

The Effect Of Intrinsic And Extrinsic Motivation On Employee Performance With Job Satisfaction As An Intervening Variable In The Regional Development Planning Agency For Research And Development (Bappedalitbang) Of Banten Province

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ABSTRACT

Employee performance is a strategic determinant of public sector organizational effectiveness, including the Regional Development Planning Agency (Bappeda), which plays a central role in formulating development policies. The complexity of tasks in the Regional Development Planning, Research, and Innovation Agency (Bappedalitbang) of Cilegon City and the Bappeda of Serang City necessitates strong intrinsic and extrinsic motivation to achieve optimal performance. This study aims to analyze the influence of intrinsic and extrinsic motivation on job satisfaction and employee performance, as well as to examine the mediating role of job satisfaction in both relationships. The research focuses on employees of Bappedalitbang Cilegon City and Bappeda Serang City as representatives of regional development planning institutions with distinct tasks and challenges. A quantitative research approach was employed, utilizing Partial Least Squares Structural Equation Modelling (PLS-SEM) for data analysis. The sample was determined using the 10 times rule (Hair et al., 2022), resulting in 110 respondents. The findings indicate that intrinsic and extrinsic motivation have a significant positive effect on both job satisfaction and employee performance. Job satisfaction also significantly and positively affects employee performance and serves as a significant mediator in the relationship between both motivational factors and performance.

INTRODUCTION

Employee performance is a crucial indicator for measuring the effectiveness and success of an organization. Employee performance not only reflects individual abilities but also plays a key role in the organization's progress and strategic goals (Bartholomeyczik et al., 2024). High employee performance leads to increased productivity, contributing to organizational growth and sustainability. Nugraha et al. (2024) revealed that in a dynamic corporate environment, effective employee performance is closely linked to individual progress and organizational goal achievement, making employee performance a key focus of managerial strategy. Research by Arisandi and Heryjanto (2024) also emphasized the importance of employee competency in utilizing employee skills and knowledge to improve organizational outcomes. It is important to understand that the factors influencing employee performance are complex, with intrinsic and extrinsic motivations identified as key drivers (Abril et al., 2024).

In the context of bureaucratic reform and improving the quality of public services, the role of the Regional Development Planning Agency (Bappeda) is highly strategic in formulating regional development directions based on data, participatory planning, and effective policy implementation (Abdul-Messie, 2023). This research focuses on two key planning institutions in Banten Province: the Cilegon City Research and Development Agency (Bappedalitbang) and the Serang City Development Agency (Bappeda), with relevant strategic considerations. Geographically and administratively, Cilegon

City and Serang City are centers of economic growth and governance in the western Banten region. Both face complex development challenges, demanding adaptive, innovative, and results-oriented performance from regional development planners.

As technocratic institutions, the Cilegon City Bappedalitbang and the Serang City Bappeda play a vital role in preparing the medium-term development planning (RPJMD) and annual work plans (RKPD), as well as evaluating development achievements. The complexity of their duties and the demands of high public accountability place employees under intense workloads and high performance pressure, necessitating stable psychological conditions and adequate motivational support. From a regional personnel policy perspective, the Cilegon City Bappedalitbang and the Serang City Bappeda represent two organizational contexts at different levels of bureaucratic readiness: Cilegon as an industrial city with high economic dynamics, and Serang as the provincial capital with a complex government coordination burden.

Employee performance within an organization is closely linked to Human Resource Management (HRM) practices and principles (Ahmad et al., 2025). Numerous studies have shown that effective HRM significantly impacts overall organizational performance, productivity, and effectiveness. One of the fundamental roles of HRM is to create an environment that motivates and engages employees, as their actions and behaviors are strongly influenced by the HRM practices they perceive. Research shows that a robust HRM system serves as an important signal to employees about their values and roles within the organization, thus influencing employee performance outcomes. Research by Wafy and Deka (2024) illustrates how certain HRM practices signal performance expectations, thereby enhancing employee behavior that aligns with those expectations (Mallik, 2023).

The Key Performance Indicators (KPI) of the Cilegon City Bappedalitbang (Research and Development Agency) for the 2021-2024 period indicate several aspects requiring improvement, particularly regarding employee performance, which reflects KPI achievement. Based on the table, the Bureaucratic Reform Index (RB) of Regional Apparatus experienced a significant increase from 65 points in 2021 to 95.87 points in 2024. This increase indicates improvements in the accountability and professionalism of government officials. However, fluctuations occurred in 2023, indicating a decrease to 61.96 points. This indicates persistent obstacles in policy implementation. To achieve consistency, a more in-depth evaluation of the implementation of bureaucratic reform within the organization is required.

