, where all members of the population are considered as the sample. However, the researcher focuses the sample on employees who are civil servants (PNS), so the total sample in this study remains 33 individuals, consisting of all civil servants in the Secretariat of the DPRD of Kerinci Regency.

Data collection in this study is done by distributing questionnaires to all ASN (State Civil Apparatus) members in the Secretariat of the DPRD of Kerinci Regency. The questionnaire is used as the main instrument because it is considered efficient, especially when the researcher already knows the variables to be measured and the expected responses from the respondents. The questions in the questionnaire are structured based on indicators from each research variable. In addition to primary data from the questionnaire, the researcher also collects secondary data obtained from literature studies, such as books and relevant scientific journals to support the theoretical foundation of this research.

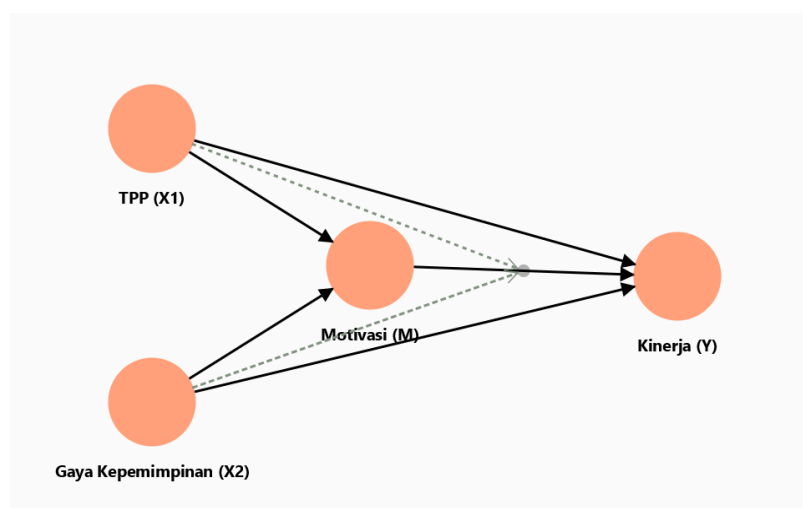
Data analysis in this study is conducted using Path Analysis, or path analysis, which aims to determine the direct and indirect effects of independent variables on the dependent variable, both individually and through mediating variables. The analysis method used is Partial Least Squares (PLS), a statistical approach suitable for complex research models with latent indicators. The data analysis process consists of three main stages: the outer model analysis, inner model analysis, and hypothesis testing. In the outer model stage, the validity and reliability of the indicators that form the constructs or latent variables are tested, referring to the loading factor values, Cronbach's Alpha, and Composite Reliability. Next, in the inner model stage, causal relationships between latent variables and path coefficient estimations based on the underlying theory are analyzed. After that, hypothesis testing is performed to determine whether there are significant effects between variables using the path coefficient and p-value. The significance level used in this study is 5%, with the criterion that if the p-value < 0.05, the alternative hypothesis is accepted, meaning there is a significant effect between variables. On the other hand, if the p-value ≥ 0.05 , the null hypothesis is accepted, meaning there is no significant effect. By using this technique, the researcher can identify the direct, indirect, and total effects between variables, providing a comprehensive picture of the relationships between variables such as Additional Employee Income, Leadership, Work Motivation, and Employee Performance.

RESULTS AND DISCUSSION

Testing the Analytical Requirements

Development of the Theoretical Model

Based on the problem formulation, theoretical review, and hypotheses discussed in the previous



chapter, the model is then developed and further analyzed using SEM-PLS analysis as described below:

Figure 1. SEM-PLS Analysis Model

In the figure above, the Independent Variable, namely Employee Additional Income (TPP), is represented by X1, the Leadership variable is represented by X2, the Motivation variable acting as a moderating variable is represented by M, and the Performance variable as the dependent variable is represented by Y.

