Analysis of leadership, capabilities, and organizational culture on employee performance through motivation

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Abstract

Purpose: This study examines the influence of leadership, capability, and organizational culture on employee performance through motivation in the Market XXX.

Research Methodology: The method used in this study was descriptive quantitative. The study population consisted of 1,284 employees with a sample of 270 respondents. Primary and secondary data were used in this study. SmartPLS was used as an analytical tool in this study. The tests conducted in this study included the Validity Test, Reliability Test, Inner Model Test, Outer Model Test, and Hypothesis Test.

Results: The method used in this study was descriptive and quantitative. The study population consisted of 1,284 employees with a sample of 270 respondents. Primary and secondary data were used in this study. SmartPLS was used as an analytical tool in this study. The tests conducted in this study included the Validity Test, Reliability Test, Inner Model Test, Outer Model Test, and Hypothesis Test.

Conclusion: Based on the problem formulation, hypothesis, results, and discussion, it can be concluded that in the XXX market: leadership, capability, and organizational culture each have a positive and significant effect on both motivation and employee performance, either directly or indirectly through motivation

Limitations: This study was limited to discussing employee motivation and performance. Generalizations from these findings may be limited by their focus on the XXX market. In addition, although this study used questionnaires/surveys created by the researchers to ensure their relevance, the data used may be subject to bias, such as social desirability or limited disclosure of unfavorable opinions.

Contribution: This study contributes to the understanding of the factors that influence employee motivation and performance, such as leadership, capabilities, and organizational culture.

Novelty: This study adds new insights into other factors that influence employee motivation and performance, particularly in the XXX market. Thus, it can be used as a reference in future literature.

Keywords: Capabilities, Employee Performance, Leadership, Motivation, Organizational Culture

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1. Introduction

Traditional markets are some of the most vital economic centers in Indonesia, especially for the lower-middle class and small-scale traders. These markets serve not only as places for buying and selling, but also as vehicles for social and cultural interaction within the local community. Therefore, market employees' performance is an important factor in ensuring the market's smooth operation and increasing visitor and trader satisfaction (Suryadi, Mayliza, & Ritonga, 2020). However, in recent years, Indonesian market employees have faced serious challenges. The rapid development of modern shopping centers and changes in consumer patterns have forced traditional markets to adapt and remain relevant and competitive. Additionally, suboptimal management and human resource issues have affected the quality of market services and management. As the frontline of service, market employees often face problems related to discipline, motivation, and capabilities that impact their overall performance (Ginny, 2019).

Market employees' performance is not only a matter of technical ability to complete tasks but also relates to how they manage relationships with traders and buyers, provide friendly services, and carry out operational procedures consistently. Effective leadership at the management level is crucial for directing, motivating, and developing employees' potential to achieve optimal results. Additionally, employees' capabilities, including technical and soft skills and knowledge, are crucial to their performance (Susanto, Murdiono, & Susita, 2025). The organizational culture of the market significantly influences employees' behavior and work attitudes. A healthy, supportive culture creates a conducive work atmosphere and increases a sense of togetherness, work ethics, and intrinsic motivation. Conversely, poor culture can lead to low loyalty, enthusiasm, and productivity (Mulya Putri, Fauzi, Saputra, Danaya, & Puspitasari, 2023).

According to 2022 data from the Ministry of Trade of the Republic of Indonesia, more than 14,000 traditional markets are spread across the archipelago, employing hundreds of thousands of people. As many as 35% of traditional markets have experienced a decline in customer visits over the last five years, partly because of suboptimal service, management, and employee performance. The following table illustrates the trend in customer visits to traditional markets in Indonesia over the past five years.



Figure 1. Employee Engagement Index for the Logistics Sector in DKI Jakarta 2023 Source: BPS, 2024

Figure 1 illustrates the trend of visits to traditional markets in Indonesia from 2018 to 2022. The graph illustrates significant fluctuations in the number of visitors to traditional markets over the past five years.

In 2018, approximately 500 million people visited traditional markets, decreasing slightly to 480 million in 2019. A sharp decline occurred in 2020, when the number of visits dropped to 350 million. This drastic decline was likely caused by the pandemic, which restricted activities and raised concerns about shopping in public places. In 2021, there was an increase to 400 million visitors, and this positive trend will continue in 2022, with a total of 430 million visits. This increase may reflect national economic recovery and the public's adaptation to health protocols in public spaces, including traditional markets. While traditional markets have not yet reached pre-pandemic visitation numbers, these data show that they are starting to regain popularity.