The Regional Government Agency Performance Accountability Report (Lakip) score fluctuated, with 77 points in 2021, 80 points in 2022, and 77 points in 2023. This data illustrates instability in improving performance. In 2024, the Lakip score reached 83.19 points, but improvements in this regard still depend heavily on optimizing employee performance in carrying out their duties and functions effectively and efficiently. Improvements in employee performance reporting and evaluation processes, including strengthening a culture of accountability among employees, are essential to ensure optimal service quality (de Jong-Kroon et al., 2025).

The Planning Index, recorded at 98.34% in 2021 and increasing to 99.48% in 2024, reflects significant progress in regional development planning. This steady increase demonstrates that Bappedalitbang staff are capable of planning better and more structured development programs. However, the decline in 2022 to 94.50% warrants special attention. This decline indicates potential deficiencies in planning coordination and effectiveness that year. Improving the planning process and strengthening planners' capacity to develop more data-driven planning documents is crucial (Chin et al., 2024).

The Planning Document Alignment Percentage remains high, reaching 97.74% in 2021 and 99.48% in 2024, indicating a good alignment between planning documents and regional government strategic policies. This reflects the increasing quality of employee performance in developing more focused and measurable planning documents. Despite the high alignment percentage, a decline in 2023 (96.07%) indicates that there are still discrepancies that need to be addressed in terms of synchronization between planning and implementation.

The Key Performance Indicators (IKU) of the Cilegon City Bappedalitbang (Research and Development Agency) reflect strategic efforts to improve the quality of governance and sustainable regional development. The first target is to increase government accountability and apparatus professionalism, as measured by several indicators, including the Regional Bureaucratic Reform Index (RB), which illustrates the extent to which regional apparatus can apply the principles of transparency, efficiency, and accountability in government duties. The Regional Government Agency Performance Accountability Report (Lakip) score is an important indicator for assessing the extent to which government agency performance and objectives are achieved in accordance with predetermined targets. The Planning Index, measured as a percentage, indicates the level of success in the regional development planning process, which involves all relevant parties and is based on an analysis of community needs. The percentage of planning document alignment is an indicator that shows the extent to which the prepared planning documents align with the regional development vision and mission as well as existing strategic policies, resulting in quality and targeted documents (Dwivedi et al., 2022).

The second goal is to enhance the regional culture of innovation, as measured by the Regional Innovation Index. This indicator reflects the level of creativity and regional capacity to develop innovative solutions to address existing problems and create more effective and efficient public policies. A strong culture of innovation is expected to accelerate development and make Cilegon City more competitive in facing global challenges. By measuring these indicators, the Cilegon City Research and Development Agency (Bappedalitbang) is expected to ensure that efforts to improve government performance and regional development are effective, measurable, and in line with community expectations (Karim et al., 2024).

Overall, there are fluctuations in the achievement of the Cilegon City Bappedalitbang Key Performance Indicators. Further efforts are needed to improve employee capacity through training, increased motivation, and strengthening management that is more adaptive to change and adapts to the development conditions of Cilegon City. The suboptimal KPI achievement in several indicators should be used as a reference for formulating more concrete and measurable improvement strategies in the future. Based on the observation data that has been conducted, the author found fluctuations in the performance of the Cilegon City Bappedalitbang that need to be considered as a research consideration.

Based on the phenomena and background that have been explained previously, the formulation of the problem in this study is 1) Is there a significant direct influence of intrinsic motivation on employee job satisfaction in Bappedalitbang Cilegon City and Bappeda Serang City 2) Is there a significant direct influence of extrinsic motivation on employee job satisfaction in Bappedalitbang Cilegon City and Bappeda Serang City 3) Is there a significant direct influence of intrinsic motivation on employee performance in Bappedalitbang Cilegon City and Bappeda Serang City 4) Is there a significant direct influence of extrinsic motivation on employee performance in Bappedalitbang Cilegon City and Bappeda Serang City 5) Is there a significant direct influence of job satisfaction on employee performance in Bappedalitbang Cilegon City and Bappeda Serang City 6) Is there a significant indirect influence of intrinsic motivation on employee performance through job satisfaction in Bappedalitbang Cilegon City and Bappeda Serang City 7) Is there a significant indirect influence of extrinsic motivation on employee performance through job satisfaction in Bappedalitbang Cilegon City and Bappeda Serang City.

Literature Review

The Influence of Intrinsic Motivation on Employee Performance

Intrinsic motivation plays a crucial role in improving employee performance. Intrinsic motivation emphasizes the internal drive that drives individuals to engage in activities because of the satisfaction and enjoyment derived from the activity itself, rather than external rewards such as financial compensation or recognition (Widodo & Nurhayati, 2024). When employees have high intrinsic motivation, they are more

committed to their work, demonstrating higher levels of work engagement and enhancing creativity and performance (Fries et al., 2021).