Development of the SEM-PLS Model

In this second step, the theoretical model developed earlier will be explained based on the processing results using the SmartPLS version 4 software, illustrating how the indicators relate to their respective variables. Each variable has indicators directed by arrows, represented in yellow boxes. Figure 2 shows that each variable X1, X2, M, and Y is measured with 8 variables respectively. The following figure illustrates the direct cause-and-effect relationships among the constructs:

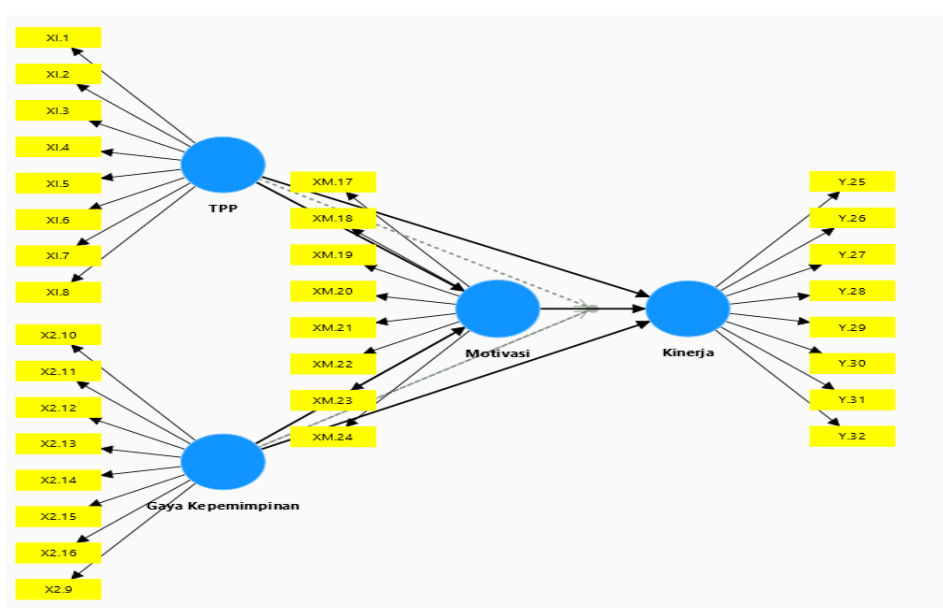


Figure 2. SEM-PLS Analysis Model

Results of the Convergent Validity Test

Validity measurement involves assessing how well an instrument measures the construct in the study. The higher the value of the instrument, the better it represents the research question (Wijaya, 2019:47). The results of the Convergent Validity Test using the Loading Factor criteria, which were conducted using SmartPLS, are presented as follows:

Table 1. Results of the Convergent Validity Test

Latent Variable	Manifest Variable	Loading Factor	Significance (>0.70)
TPP (X1)	X1.1	0.753	Valid

Latent Variable	Manifest Variable	Loading Factor	Significance (>0.70)
	X1.2	0.822	Valid
	X1.3	0.863	Valid
	X1.4	0.857	Valid
	X1.5	0.898	Valid
	X1.6	0.830	Valid
	X1.7	0.780	Valid
	X1.8	0.756	Valid
Leadership (X2)	X2.9	0.866	Valid
	X2.10	0.856	Valid
	X2.11	0.776	Valid
	X2.12	0.773	Valid
	X2.13	0.806	Valid
	X2.14	0.754	Valid
	X2.15	0.802	Valid
	X2.16	0.887	Valid
Motivation (M)	XM17	0.805	Valid
	XM18	0.801	Valid
	XM19	0.812	Valid
	XM20	0.735	Valid
	XM21	0.913	Valid
	XM22	0.850	Valid
	XM23	0.791	Valid
	XM24	0.839	Valid
Performance (Y)	Y.25	0.831	Valid
	Y.26	0.802	Valid
	Y.27	0.817	Valid
	Y.28	0.812	Valid
	Y.29	0.859	Valid
	Y.30	0.800	Valid
	Y.31	0.791	Valid
	Y.32	0.816	Valid

Source: processed data

Based on the table above, the comparison between the outer loading values and the threshold values for each item statement of the respective variable indicators shows that all item statements are valid. This evaluation is conducted by comparing the outer loading values with the threshold of >0.70 for each item to determine validity. If the AVE (Average Variance Extracted) value is above 0.5, it indicates that the indicator has achieved good convergent validity. In PLS models, an outer loading value of 0.7 can be considered valid, but in the development of research scales, outer loading values between 0.5 and 0.6 are still acceptable (Ghozali & Latan, 2015:74).