However, fluctuations in visitor numbers indicate structural challenges in the management of traditional markets. Market employee performance is one of the key factors in ensuring visitors' comfort, safety, and satisfaction. Without improved performance—through strengthened leadership, enhanced capabilities, and a productive work culture—it will be difficult to maintain or increase visitor numbers in the long term. Therefore, this graph is an important foundation for analyzing the factors that influence the performance of market staff in order to restore the appeal of traditional markets despite competition from modern retail and e-commerce.

1.1. Formulation of the Problem

Based on the background of the above problem, the research questions in this study conducted at XXX Market are as follows: 1) Does leadership have a positive and significant effect on motivation? 2) Does capability have a positive and significant effect on motivation? 3) Does organizational culture have a positive and significant effect on employee performance? 5) Does capability have a positive and significant effect on employee performance? 6) Does organizational culture have a positive and significant effect on employee performance? 7) Does motivation have a positive and significant effect on Employee Performance? 8) Does leadership have a positive and significant effect on Employee Performance through Motivation? 9) Does capability have a positive and significant effect on Employee Performance through Motivation? 10) Does organizational culture have a positive and significant effect on Employee Performance through Motivation?

2. Literature review

Based on the background and problem statement above, the literature review and hypotheses in this study are as follows:

2.1. Employee Performance

Employee performance is the result of work demonstrated by an individual in carrying out their duties and responsibilities based on standards set by the organization, which include aspects of quantity, quality, timeliness, and contribution to the achievement of organizational goals (Susanto, Sawitri, Ali, & Rony, 2024). The indicators or dimensions included in Employee Performance include: 1) Quantity of work: describes how much work an employee can complete within a certain period of time in accordance with predetermined objectives; 2) Quality of work: refers to the level of accuracy, precision, and quality of work demonstrated by employees in carrying out their duties; and 3) Timeliness: Assesses the ability of employees to complete tasks or projects by the specified deadline (Saputra et al., 2023). Employee Performance Variables have been researched and are relevant to the study conducted by: Mahaputra and Saputra (2024); Mashuri and Kusuma (2023); Widodo, Silitonga, and Ali (2017).

2.2. Motivation

Motivation is the internal or external force that influences a person to act to achieve a specific goal. It can stem from personal needs, rewards, or environmental influences (H Ali, Sastrodiharjo, & Saputra, 2022). Indicators or dimensions found in motivation include 1) Intrinsic motivation: This refers to drives that originate within the individual, such as personal satisfaction, sense of accomplishment, and professional interest. Employees who are intrinsically motivated tend to be more committed and enthusiastic about completing their tasks; 2) Extrinsic motivation: This includes external factors that influence motivation, such as salary, bonuses, and rewards. Employees who receive adequate rewards

are more motivated to achieve targets and improve their performance; 3) Goals and Expectations: Employees with clear, realistic goals tend to be more motivated to work hard. Having measurable and achievable goals provides direction and focus, thereby increasing the motivation to achieve them (Ichdan & Maryani, 2024; Maharani & Saputra, 2021). Motivational variables have been studied and are relevant to the research conducted by: Saputra, Ali, Hadita, Sawitri, and Navanti (2024), Silitonga, Widodo, and Ali (2017), Susanto, Setiawan, Yandi, and Amanda (2023).

2.3. Leadership

Leadership is the ability to influence, direct, and guide individuals or groups to achieve organizational goals through vision, communication, and effective decision-making (Hapzi Ali & Saputra, 2023). Indicators or dimensions found in leadership include: 1) 1) Leadership Style: The leadership style adopted by managers or leaders can influence employee motivation and performance. For example, participatory leadership can increase employee engagement and create a positive work atmosphere. 2) Communication: The ability of leaders to communicate effectively with their teams is important. Open and transparent communication builds trust and motivates employees to contribute actively. 3) Support and Development: Leaders who provide support and career development opportunities to their employees can increase their motivation and performance. Employees feel valued and have opportunities to grow within the organization (Susanto, Sawitri, Suroso, & Rony, 2023). Leadership variables have been studied and are relevant to the research conducted by: Hasan, Basalamah, Amang, and Bijang (2023); Hubais, Islam, and Atiya (2023); Sanguanwongs and Kritjaroen (2023).

2.4. Capability

Capability refers to the skills, knowledge, and resources possessed by individuals or organizations to perform tasks or achieve goals effectively (Marlina, 2022). Indicators or dimensions included in capabilities include: 1) Skills and knowledge: Employees with appropriate skills and knowledge are more likely to perform well. Continuous training and skill development are essential to improving employee capabilities; 2) Adaptability: Capabilities also include employees' ability to adapt to changes and new challenges. Employees who can adapt quickly tend to be more productive and handle changing situations well. 3) Independence: Employees who can work independently and take the initiative to complete tasks contribute more to team performance. This independence reflects self-confidence and the ability to make the correct decisions (Borah, Dogbe, Pomegbe, Bamfo, & Hornuvo, 2023; Komakech, Obici, & Mwesigwa, 2021). Capability variables have been studied and are relevant to the research conducted by: Li and Chan (2019); Qiu, Jie, Wang, and Zhao (2020); Wang and Hu (2020).