Employees who feel satisfied with their work will demonstrate better performance and have higher levels of engagement (Hsu et al., 2024). Intrinsic motivation fosters a sense of ownership in work tasks, leading to better results (Jaaffar et al., 2023). Kohnen et al. (2024) and Nehra et al. emphasize that a sense of psychological safety and supportive working conditions help employees feel more engaged and motivated, which then leads to better performance.

Intrinsic motivation not only improves performance by reducing fatigue but also positively correlates with employee engagement (Toyama et al., 2022). Intrinsic motivation not only improves job performance but also strengthens employees' creative performance. Research by Liu et al. (2024) shows that intrinsic motivation driven by good leadership can improve creative performance among employees, emphasizing the importance of a conducive leadership style to foster innovation and creative thinking through intrinsic motivation (Maton et al., 2025).

The Influence of Extrinsic Motivation on Employee Performance

Extrinsic motivation is driven by external factors such as financial compensation, bonuses, recognition, promotions, and other rewards not directly related to the job itself. Extrinsic motivation plays a significant role in driving behavior when work tasks are perceived as less interesting or intrinsically satisfying (Zhang et al., 2024).

Purnomo et al. (2023) stated that extrinsic motivation has a positive impact on employee performance during challenging conditions such as the COVID-19 pandemic. The study revealed that appropriate recognition and rewards can maintain employee motivation and performance, especially during stressful periods. Research conducted by Kathin (2023) shows that although intrinsic motivation plays a significant role, extrinsic motivation also has a significant impact on employee performance in the public sector. This study indicates that well-structured external incentives, such as performance-based bonuses, can improve employee performance and even increase employee engagement (Rai & Koodamara, 2025).

The effectiveness of extrinsic motivation is also influenced by the level of perceived support from the organization. Employees who feel supported and valued by the organization respond more positively to extrinsic motivation, ultimately improving performance. Research by Kung et al. (2024) suggests that employees rely heavily on extrinsic motivation, such as bonuses and compensation, to maintain job satisfaction and performance.

The Influence of Intrinsic Motivation on Job Satisfaction

Intrinsic motivation is a crucial factor influencing job satisfaction across various professional fields. A growing body of research suggests that intrinsic motivation fosters engagement in an activity due to the satisfaction and enjoyment derived from the activity itself. Research conducted by Wu et al., through psychometric validation of employee engagement, demonstrates that intrinsic motivation plays a significant role in promoting employee well-being and organizational citizenship behavior, emphasizing the importance of creating a workplace environment conducive to intrinsic motivation to maximize job satisfaction (Wu et al., 2024). Similar research by Liando and Gorda found that intrinsic work motivation, primarily intrinsic in nature, positively impacts job satisfaction. This confirms a significant relationship that supports overall employee morale and commitment to their work (Liando & Gorda, 2024).

In subsequent research conducted by Kristiyanto and Handayani, a strong correlation between intrinsic motivation and job satisfaction was confirmed, thus positioning job satisfaction as an important mediating factor between employee motivation and performance. This reflection suggests that higher intrinsic motivation can lead to higher levels of job satisfaction, which in turn improves performance outcomes (Kristiyanto & Handayani, 2024). Maharani and Ramli (2024) emphasized the relationship

between motivation and job satisfaction, suggesting that employee intrinsic motivation not only directly impacts job satisfaction but also contributes to improved performance and organizational loyalty.

Dong et al. (2024) suggest that intrinsic motivation can mitigate the negative impact of work-family conflict on job satisfaction, thereby increasing employee resilience and overall workplace satisfaction (Dong et al., 2024). This protective effect reinforces the idea that developing intrinsic motivation can lead to stronger job satisfaction even in challenging work environments. Tesfa et al. emphasize that individuals with high levels of intrinsic motivation demonstrate a stronger commitment to their roles, aligning personal fulfillment with organizational performance (Tesfa et al., 2024). This connection suggests a cyclical relationship where increased job satisfaction can strengthen intrinsic motivation, creating a positive cycle that benefits both employees and employers (Bitrián et al., 2024).

The Influence of Extrinsic Motivation on Job Satisfaction

Extrinsic motivation plays a crucial role in shaping employee job satisfaction, influencing engagement and productivity in the workplace. Extrinsic motivation stems from external rewards such as salary, bonuses, promotions, and recognition. This form of motivation has been linked to various aspects of job satisfaction, demonstrating a significant relationship between external incentives and employee feelings toward their work (Bilal et al., 2021).