Results of the Discriminant Validity Test

To measure validity, it is necessary to test the relationships between variables, including Discriminant Validity and Average Variance Extracted (AVE), where an AVE value greater than 0.5 is

expected (Wijaya, 2019:101). In conducting the validity test using SmartPLS 4.0, special attention is given to the loading factor value for each construct indicator. The commonly used standard is a loading factor value greater than 0.70 to assess validity (Ghozali & Latan, 2015:74). Furthermore, discriminant validity is evaluated by ensuring that indicators of different constructs do not significantly correlate with each other. For reflective indicators, discriminant validity is tested by examining the cross-loading values for each variable, which should be greater than 0.70 and higher than those of other variables (Ghozali & Latan, 2015:74).

Table 2. Construct Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
TPP	0.930	0.939	0.942	0.672
Leadership	0.929	0.945	0.941	0.666
Motivation	0.932	0.951	0.943	0.675
Performance	0.928	0.932	0.941	0.666

Source: processed data

Based on the table above, it can be observed that all Average Variance Extracted (AVE) values exceed the threshold of 0.5, indicating that the constructs meet the criteria for discriminant validity. Additionally, discriminant validity is also evaluated using the Fornell-Larcker Criterion, as shown in the table below:

Table 3. Discriminant Validity – Fornell-Larcker Criterion

	Motivation	Leadership	TPP	Performance
Motivation	0.820			
Leadership	0.653	0.816		
TPP	0.369	0.554	0.821	
Performance	0.801	0.702	0.401	0.816

Once the square root values of the AVE for each construct are known, the next step is to compare these values with the correlations between constructs in the model. If the square root of the AVE for each construct is greater than the correlations between that construct and others in the model, it indicates good discriminant validity. From the table above, it can be seen that the square root of AVE for Motivation (0.820) is only slightly higher than the correlation with Leadership and TPP (difference of 0.003), which suggests that discriminant validity may still be considered acceptable in practical terms.

Reliability Test Results

The reliability test is used to evaluate the consistency of respondents' answers. This study employed two methods of reliability testing, namely Composite Reliability (CR) and Cronbach's Alpha. The criterion used is a Cronbach's Alpha value above 0.7, which is considered good for reliability, although a minimum value of 0.6 is still acceptable (Hair et al., 2010). The analysis for the reliability test in this study was conducted using the SmartPLS software.

Table 4. Reliability Test Results (Composite Reliability)

Construct	Cronbach's Alpha	Composite Reliability (rho_a)	Description
TPP	0.930	0.939	Reliable
Leadership	0.929	0.945	Reliable
Motivation	0.932	0.951	Reliable
Performance	0.928	0.932	Reliable

Source: processed data

Based on the table above, it can be seen that the Cronbach's Alpha values for the variables are as follows: Leadership at 0.930, Motivation at 0.932, and Performance at 0.928. These values are all higher than the threshold of 0.7, which indicates that all the variables in this study are reliable.

Coefficient of Determination (R Square) Test Results

The Coefficient of Determination or R Square test aims to measure the extent to which the variance in the independent variables influences the dependent variable. R Square values are categorized into three levels: high (0.61–1.00), moderate (0.31–0.60), and low (0.01–0.30).

Table 5. Coefficient of Determination (R Square) Results

Variable	R-Square	R-Square Adjusted
Y	0.790	0.750
M	0.426	0.387

Source: processed data

Based on the data presented in the table above, the interpretation is as follows:

1. The R Square value for path model I is 0.790, which indicates that the influence of the variables Employee Income Allowance (X1) and Leadership (X2) on Employee Performance (Y) is high, with a determination level of 0.790.
2. The R Square value for path model II is 0.426, which means that the influence of Employee Income Allowance (X1) and Leadership (X2) through Work Motivation (M) on Employee Performance (Y) is moderate, with a determination level of 0.426.