2.5. Organizational Culture

Organizational culture is a system of values, norms, beliefs, and habits formed and embraced by an organization's members that influences how they think, behave, and interact in the work environment (Susanto, Simarmata, Febrian, Wahdiniawati, & Suryawan, 2024). Indicators or dimensions found in organizational culture include: 1) Values and beliefs: Organizational culture reflects a company's values and beliefs. These values influence employee behavior and how they interact with one another. A positive culture can increase motivation and performance. 2) Norms and rules: The norms and rules within an organization determine how employees behave and interact. A culture that supports collaboration and innovation encourages employees to work together and share ideas; 3) Work Environment: Organizational culture includes the physical and psychological work environment. A supportive, inclusive, and safe environment increases employees' job satisfaction and motivation, which positively affects performance (Puspita, Nugroho, & Banun, 2020). Organizational cultural variables have been studied and are relevant to the research conducted by: Al-Alawneh, Othman, and Zaid (2023); Ardansyah and Nasrun (2023); Widodo (2021).

3. Methodology

The method used in this study is descriptive quantitative. The study population consisted of 1,284 employees with a sample size of 270 respondents. The research was conducted at XXX Market. The data used in this study were primary data obtained from questionnaires and secondary data from previous relevant studies. SmartPLS was used as the analytical tool in this study. The tests conducted

in this study included the Validity Test, Reliability Test, Inner Model Test, Outer Model Test, and Hypothesis Test.

4. Results and discussions

4.1. Results

In this study, the results include testing of the outer and inner models:

4.1.1. Outer Model of Validity Testing

4.1.1.1. Convergent Validity

If the correlation coefficient is > 1 or = 1, the validity measure is considered high. The table below shows the results of the outer model convergent validity test (*Tahir et al.*, 2023).

Table 1. Convergent Validity Analysis

| Item | Leadership | Capability | Organizational Culture | Motivation | Employee Performance | Conclusion |
|--------|------------|------------|---------------------------|------------|-------------------------|------------|
| KP1.1 | 0.783 | | | | | Valid |
| KP1.2 | 0.829 | | | | | Valid |
| KP2.1 | 0.802 | | | | | Valid |
| KP2.2 | 0.752 | | | | | Valid |
| KP3.1 | 0.757 | | | | | Valid |
| KP3.2 | 0.744 | | | | | Valid |
| KP4.1 | 0.715 | | | | | Valid |
| KP4.2 | 0.798 | | | | | Valid |
| KP5.2 | 0.766 | | | | | Valid |
| KP6.2 | 0.724 | | | | | Valid |
| KP7.1 | 0.758 | | | | | Valid |
| KP7.2 | 0.733 | | | | | Valid |
| KP8.1 | 0.774 | | | | | Valid |
| KP8.2 | 0.759 | | | | | Valid |
| KP9.1 | 0.776 | | | | | Valid |
| KP9.2 | 0.703 | | | | | Valid |
| KP10.1 | 0.749 | | | | | Valid |
| KP10.2 | 0.713 | | | | | Valid |
| KP11.2 | 0.719 | | | | | Valid |
| KPL1.1 | | 0.794 | | | | Valid |
| KPL1.2 | | 0.749 | | | | Valid |
| KPL2.1 | | 0.752 | | | | Valid |
| KPL2.2 | | 0.750 | | | | Valid |
| KPL3.1 | | 0.725 | | | | Valid |
| KPL3.2 | | 0.805 | | | | Valid |
| KPL4.2 | | 0.773 | | | | Valid |
| KPL5.2 | | 0.724 | | | | Valid |
| KPL6.1 | | 0.769 | | | | Valid |
| KPL6.2 | | 0.739 | | | | Valid |
| KPL7.1 | | 0.776 | | | | Valid |
| KPL7.2 | | 0.767 | | | | Valid |
| KPL8.1 | | 0.779 | | | | Valid |
| KPL8.2 | | 0.713 | | | | Valid |
| KPL9.1 | | 0.749 | | | | Valid |
| KPL9.2 | | 0.713 | | | | Valid |
| BO1.1 | | | 0.759 | | | Valid |
| BO1.2 | | | 0.762 | | | Valid |
| BO2.1 | | | 0.773 | | | Valid |
| BO2.2 | | | 0.760 | | | Valid |