Research conducted by Elbahloul et al. emphasized the direct impact of external factors, particularly salary and job security, on job satisfaction among medical workers in Libya. This study confirmed that increased job satisfaction is strongly influenced by favorable external conditions, including reliable compensation and a supportive work environment (Elbahloul et al., 2024). Research conducted by Dagher et al. (2024) reinforces the idea that monetary rewards and career development opportunities serve as important factors in increasing job satisfaction, suggesting that employees who perceive fair and adequate rewards are more likely to exhibit job satisfaction.

A study by Wu et al. emphasized the impact of perceived recognition and extrinsic motivational factors on job satisfaction among vocational rehabilitation counselors. This study revealed that extrinsic motivations such as recognition from superiors and a supportive work culture significantly contribute to job satisfaction levels by promoting a sense of belonging and self-esteem among employees (Wu et al., 2024). The results of this study emphasize the importance of a well-structured reward system that aligns with employee expectations to foster job satisfaction (Karim, 2023).

The Influence of Job Satisfaction on Employee Performance

Job satisfaction reflects the extent to which employees are satisfied with their jobs, influenced by various factors such as the work environment, relationships with coworkers, compensation, and alignment with personal values (Herrador-Alcaide et al., 2024). Employees who are satisfied with their jobs tend to be more productive in carrying out their work tasks. Zunizar et al. (2023) emphasize that job satisfaction influences organizational commitment, which can improve performance. Rafsanjani et al. (2024) state that high levels of job satisfaction correlate with better performance outcomes. This emphasizes the importance of increasing job satisfaction to improve productivity in the workplace.

Iskandar et al. (2024) found that a positive organizational culture and supportive leadership influence job satisfaction, thereby improving employee performance. This relationship underscores the important role of organizational context in shaping employee satisfaction and performance (Zhu et al., 2025).

An effective performance management system that includes feedback, recognition, and opportunities for professional growth can increase job satisfaction and improve employee performance. Usu et al. (2024) suggest that when employees feel valued through recognition and professional development, job satisfaction increases, resulting in better performance outcomes.

The Influence of Intrinsic Motivation on Employee Performance Through Job Satisfaction

Research by Liando and Gorda found that intrinsic motivation positively influences job satisfaction, thus impacting employee professionalism. The results of this study indicate that when employees are intrinsically motivated, their job satisfaction increases, contributing to an increased sense of professionalism and performance in the workplace (Liando & Gorda, 2024). This finding is also supported by research by Kristiyanto and Handayani, which demonstrates a strong relationship between intrinsic motivation and job satisfaction and emphasizes that this satisfaction significantly improves employee performance through a mediating effect (Maulana et al., 2025).

Research conducted by Lestari et al. found that intrinsic motivation has a significant positive effect on employee performance through job satisfaction as a mediating factor. This study demonstrated that increased intrinsic motivation directly impacts job satisfaction, resulting in improved employee performance (Lestari et al., 2024). This relationship illustrates the importance of intrinsic rewards in enhancing employee motivation and satisfaction (Bondre et al., 2024).

Hsu et al. analyzed the mediating role of intrinsic motivation in the context of supportive leadership, including perceived intrinsic motivation, which can reduce the potential for burnout while increasing job satisfaction, thus improving performance (Hsu et al., 2024). This relationship confirms the influence of a supportive work environment in maintaining intrinsic motivation, which is essential for achieving high job satisfaction and better performance outcomes (Stirpe et al., 2022).

Research conducted by Dong et al. suggests that intrinsic motivation serves as a buffer against negative external pressures, such as work-family conflict, which can reduce job satisfaction and performance (Dong et al., 2024). This research aligns with the notion that developing intrinsic motivation can foster employee resilience, ultimately maintaining performance levels despite external challenges.

The Influence of Extrinsic Motivation on Employee Performance Through Job Satisfaction

Research by Liando and Gorda shows that extrinsic motivation, particularly financial incentives and job security, directly influences employee job satisfaction. The study found that when employees perceive adequate compensation and job security, they exhibit higher levels of job satisfaction, positively correlating with performance (Liando & Gorda, 2024). Research by Elbahloul et al. (2024) identified specific extrinsic factors, including salary and job security, as important elements in increasing job satisfaction among medical workers, thus improving employee performance.

Lestari et al. conducted a study showing that job satisfaction serves as a mediating factor between extrinsic motivation and employee performance. The study's results emphasized that satisfied employees perform better because employee motivation is driven by fair compensation and recognition, so extrinsic factors can significantly improve performance through job satisfaction (Lestari et al., 2024). This mediation effect was also noted by Rachmad and Hartono (2024), whose study showed that employee performance increases when extrinsic motivation positively contributes to job satisfaction, underscoring that satisfaction bridges external stimuli and performance metrics within an organization (Rachmad & Hartono, 2024).