Results of the Coefficient of Determination Test (F Square)

F² Effect Size (F Square) is a measure used to assess the relative impact value of an influencing variable on the affected variable. In determining this effect, the criteria used are based on Cohen (1988):

1. If the F² value = 0.02, it indicates a small (weak) effect
2. If the F² value = 0.15, it indicates a medium effect
3. If the F² value = 0.35, it indicates a large effect

Refer to the table below for the calculated F Square values, which show that:

Table 6. Coefficient of Determination (F Square)

Variable	F Square	Criteria
TPP → Employee Performance	0.004	Small
Leadership → Employee Performance	0.261	Medium
Motivation → Employee Performance	1.252	Large
TPP → Motivation	0.000	Small
Leadership → Motivation	0.506	Large
TPP → Motivation → Employee Performance	0.036	Large
Leadership → Motivation → Employee Performance	0.391	Large

Source: processed data

Based on the calculations in the table above, the following conclusions can be drawn:

1. Motivation toward Performance with a value of 0.676 indicates a large effect
2. Leadership toward Motivation with a value of 0.506 indicates a large effect
3. Leadership toward Performance with a value of 0.142 indicates a small effect
4. TPP toward Motivation with a value of 0.000 indicates a small or no effect at all
5. TPP toward Performance with a value of 0.000 indicates a small or no effect at all

Hypothesis Testing

Hypothesis testing is conducted to determine the influence between variables based on the significance value (Hair et al., 2014). The hypothesis is assessed using the t-value and p-value obtained through the bootstrapping process.