| BO3.1 | 0.817 | | Valid |
|--------|-------|-------------|-------|
| BO3.2 | 0.721 | | Valid |
| BO4.1 | 0.779 | | Valid |
| BO5.1 | 0.726 | | Valid |
| BO5.2 | 0.771 | | Valid |
| BO6.1 | 0.752 | | Valid |
| BO6.2 | 0.763 | | Valid |
| MV1.1 | 0.8 | 322 | Valid |
| MV1.2 | 0.8 | 359 | Valid |
| MV2.1 | 0.7 | 193 | Valid |
| MV2.2 | 0.7 | 777 | Valid |
| MV3.1 | 0.8 | 312 | Valid |
| MV3.2 | 0.7 | 183 | Valid |
| MV4.1 | 0.7 | 781 | Valid |
| MV4.2 | 0.7 | '36 | Valid |
| MV5.1 | 0.7 | ' 41 | Valid |
| MV5.2 | 0.7 | '27 | Valid |
| MV6.1 | 0.7 | 42 | Valid |
| MV6.2 | 0.7 | '17 | Valid |
| MV7.1 | 0.7 | '37 | Valid |
| MV7.2 | 0.7 | 738 | Valid |
| MV8.1 | 0.7 | ' 15 | Valid |
| MV8.2 | 0.7 | 732 | Valid |
| MV9.2 | 0.7 | '11 | Valid |
| MV10.1 | 0.7 | 49 | Valid |
| MV10.2 | 0.7 | 736 | Valid |
| MV11.2 | 0.7 | | Valid |
| MV12.1 | 0.7 | | Valid |
| MV13.1 | 0.7 | | Valid |
| MV14.1 | 0.7 | | Valid |
| MV14.2 | 0.7 | | Valid |
| KI1.1 | | 0.865 | Valid |
| KI1.2 | | 0.831 | Valid |
| KI2.1 | | 0.805 | Valid |
| KI2.2 | | 0.847 | Valid |
| KI3.1 | | 0.814 | Valid |
| KI3.2 | | 0.759 | Valid |
| KI4.1 | | 0.764 | Valid |
| KI4.2 | | 0.754 | Valid |
| KI5.1 | | 0.730 | Valid |
| KI5.2 | | 0.798 | Valid |
| KI6.1 | | 0.700 | Valid |
| KI6.2 | | 0.764 | Valid |
| KI7.2 | | 0.721 | Valid |
| KI8.1 | | 0.751 | Valid |
| KI8.2 | | 0.728 | Valid |
| KI9.1 | | 0.762 | Valid |
| KI9.2 | | 0.748 | Valid |
| KI10.1 | | 0.769 | Valid |

Source: Processed data by SmartPLS (2025)

Based on the output in Table 1, all variables used in this study can be declared valid because each indicator in each variable obtained a loading factor value > 0.60; thus, it can be stated that each variable indicator meets the requirements for research.

4.1.1.2. Discriminant Validity

The next stage was to test the validity of the measurements for the construct. Discriminant validity is tested by looking at the cross-loading output for each research variable. If the value is > 0.5, it is considered valid.