Research conducted by Sugita et al. shows that meeting employees' external needs, such as through a compensation structure or favorable working conditions, can result in higher satisfaction, thereby improving employee performance (Sugita et al., 2024). This relationship illustrates that organizations must focus not only on motivating employees but also on maintaining high levels of job satisfaction to achieve optimal performance outcomes.

RESEARCH METHOD

Types of research

This study used a quantitative approach with a causal design to analyze the causal relationship between intrinsic motivation, extrinsic motivation, job satisfaction, and employee performance. This design was chosen to answer the research questions regarding the direct and indirect influences between variables, including the mediating role of job satisfaction (Bartholomeyczik et al., 2024).

Population and sample

The research subjects were employees of the Cilegon City Research and Development Agency (Bappedalitbang) and the Serang City Regional Development Agency (Bappeda), selected because both are strategic institutions in regional development planning. The study population included all employees of the two institutions, with a sample size of 110 respondents. The sampling technique used the 10-times rule approach as recommended by Hair et al. (2022), which is in accordance with Partial Least Squares-Structural Equation Modeling (PLS-SEM)-based analysis.

Data collection techniques

Research data was collected through a structured questionnaire based on research variable indicators, namely intrinsic motivation, extrinsic motivation, job satisfaction, and employee performance. The instrument was developed by adopting measurement scales from previous studies that have been tested for validity and reliability. All items were measured using a five-point Likert scale, ranging from "strongly disagree" to "strongly agree." Prior to use, the instrument was pre-tested to ensure language clarity and readability for respondents. Data collection was conducted by distributing the questionnaire directly to pre-determined respondents, while maintaining research ethics such as confidentiality of identity and consent for participation. The collected data were then checked for completeness, selected, and processed to ensure there were no inconsistent responses (Abril et al., 2024).

Data analysis techniques

The data analysis technique used Partial Least Squares-Structural Equation Modeling (PLS-SEM) operated through SmartPLS software. The analysis was conducted in two stages: (1) evaluation of the outer model to assess convergent validity, discriminant validity, and construct reliability; and (2) evaluation of the inner model to test the relationships between variables, including direct and indirect hypothesis testing. This method was chosen because it is suitable for testing structural models with a relatively small sample size and is capable of handling latent variables with reflective indicators (Abdul-Messie, 2023).

RESULTS AND DISCUSSION

Result

Data analysis was performed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) through SmartPLS. Model evaluation was conducted in two stages: outer model testing and inner model testing.

Referring to the criteria presented by Hair et al. (2022), an indicator is considered to meet convergent validity if it has a minimum loading factor value of 0.5, although a value above 0.7 is recommended as it reflects a stronger relationship between the indicator and the construct and higher validity. Meanwhile, the optimal AVE value is greater than 0.5, indicating that the construct is able to explain more than half of the variance contained in its constituent indicators. A Composite Reliability (CR) value that reaches or exceeds 0.70 indicates an adequate level of internal consistency in a construct, so that all constituent indicators are considered capable of stably representing the concept being measured. These three parameters are important benchmarks in ensuring that the constructs in the model have a valid,

reliable, and methodologically accountable measurement basis. The results of the convergent validity test are explained in Table 1 below.

Table 1. Convergent Validity Test Results

Variable	Indicator	Loading factor	AVE	CR	information
Employee performance (Z)	Z.KDP	0.839	0.729	0.931	Valid
	Z.KKE	0.909			
	Z.MIK	0.828			
	Z.PP	0.856			
	Z.RPP	0.835			
Intrinsic Motivation (X1)	X1.KDP	0.864	0.736	0.933	Valid
	X1.KE	0.895			
	X1.KIT	0.857			
	X1.LKM	0.819			
	X1.MPK	0.852			
Extrinsic Motivation (X2)	X2.DOK	0.802	0.702	0.922	Valid
	X2.IE	0.895			
	X2.KHP	0.834			
	X2.RHE	0.822			
	X2.TDD	0.834			
Job Satisfaction (Y)	Y.AEA	0.86	0.812	0.945	Valid
	Y.AEK	0.915			
	Y.FKL	0.905			
	Y.HMO	0.922			

Source: Data processed using Smart-PLS 2025

Based on the results presented in Table 1, the convergent validity test shows that each construct analyzed has met the validity criteria established in the study. All factor loading values were recorded above 0.70, while the Average Variance Extracted (AVE) value exceeded the threshold of 0.50. In addition, the Composite Reliability (CR) value also exceeded the minimum value of 0.70. These results provide evidence that all indicators used are able to represent the latent constructs validly with an adequate and reliable level of measurement consistency. The results of the R2 measurement test² explained in Table 2 below.