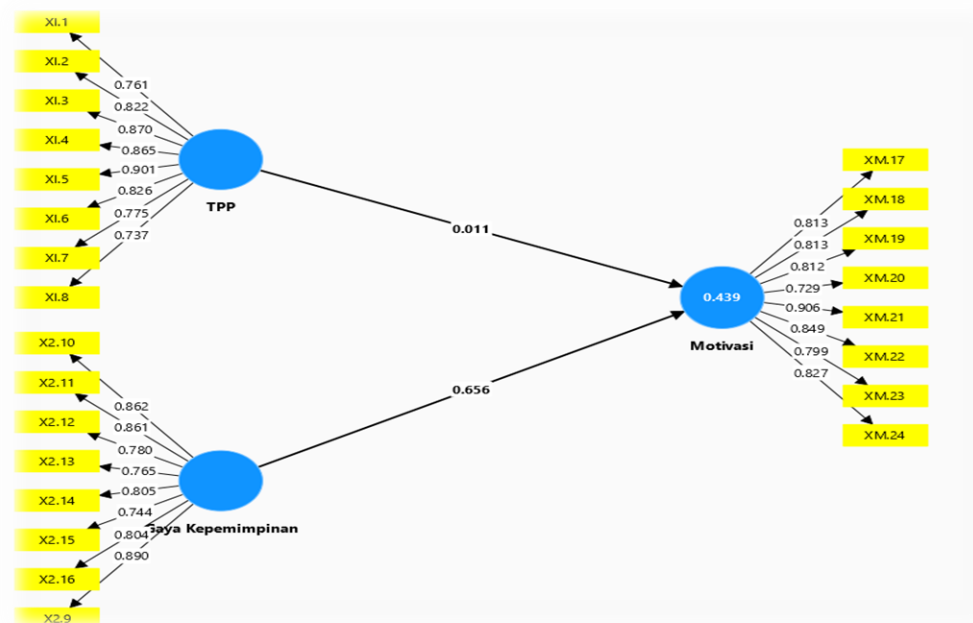


Figure 3. Testing the Effect of TPP and Leadership on Work Motivation

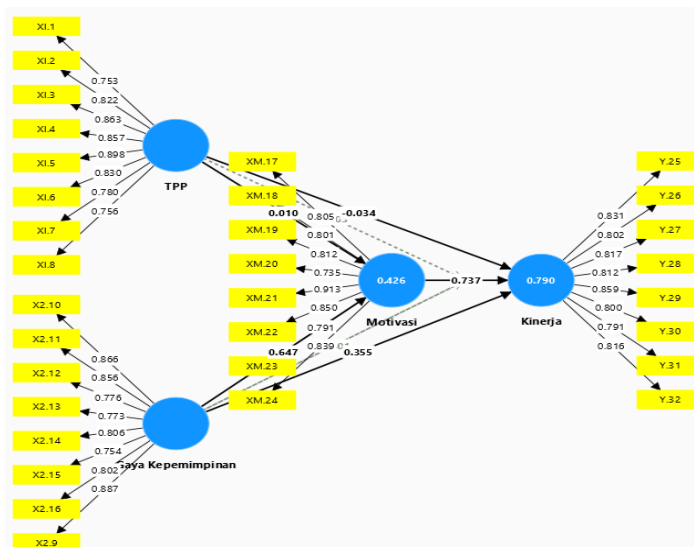


Figure 4. Testing the Effect of TPP and Leadership on Employee Performance with Work Motivation as a Moderating Variable

In this test, the Direct Effect can be observed through the path coefficients in the inner model. Meanwhile, the Indirect Effect can be observed through the path coefficients and the total indirect effect in the inner model.

Direct Effect

The testing of the direct effect (path coefficient) is used to directly examine each hypothesis previously established. Hypothesis testing is conducted by examining the path parameters in the path coefficient and their statistical significance (t-statistic). The results of this test are used to validate the relationships among variables that are hypothesized in the study. The path parameters in the path coefficients are used to indicate whether the correlations between variables are positive or negative:

1. If the p-value is less than 0.05, the hypothesis can be accepted or is considered to have a significant effect.
2. Conversely, if the p-value is greater than 0.05, the hypothesis cannot be accepted or is considered to have no significant effect.

The bootstrapping technique with 30 subsamples was used to test these hypotheses. The significance test of the path coefficients is performed by comparing the t-statistic score with the t-table score at a 5% significance level, which is equivalent to 1.96. A path coefficient is considered significant if the t-statistic value exceeds the t-table score of 1.96.

Tabel 7. Path Coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistic (O/STDEV)	P Values
TPP → Employee Performance	-0,034	-0,015	0,155	0,298	0,766
Leadership → Employee Performance	0,355	0,376	0,145	2,451	0,014

Motivation → Employee Performance	0,737	0,710	0,150	4,920	0,000
TPP → Motivation	0,010	0,030	0,210	0,048	0,961
Leadership → Motivation	0,647	0,655	0,156	4,145	0,000

Source: processed data

Based on the table above, it can be concluded that:

1. The direct effect of TPP on Employee Performance has an original sample value of -0.034 (negative), while the p-value is 0.766, which is above 0.05. Therefore, the hypothesis is not accepted and the effect is not significant. (H1)
2. The direct effect of Leadership on Employee Performance has an original sample value of 0.355 (positive), while the p-value is 0.014, which is below 0.05. Therefore, the hypothesis is accepted and the effect is significant. (H2)
3. The direct effect of Motivation on Employee Performance has an original sample value of 0.737 (positive), while the p-value is 0.000, which is below 0.05. Therefore, the hypothesis is accepted and the effect is significant. (H3)
4. The direct effect of TPP on Motivation has an original sample value of 0.010 (positive), while the p-value is 0.961, which is above 0.05. Therefore, the hypothesis is not accepted and the effect is not significant. (H4)
5. The direct effect of Leadership on Motivation has an original sample value of 0.647 (positive), while the p-value is 0.000, which is below 0.05. Therefore, the hypothesis is accepted and the effect is significant. (H5)

Indirect Effect

The testing of indirect effects requires that the path coefficient of the direct effect is not statistically significant. In this research model, there is one moderating variable, namely *Motivation*. The indirect effect is calculated by multiplying the path coefficients that pass through the moderating or intervening variable.