Table 2. Discriminant Validity Analysis

| Item | Leadership | Capability | Organizational Culture | Motivation | Employee Performance |
|------------------|-----------------------|-----------------------|---------------------------|------------------|-------------------------|
| KP1.1 | 0.783 | 0.745 | 0.739 | 0.779 | 0.805 |
| KP1.2 | <mark>0.829</mark> | 0.797 | 0.790 | 0.812 | 0.847 |
| KP10.1 | <mark>0.749</mark> | 0.749 | 0.686 | 0.681 | 0.706 |
| KP10.2 | <mark>0.713</mark> | 0.713 | 0.644 | 0.661 | 0.670 |
| KP11.1 | <mark>0.638</mark> | 0.606 | 0.577 | 0.585 | 0.589 |
| KP11.2 | <mark>0.719</mark> | 0.688 | 0.670 | 0.644 | 0.679 |
| KP2.1 | 0.802 | 0.794 | 0.761 | 0.771 | 0.814 |
| KP2.2 | 0.752 | 0.749 | 0.759 | 0.719 | 0.759 |
| KP3.1 | <mark>0.757</mark> | 0.752 | 0.762 | 0.736 | 0.764 |
| KP3.2 | <mark>0.744</mark> | 0.750 | 0.773 | 0.741 | 0.754 |
| KP4.1 | 0.715 | 0.725 | 0.760 | 0.701 | 0.730 |
| KP4.2 | <mark>0.798</mark> | 0.805 | 0.817 | 0.765 | 0.798 |
| KP5.1 | 0.690 | 0.693 | 0.721 | 0.689 | 0.700 |
| KP5.2 | 0.766 | 0.773 | 0.779 | 0.732 | 0.764 |
| KP6.1 | 0.682 | 0.684 | 0.697 | 0.629 | 0.679 |
| KP6.2 | 0.724 | 0.724 | 0.726 | 0.687 | 0.721 |
| KP7.1 | $\frac{0.758}{0.758}$ | 0.769 | 0.771 | 0.699 | 0.751 |
| KP7.2 | 0.733 | 0.739 | 0.752 | 0.676 | 0.728 |
| KP8.1 | $\frac{0.733}{0.774}$ | 0.776 | 0.763 | 0.700 | 0.762 |
| KP8.2 | 0.759 | 0.767 | 0.703 | 0.688 | 0.748 |
| KP9.1 | 0.776 | 0.779 | 0.727 | 0.720 | 0.769 |
| KP9.2 | 0.703 | 0.713 | 0.641 | 0.639 | 0.688 |
| KPL1.1 | 0.802 | 0.713 0.794 | 0.761 | 0.771 | 0.814 |
| KPL1.2 | 0.752 | $\frac{0.774}{0.749}$ | 0.759 | 0.719 | 0.759 |
| KPL2.1 | 0.757 | $\frac{0.752}{0.752}$ | 0.762 | 0.736 | 0.764 |
| KPL2.1 | 0.737 | $\frac{0.752}{0.750}$ | 0.773 | 0.741 | 0.754 |
| KPL3.1 | 0.715 | $\frac{0.730}{0.725}$ | 0.760 | 0.701 | 0.730 |
| KPL3.2 | 0.713 | $\frac{0.725}{0.805}$ | 0.817 | 0.765 | 0.798 |
| KPL4.1 | 0.690 | 0.693 | 0.721 | 0.689 | 0.700 |
| KPL4.1 | 0.766 | 0.773 | 0.779 | 0.732 | 0.764 |
| KPL5.1 | 0.780 | 0.773 0.684 | 0.697 | 0.732 | 0.704 |
| KPL5.1 | 0.082 | 0.724 | 0.726 | 0.687 | 0.721 |
| KPL5.2 KPL6.1 | 0.724 | $\frac{0.724}{0.769}$ | 0.720 | 0.699 | 0.751 |
| | | 0.739 | | | |
| KPL6.2 | 0.733 | | 0.752 | $0.676 \\ 0.700$ | 0.728 |
| KPL7.1 | 0.774 | 0.776 | 0.763 | | 0.762 |
| KPL7.2 | 0.759 | 0.767 | 0.703 | 0.688 | 0.748 |
| KPL8.1 | 0.776 | 0.779 | 0.727 | 0.720 | 0.769 |
| KPL8.2 | 0.703 | 0.713 | 0.641 | 0.639 | 0.688 |
| KPL9.1 | 0.749 | 0.749 | 0.686 | 0.681 | 0.706 |
| KPL9.2 | 0.713 | 0.713 | 0.644 | 0.661 | 0.670 |
| BO1.1 | 0.752 | 0.749 | 0.759 | 0.719 | 0.759 |
| BO1.2 | 0.757 | 0.752 | 0.762 | 0.736 | 0.764 |
| BO2.1 | 0.744 | 0.750 | 0.773 | 0.741 | 0.754 |
| BO2.2 | 0.715 | 0.725 | 0.760 | 0.701 | 0.730 |
| BO3.1 | 0.798 | 0.805 | 0.817 | 0.765 | 0.798 |
| BO3.2 | 0.690 | 0.693 | 0.721 | 0.689 | 0.700 |
| BO4.1 | 0.766 | 0.773 | <mark>0.779</mark> | 0.732 | 0.764 |