Table 2. R Measurement Results²

Variables	R-square	R-square adjusted
Job satisfaction (Y)	0.466	0.456
Employee performance (Z)	0.752	0.744

Source: Data processed using Smart-PLS 2025

In the inner model testing stage, the R-square value for the job satisfaction variable was 0.466, while for employee performance it was 0.752. This value indicates that variations in employee performance can be explained by intrinsic motivation, extrinsic motivation, and job satisfaction by 75.2%, the remaining 24.8% is influenced by other factors not included in the model while variations in job satisfaction are explained by intrinsic motivation and extrinsic motivation by 46.6% while the remaining 53.4% is explained by other factors outside this research model.

Discussion

Table 3. Results of Direct Hypothesis Testing

Hypothesis	Variable Relationship	Path Coefficient	T statistics	P values	Information
H1	Intrinsic Motivation (X1) -> Employee Performance (Z)	0.314	3.48	0.001	Significant Influence
H2	Extrinsic Motivation (X2) -> Employee Performance (Z)	0.316	3.36	0.001	Significant Influence
H3	Job Satisfaction (Y) -> Officer Performance (Z)	0.427	4.463	0.000	Significant Influence
H4	Intrinsic Motivation (X1) -> Job Satisfaction (Y)	0.431	3.589	0.000	Significant Influence
H5	Extrinsic Motivation (X2) -> Job Satisfaction (Y)	0.399	3.205	0.001	Significant Influence

Source: Data processed using Smart-PLS 2025

The Direct Influence of Intrinsic Motivation on Employee Performance

The analysis results show a path coefficient of 0.314 with a t-statistic of 3.48 and a p-value of 0.001. The t-statistic value > 1.96 and p-value < 0.05 indicate that the influence of Intrinsic Motivation on Employee Performance is significant. This means that increasing Intrinsic Motivation contributes positively to improving Employee Performance at the Cilegon City Bappedalitbang and Serang City Bappeda.

These findings indicate that employees at the Cilegon City Research and Development Agency (Bappedalitbang) and Serang City Regional Development Agency (Bappeda) are motivated to perform more optimally when intrinsic motivational factors, such as a sense of responsibility, job satisfaction, and pride in their work, increase. Theoretically, these results align with Self-Determination Theory which emphasizes that intrinsic motivation is the primary driver for individuals to achieve high performance because it stems from internal drive, not solely external factors (Mallik, 2023). This research is also consistent with previous studies that demonstrate that intrinsic motivation plays a significant role in improving the productivity and work quality of both public and private sector employees. Thus, it can be affirmed that intrinsic motivation is a key determinant of performance, particularly in the context of local government organizations that demand dedication and professionalism from their staff (Ahmad et al., 2025).

The Direct Influence of Extrinsic Motivation on Employee Performance

The path coefficient obtained was 0.316 with a t-statistic of 3.36 and a p-value of 0.001. This value meets the significance criteria, so the hypothesis is accepted. This finding indicates that Extrinsic Motivation has a significant positive influence on Employee Performance. External factors such as incentives, rewards, and adequate work facilities have been shown to improve employee performance (de Jong-Kroon et al., 2025). These results confirm that employees at the Cilegon City Research and Development Agency (Bappedalitbang) and Serang City Regional Development Agency (Bappeda) are more motivated to improve their performance when supported by external factors, such as fair incentives, awards for achievements, and adequate work facilities (Chin et al., 2024). Theoretically, this finding is in line with Herzberg's Two-Factor Theory which places extrinsic factors as a crucial element in creating satisfaction and influencing employee performance. This research finding is also consistent with previous studies showing that appropriate compensation and reward systems can improve performance and increase employee loyalty, both in the public and private sectors. Thus, it can be affirmed that extrinsic motivation plays a significant role in strengthening employee performance, particularly in local government organizations that demand effective achievement of development targets (Dwivedi et al., 2022).

The Direct Influence of Job Satisfaction on Employee Performance

The test results show a path coefficient of 0.427, a t-statistic of 4.463, and a p-value of 0.000. These values indicate a significant positive effect between Job Satisfaction and Employee Performance. Increasing Job Satisfaction plays a significant role in improving employee performance, both in terms of quantity, quality, and timeliness (Karim et al., 2024). These findings indicate that employees at the Cilegon City Research and Development Agency (Bappedalitbang) and Serang City Regional Development Agency (Bappeda) will demonstrate better performance when they are satisfied with their jobs, both in terms of the work environment, inter-employee relationships, and the rewards received. Theoretically, these results support Job Satisfaction Theory which emphasizes that job satisfaction is a key determinant of employee commitment, motivation, and productivity. This finding is also consistent with previous research showing that high levels of job satisfaction are directly proportional to improved performance, both in terms of quantity, quality, and timeliness of task completion. Thus, job satisfaction can be viewed as a strategic element that local governments must strengthen to ensure the effectiveness and sustainability of organizational performance (Fries et al., 2021).