To determine whether the indirect effect is significant, a significance test on the path coefficient must be conducted. The *bootstrap* method is commonly used in Partial Least Squares (PLS) to test the significance of path coefficients. After obtaining the results, it is important to compare the value of the indirect effect with the direct effect. If the indirect effect is greater than the direct effect, then the moderating variable is considered to play an important role in mediating the relationship between the independent and dependent variables. The Specific Indirect Effect table is used to identify these indirect effects, as shown in the table below:

Tabel 8. Specific Indirect Effect						
	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P Values	
TPP → Motivation → Performance	0,008	0,015	0,153	0,049	0,961	

Leadership → Motivation → Performance	0,477	0,463	0,148	3,217	0,001
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Source: processed data

Based on the table above, the following conclusions can be drawn:

1. The indirect effect of TPP (X1) on Employee Performance (Y) has an original sample value of 0.008 (positive), with a p-value of 0.961, which is well above the threshold of 0.05. This indicates that the indirect effect is not statistically significant. Therefore, the motivation variable does not play a mediating role in the relationship between TPP (X1) and employee performance (Y). Thus, Hypothesis 6 (H6) is not supported.
2. The indirect effect of Leadership (X2) on Employee Performance (Y) through the variable Motivation has an original sample value of 0.477 (positive), and a p-value of 0.001, which is significantly below the 0.05 threshold. This means that the indirect effect is statistically significant, and the variable Motivation does indeed play a mediating role in the relationship between Leadership (X2) and Employee Performance (Y). Therefore, Hypothesis 7 (H7) is supported.

The Effect of Additional Employee Income (TPP) (X1) on Employee Performance (Y)

Based on the analysis conducted, it can be concluded that there is no relationship between Additional Employee Income (TPP) and employee performance. This is evidenced by the analysis results showing an original sample coefficient value of -0.034 (negative), indicating that each one-unit increase in employee performance is influenced by -3.4% of the TPP variable. Furthermore, the analysis shows a p-value of 0.766, which is higher than the commonly accepted significance level of 0.05. These results indicate that TPP does not have a significant effect on employee performance.

These findings contradict previous studies that found TPP to have a significant effect on employee performance. One such study is by Yalitoba (2019), which stated that TPP had a positive and significant effect on the performance of employees at the Secretariat of the Regional House of Representatives (DPRD) of Sigi Regency. The differing results in this study may be due to differences in respondent characteristics and issues specific to the institution being studied. Thus, further research is needed to better understand this dynamic.

The Effect of Leadership (X2) on Employee Performance (Y)

Based on the analysis conducted, it can be concluded that leadership has a significant effect on employee performance. This is supported by the analysis result, which shows an original sample value of 0.355 (positive), indicating that each one-unit increase in employee performance is influenced by 35.5% of leadership. Moreover, the obtained p-value is 0.014, which is below the standard significance level of 0.05. Based on these results, it can be stated that leadership has a positive and significant impact on employee performance.

This finding aligns with the study conducted by Dewanti et al. (2022), which concluded that leadership is related to improvements in employee performance. Their study demonstrated a positive and significant relationship between leadership and employee performance at PT. Gandhok. These results generally support and align with the current research findings.

The Effect of Motivation (M) on Employee Performance (Y)

Based on the analysis conducted, it can be concluded that motivation significantly affects employee performance. This conclusion is supported by the original sample value of 0.737 (positive), indicating that each one-unit increase in employee performance is influenced by 73.7% of motivation. Additionally, the analysis produced a p-value of 0.000, which is below the standard significance level of 0.05. Thus, motivation is shown to have a positive and significant impact on employee performance.

This aligns with the opinion of Adriani & Charli (2023), who argue that work motivation positively and significantly affects performance. This view is consistent with the results of this study, which found a significant relationship between motivation and employee performance. Therefore, strong motivation will positively influence how employees perform within an organization.