| BO4.2 | 0.682 | 0.684 | 0.697 | 0.629 | 0.679 |
|----------------|-------|-------|--------------------|-----------------------|--------------------|
| BO5.1 | 0.724 | 0.724 | <mark>0.726</mark> | 0.687 | 0.721 |
| BO5.2 | 0.758 | 0.769 | <mark>0.771</mark> | 0.699 | 0.751 |
| BO6.1 | 0.733 | 0.739 | <mark>0.752</mark> | 0.676 | 0.728 |
| BO6.2 | 0.774 | 0.776 | <mark>0.763</mark> | 0.700 | 0.762 |
| MV1.1 | 0.808 | 0.802 | 0.788 | 0.822 | 0.816 |
| MV1.2 | 0.863 | 0.849 | 0.835 | <mark>0.859</mark> | 0.890 |
| MV10.1 | 0.631 | 0.633 | 0.638 | <mark>0.749</mark> | 0.628 |
| MV10.2 | 0.613 | 0.611 | 0.626 | <mark>0.736</mark> | 0.611 |
| MV11.1 | 0.549 | 0.550 | 0.555 | 0.660 | 0.538 |
| MV11.2 | 0.589 | 0.591 | 0.552 | 0.709 | 0.582 |
| MV12.1 | 0.626 | 0.630 | 0.598 | 0.732 | 0.619 |
| MV12.2 | 0.574 | 0.576 | 0.526 | 0.675 | 0.562 |
| MV13.1 | 0.617 | 0.614 | 0.577 | 0.731 | 0.586 |
| MV13.2 | 0.589 | 0.583 | 0.536 | 0.697 | 0.553 |
| MV14.1 | 0.730 | 0.725 | 0.704 | 0.761 | 0.731 |
| MV14.2 | 0.770 | 0.757 | 0.739 | 0.776 | 0.771 |
| MV2.1 | 0.799 | 0.774 | 0.764 | 0.793 | 0.831 |
| MV2.1 MV2.2 | 0.800 | 0.770 | 0.755 | $\frac{0.773}{0.777}$ | 0.815 |
| MV3.1 | 0.829 | 0.797 | 0.790 | 0.812 | 0.847 |
| MV3.1 MV3.2 | 0.827 | 0.824 | 0.784 | $\frac{0.312}{0.783}$ | 0.836 |
| MV4.1 | 0.783 | 0.776 | 0.778 | $\frac{0.783}{0.781}$ | 0.790 |
| MV4.1 MV4.2 | 0.783 | 0.770 | 0.762 | 0.736 | 0.764 |
| MV5.1 | 0.737 | 0.750 | 0.773 | 0.730 0.741 | 0.754 |
| MV5.2 | 0.744 | 0.766 | 0.773 | $\frac{0.741}{0.727}$ | 0.765 |
| | | | | | |
| MV6.1 | 0.761 | 0.766 | 0.787 | 0.742 0.717 | 0.764 |
| MV6.2 | 0.732 | 0.738 | 0.754 | | 0.741 |
| MV7.1 | 0.743 | 0.745 | 0.752 | 0.737 | 0.743 |
| MV7.2 | 0.626 | 0.628 | 0.655 | 0.738 | 0.629 |
| MV8.1 | 0.576 | 0.578 | 0.600 | 0.715 | 0.581 |
| MV8.2 | 0.616 | 0.615 | 0.631 | 0.732 | 0.618 |
| MV9.1 | 0.567 | 0.568 | 0.581 | 0.689 | 0.561 |
| MV9.2 | 0.576 | 0.575 | 0.581 | 0.711 | 0.574 |
| KI1.1 | 0.837 | 0.825 | 0.809 | 0.838 | 0.865 |
| KI1.2 | 0.799 | 0.774 | 0.764 | 0.793 | 0.831 |
| KI10.1 | 0.776 | 0.779 | 0.727 | 0.720 | 0.769 |
| KI10.2 | 0.703 | 0.713 | 0.641 | 0.639 | <mark>0.688</mark> |
| KI2.1 | 0.783 | 0.745 | 0.739 | 0.779 | 0.805 |
| KI2.2 | 0.829 | 0.797 | 0.790 | 0.812 | 0.847 |
| KI3.1 | 0.802 | 0.794 | 0.761 | 0.771 | <mark>0.814</mark> |
| KI3.2 | 0.752 | 0.749 | 0.759 | 0.719 | <mark>0.759</mark> |
| KI4.1 | 0.757 | 0.752 | 0.762 | 0.736 | <mark>0.764</mark> |
| KI4.2 | 0.744 | 0.750 | 0.773 | 0.741 | <mark>0.754</mark> |
| KI5.1 | 0.715 | 0.725 | 0.760 | 0.701 | <mark>0.730</mark> |
| KI5.2 | 0.798 | 0.805 | 0.817 | 0.765 | <mark>0.798</mark> |
| KI6.1 | 0.690 | 0.693 | 0.721 | 0.689 | <mark>0.700</mark> |
| KI6.2 | 0.766 | 0.773 | 0.779 | 0.732 | <mark>0.764</mark> |
| KI7.1 | 0.682 | 0.684 | 0.697 | 0.629 | <mark>0.679</mark> |
| KI7.2 | 0.724 | 0.724 | 0.726 | 0.687 | <mark>0.721</mark> |
| KI8.1 | 0.758 | 0.769 | 0.771 | 0.699 | <mark>0.751</mark> |
| KI8.2 | 0.733 | 0.739 | 0.752 | 0.676 | <mark>0.728</mark> |
| KI9.1 | 0.774 | 0.776 | 0.763 | 0.700 | <mark>0.762</mark> |
| KI9.2 | 0.759 | 0.767 | 0.703 | 0.688 | <mark>0.748</mark> |

Based on Table 2, the *cross-loading* values of the indicator statements with their respective variables have obtained *cross-loading* values of > 0.5, compared to the indicator statements on other variables. For example, the variable Leadership (0.783) is higher (>) than Capability (0.745), Organizational Culture (0.739), and Motivation (0.779). Therefore, the results and tests were deemed valid in terms of discriminant validity.