The Direct Influence of Intrinsic Motivation on Job Satisfaction

The path coefficient was recorded at 0.431 with a t-statistic of 3.589 and a p-value of 0.000. This value indicates a significant positive effect. Employees with high levels of intrinsic motivation, such as achievement drive and satisfaction from task accomplishment, have higher levels of job satisfaction. This finding confirms that extrinsic motivation also plays a role in increasing job satisfaction, which then impacts employee performance (Jaaffar et al., 2023). Employees at the Cilegon City Research and Development Agency (Bappedalitbang) and Serang City Regional Development Agency (Bappeda) who receive support in the form of incentives, awards, and adequate work facilities tend to feel more satisfied with their jobs, thus being motivated to deliver their best performance. Theoretically, these results are in line with Herzberg's Two-Factor Theory which places external factors as a crucial element in creating job satisfaction. This finding is also consistent with previous research showing that compensation, recognition, and organizational support significantly influence satisfaction, ultimately driving improved performance. Thus, extrinsic motivation through job satisfaction can be viewed as a crucial pathway to building the effectiveness of public sector employees (Toyama et al., 2022).

The Direct Influence of Extrinsic Motivation on Job Satisfaction

The analysis results show a path coefficient of 0.399, a t-statistic of 3.205, and a p-value of 0.001. This influence is significant and positive, meaning external support in the form of compensation, job security, and harmonious work relationships contribute to increased employee job satisfaction. This finding shows that external factors inherent in work have a significant contribution in creating employee job satisfaction (Maton et al., 2025). In the Cilegon City Research and Development Agency (Bappedalitbang) and the Serang City Regional Development Agency (Bappeda), support in the form of fair compensation, guaranteed job security, and harmonious work relationships has been shown to increase job satisfaction. Theoretically, this is in line with Herzberg's Two-Factor Theory which emphasizes the importance of hygiene factors as a prerequisite for achieving job satisfaction. These results are also consistent with previous research showing that compensation, security, and good work relationships are significant determinants of job satisfaction, particularly in public organizations that demand employee stability and professionalism. Thus, external support can be viewed as a crucial foundation for creating satisfaction that drives sustainable employee performance (Zhang et al., 2024).

Overall, the five hypotheses proposed in this study were accepted because they all met the significance criteria (t-statistics > 1.96 and p-value < 0.05). These findings confirm that both intrinsic and extrinsic motivational factors play a significant role in shaping employee job satisfaction and performance at the two institutions studied.

Table 4. Results of Indirect Hypothesis Testing

Hypothesis	Variable Relationship	Path Coefficient	T statistics	P values	Information
H6	Intrinsic Motivation (X1) -> Job Satisfaction (Y) -> Employee Performance (Z)	0.184	2.704	0.007	Significant Influence
H7	Extrinsic Motivation (X2) -> Job Satisfaction (Y) -> Employee Performance (Z)	0.17	2.48	0.013	Significant Influence

Source: Data processed using Smart-PLS 2025

The Indirect Effect of Intrinsic Motivation on Employee Performance through Job Satisfaction

The analysis results show a path coefficient of 0.184, a t-statistic value of 2.704, and a p-value of 0.007. These values meet the significance criteria (t-statistics > 1.96 and p-value < 0.05), so the indirect effect of Intrinsic Motivation on Employee Performance through Job Satisfaction is declared significant. This finding indicates that increasing Intrinsic Motivation reflected in internal drives such as the need for achievement, a sense of responsibility, and satisfaction with work achievements will increase employee Job Satisfaction, which then contributes to increased Employee Performance (Rai & Koodamara, 2025).

These results reinforce the understanding that intrinsic motivation not only directly drives performance but also plays a role through job satisfaction as a mediating pathway. Employees at the Cilegon City Research and Development Agency (Bappedalitbang) and Serang City Regional

Development Agency (Bappeda) who have an internal drive to achieve, a high sense of responsibility, and satisfaction with work achievements are more satisfied with their jobs, thus being driven to produce more optimal performance (Bitrián et al., 2024). Theoretically, these findings align with Self-Determination Theory which explains that basic psychological needs such as competence, autonomy, and relatedness will increase job satisfaction, which ultimately impacts performance. This finding is also consistent with previous research showing that job satisfaction can mediate the relationship between intrinsic motivation and performance, making this variable a strategic factor in increasing the effectiveness of public sector employees (Bilal et al., 2021).