The Effect of TPP (X1) on Motivation (M)

Based on the analysis conducted, it can be concluded that there is no relationship between TPP and motivation. The original sample coefficient is 0.010 (positive), indicating that each one-unit increase in motivation is influenced by 1.0% of TPP. However, the obtained p-value is 0.961, which is higher than the standard significance level of 0.05. These results indicate that TPP does not significantly affect employee motivation. This contradicts previous studies that suggested a relationship between TPP and work motivation. This discrepancy indicates the need for further research to better understand this dynamic.

The Effect of Leadership (X2) on Motivation (M)

Based on the analysis conducted, it can be concluded that leadership significantly affects employee motivation. This is supported by an original sample value of 0.647 (positive), showing that each one-unit increase in motivation is influenced by 64.7% of leadership. Moreover, the p-value is 0.000, which is below the standard significance level of 0.05. Thus, leadership has a positive and significant impact on employee motivation. This aligns with the findings of Soelistya et al. (2024), who noted that effective leadership fosters intrinsic motivation among employees, encouraging creativity and engagement. These results are consistent with this study, confirming that leadership significantly influences employee motivation.

The Effect of TPP on Employee Performance through Motivation as a Moderating Variable

Based on the analysis conducted, it can be concluded that the TPP variable does not significantly influence employee performance through motivation as a moderating variable. The original sample value is 0.103 (positive), indicating that each one-unit increase in employee performance influenced by TPP and motivation as a moderating variable accounts for 10.3%. However, the p-value is 0.384, which is above 0.05, making the result acceptable but not statistically significant.

These findings contradict earlier studies that claimed TPP affects employee performance with motivation as a moderator. This suggests the need for a more comprehensive approach in designing TPP schemes that genuinely enhance employee enthusiasm and performance. Further research is likely needed to explore other factors that may contribute to employee performance across various organizational contexts.

The Effect of Leadership on Employee Performance through Motivation as a Moderating Variable

Based on the analysis conducted, it is evident that leadership significantly affects employee performance through motivation as a moderating variable. The original sample value is 0.401 (positive), indicating that each one-unit increase in employee performance, influenced by leadership and moderated by motivation, amounts to 40.1%. Furthermore, the p-value obtained is 0.003, which is below the standard significance level of 0.05. Thus, this effect is statistically significant and accepted.

These findings are consistent with the research by Maartje Paais and Jozef R. Pattiruhu (2020), which stated that leadership is related to improved employee performance through work motivation. Overall, the results of this study support and align with the previous research, confirming that leadership influences employee performance through motivation.

CONCLUSION

Based on the findings and statistically tested discussions, this study concludes that the effects of Additional Employee Income (TPP), leadership, and work motivation on employee performance vary, both directly and through moderating relationships. TPP shows no significant direct effect on performance, indicated by a negative coefficient of -0.034 and a p-value of 0.766. In contrast, leadership has a significant direct effect, with a coefficient of 0.355 and a p-value of 0.014, while work motivation exerts the strongest influence, with a coefficient of 0.737 and a p-value of 0.000. Moreover, TPP also lacks a significant influence on work motivation (coefficient 0.010; p-value 0.961), whereas leadership significantly impacts work motivation (coefficient 0.647; p-value 0.000). Regarding moderation, work motivation does not significantly moderate the effect of TPP on performance (coefficient 0.103; p-value 0.384), but it significantly moderates the relationship between leadership and performance (coefficient 0.401; p-value 0.003), demonstrating the crucial role of motivation in enhancing the impact of leadership on employee performance. However, this study has limitations: its scope is restricted to specific institutions, limiting generalizability; it uses a quantitative approach through questionnaires, which may not capture nuanced perceptions; it excludes other influential variables such as organizational culture and job satisfaction; and its cross-sectional design limits causal inference. These limitations suggest that future research should adopt broader, in-depth, and longitudinal approaches to better understand the dynamics of employee performance.

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