4.1.1.3. AVE Analysis (Average Variance Extracted)

Latent variables explain more than half of the variance in their indicators.

Table 3. AVE Analysis

| Variable | Average Variance Extracted (AVE) |
|------------------------|----------------------------------|
| Leadership | 0.555 |
| Capability | 0.560 |
| Organizational Culture | 0.573 |
| Motivation | 0.556 |
| Employee Performance | 0.586 |

Based on Table 3, the AVE values obtained from the leadership variable were 0.555, capability 0.560, organizational culture 0.573, motivation (0.556), and employee performance 0.586. This indicates that all variables in this study obtained values greater than (>) 0.5, indicating that each variable has good discriminant validity.

4.1.2. Outer Model Reliability Test

4.1.2.1. Composite Reliability

This reliability test is intended to measure how relevant and consistent a respondent is in answering or filling out a questionnaire, in relation to the questionnaire provided.

Table 4. Reliability Composite Analysis

| | <u> </u> | | |
|-----------------------------|--------------------------------|------------------------------------|------------|
| Variable | Composite Reliability Value | Composite Reliability Requirements | Conclusion |
| | Renability value | Requirements | |
| Leadership | 0.965 | > 0,7 | Reliable |
| Capability | 0.958 | > 0,7 | Reliable |
| Organizational Culture | 0.942 | > 0,7 | Reliable |
| Motivation | 0.972 | > 0,7 | Reliable |
| Employee Performance | 0.966 | > 0,7 | Reliable |

Based on the test results in Table 4, the composite reliability value of the leadership variable was 0.965, the composite reliability value of capability was 0.958, the composite reliability value of organizational culture was 0.942, the composite reliability value of motivation was 0.972, and the composite reliability value of employee performance was 0.966. These values indicate that the overall reliability of the variables is greater than 0.7, meaning that all variables are considered reliable.

4.1.2.2. Cronbach's Alpha

The reliability test with *composite reliability* can be strengthened with *Cronbach's alpha*. The assessment criteria for variables are that if the value of *Cronbach's alpha* for each variable is > 0.7, it can be declared reliable (Santosa, 2018).

Table 5. Cronbach's Alpha Analysis

| Variable | Cronbach's Alpha |
|------------------------|------------------|
| Leadership | 0,962 |
| Capability | 0,954 |
| Organizational Culture | 0,932 |
| Motivation | 0,970 |

| Employee Performance | 0,962 |
|----------------------|-------|
|----------------------|-------|

Based on the test results in Table 5, the *Cronbach's alpha* values for leadership, capability was 0.954, the Cronbach's alpha value for organizational culture was 0.932, the Cronbach's alpha value for motivation was 0.970, and employee performance were 0.962, 0.954, 0.932, 0.970, and 0.962, respectively. This indicates that all variables are greater than 0.7; thus, all variables are deemed reliable.

4.1.3. Structural Model Analysis (Inner Model)

This structural model testing aims to determine the relationship or influence between the construct, significant value, and R Square.

4.1.3.1. R-Square

In this testing stage, we analyzed and assessed the extent to which endogenous constructs or variable Y can represent or be explained by exogenous constructs or variable X, based on the results of testing conducted through the coefficient of determination or R-Square (R²) test. In this study, there are two endogenous latent variables that have an R² value, namely, Work Motivation and Employee Productivity. The expected value of the coefficient of determination (R²) was between 0 and 1. The closer the value is to 1, the better is the model.

The criteria for calculating the correlation coefficient (R²) are as follows (Pardede & Manurung, 2014):

R = (0-0.199) : Very weak relationship R = (0.2 - 1.000) : Weak Relationship

0,399)

R = (0,4 - : Moderate Relationship)

0,599)

R = (0,6 - Strong Relationship)

0,799)

 $R \ge 0,8$: Very Strong

Relationship

The results of the Coefficient of Determination (R²) test are listed in Table 6.