The Indirect Effect of Extrinsic Motivation on Employee Performance through Job Satisfaction

The path coefficient obtained was 0.170 with a t-statistic of 2.480 and a p-value of 0.013. This value also meets the significance criteria, so the indirect effect of Extrinsic Motivation on Employee Performance through Job Satisfaction can be accepted. These results indicate that external factors such as compensation, rewards, and organizational support can increase employee Job Satisfaction, thereby encouraging improved Employee Performance.

These findings confirm that extrinsic motivation plays a significant role in shaping job satisfaction, which in turn drives improved employee performance. Employees at the Cilegon City Research and Development Agency (Bappedalitbang) and Serang City Regional Development Agency (Bappeda) who receive adequate compensation, performance recognition, and adequate organizational support are more satisfied with their jobs, thus motivated to make better contributions (Karim, 2023). Theoretically, these results support Herzberg's Two-Factor Theory which emphasizes the importance of external factors as supporting job satisfaction, which in turn has implications for improved performance. This finding also aligns with previous research demonstrating that organizational support, reward systems, and compensation act as indirect determinants in strengthening the relationship between extrinsic motivation and performance through job satisfaction. Thus, job satisfaction can be viewed as an important mechanism bridging the influence of extrinsic motivation on the work effectiveness of local government officials (Herrador-Alcaide et al., 2024).

The results of this study confirm that intrinsic and extrinsic motivation play a significant role in increasing job satisfaction, which in turn has a positive impact on employee performance (Zhu et al., 2025). The mediating role of job satisfaction has been proven significant, so it can be concluded that increasing motivation, both intrinsic and extrinsic, must be accompanied by efforts to increase job satisfaction to optimize employee performance. Job satisfaction significantly mediates the effect of intrinsic and extrinsic motivation on performance. This means that motivation, both intrinsic and extrinsic, does not immediately produce high performance, but is more effective when channeled through increased job satisfaction. In other words, motivated employees will feel more satisfied, and this satisfaction becomes the main driver in producing optimal performance (Maulana et al., 2025).

Overall, the pattern of relationships between variables indicates that intrinsic motivation plays a more dominant role than extrinsic motivation in both job satisfaction and performance. However, both types of motivation remain important because they complement each other in creating ideal working conditions. These data also demonstrate that job satisfaction is not merely an intervening variable, but rather a key factor that more effectively links motivation to performance.

Thus, the results of this study emphasize the importance of a human resource management strategy that focuses not only on providing external incentives but also on internal psychological aspects

and employee satisfaction. These two aspects interact to produce consistent and sustainable employee performance.

CONCLUSION

Based on the results of the analysis of the findings of this study include 1) there is a significant direct influence of intrinsic motivation on employee job satisfaction in Bappedalitbang Cilegon City and Bappeda Serang City 2) there is a significant direct influence of extrinsic motivation on employee job satisfaction in Bappedalitbang Cilegon City and Bappeda Serang City 3) there is a significant direct influence of intrinsic motivation on employee performance in Bappedalitbang Cilegon City and Bappeda Serang City 4) there is a significant direct influence of extrinsic motivation on employee performance in Bappedalitbang Cilegon City and Bappeda Serang City 5) there is a significant direct influence of job satisfaction on employee performance in Bappedalitbang Cilegon City and Bappeda Serang City 6) there is a significant indirect influence of intrinsic motivation on employee performance through job satisfaction in Bappedalitbang Cilegon City and Bappeda Serang City 7) there is a significant indirect influence of extrinsic motivation on employee performance through job satisfaction in Bappedalitbang Cilegon City and Bappeda Serang City.

This research has significant theoretical and practical value. From a scientific perspective, the findings confirm the role of intrinsic and extrinsic motivation, as well as job satisfaction, as key factors influencing employee performance. Practically, the research findings provide an empirical basis for local governments to formulate policies to improve employee performance by strengthening motivation and job satisfaction. The research's authenticity lies in the context of the public institutions studied, namely the Cilegon City Research and Development Agency (Bappedalitbang) and the Serang City Regional Development Agency (Bappeda), making the results relevant to supporting the effectiveness of local government organizations.

This study has several limitations, including its limited geographic coverage to two agencies, the use of a cross-sectional design that does not capture long-term dynamics, and the use of a self-report questionnaire that is prone to bias. Furthermore, the research model only includes motivation, satisfaction, and performance variables without considering other relevant factors, while performance measurement remains subjective. The focus on the public sector, which has distinct characteristics from the private sector, also limits the generalizability of the findings. However, these limitations open up opportunities for further research with more comprehensive designs, broader coverage, and the integration of quantitative and qualitative approaches.

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