Table 6. R-Square

| Variable | R-Square |
|--------------------|-----------|
| Motivation | 0,898 |
| Employee Performar | oce 0,989 |

Based on the data calculation results in the table above, the R-square value of the motivation variable was 0.898 or 89.8%. Because the R-square value is > 0.50, this variable is classified as having a very strong relationship. This indicates that the motivation variable is influenced by Leadership, Capability, and Organizational Culture with an influence value of 0.898 or 89.8%. In addition to the variables Leadership, Capability, and Organizational Culture that influence motivation, there are other factors with a value of 0.102 (1.000 - 0.898 = 0.102) or 10.2%, such as Career Development, Work Environment, and Workload.

Similarly, the second factor yielded an R-squared value of 0.989 or 98.9% for the Employee Performance variable. Based on this, the Employee Performance variable also falls under the category of a very strong relationship. This indicates that Employee Performance is influenced by Leadership, Capability, and Organizational Culture with a value of 0.989 or 98.9%. In addition to the variables of Leadership, Capability, and Organizational Culture that influence Employee Performance, there are other factors amounting to 0.011 (1.000 - 0.989 = 0.011 or 1.1%), such as Training, Job Satisfaction, and Employee Engagement.

4.1.3.2. *Q-Square*

Formula:

 $Q^2 = 1 - (1 - R1)(1 - R2)$

 $Q^2 = 1 - (1 - 0.898)(1 - 0.989)$

 $Q^2 = 1 - (0,102)(0,011)$

 $Q^2 = 0.998$

4.1.3.3. F-Square

Table 7. F-Square Motivation

| Variable | F-Square | Conclusion |
|------------------------|----------|------------|
| Leadership | 0,122 | Small |
| Capability | 0,019 | Very Small |
| Organizational Culture | 0,028 | Small |

Table 8. F-Square Employee Performance

| 1 1 2 | | |
|------------------------|----------|------------|
| Variable | F-Square | Kesimpulan |
| Leadership | 0,489 | Big |
| Capability | 0,011 | Very Small |
| Organizational Culture | 0,144 | Small |
| Motivation | 0,070 | Small |

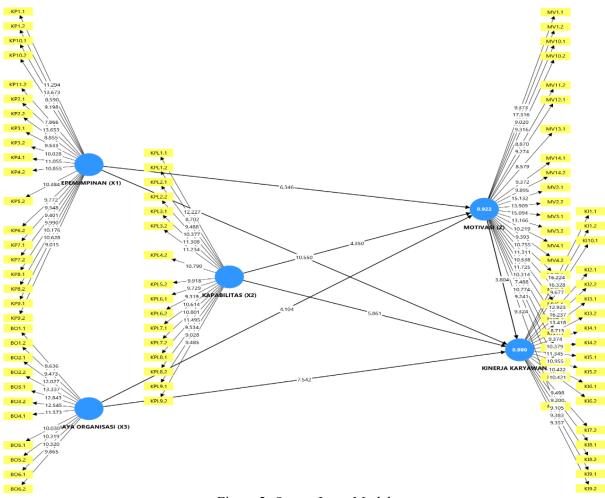


Figure 2. Output Inner Model Source: Processed data by SmartPLS (2025)

4.1.4. Hypothesis Testing Results (Significance Test)

Hypothesis testing using path coefficients and indirect effects

4.1.4.1. Results of Inner Model Tests of Direct and Indirect Effects

Table 9. Hypothesis Testing Results (Bootstrapping)

| Hypothesis | Variable | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P Values |
|------------|----------------------|---------------------------|--------------------|----------------------------------|--------------------------|-------------|
| H1 | KP -> MV | 1,392 | 1,402 | 0,219 | 6,346 | 0,000 |
| H2 | $KPL \rightarrow MV$ | -0,899 | -0,904 | 0,207 | 4,350 | 0,000 |
| Н3 | BO -> MV | 0,468 | 0,463 | 0,114 | 4,104 | 0,000 |
| H4 | KP -> KI | 1,074 | 1,066 | 0,102 | 10,550 | 0,000 |
| H5 | $KPL \rightarrow KI$ | -0,557 | -0,549 | 0,095 | 5,861 | 0,000 |
| Н6 | BO -> KI | 0,345 | 0,332 | 0,046 | 7,542 | 0,000 |
| H7 | $MV \rightarrow KI$ | 0,141 | 0,153 | 0,037 | 3,804 | 0,000 |
| H8 | KP - MV - KI | 0,196 | 0,216 | 0,064 | 3,078 | 0,002 |
| Н9 | KPL -MV - KI | -0,126 | -0,138 | 0,043 | 2,920 | 0,004 |
| H10 | BO - MV - KI | 0,066 | 0,070 | 0,020 | 3,359 | 0,001 |

Table 9 shows the results of hypothesis testing (bootstrapping), with the following explanations:

4.2. Discussion

4.2.1. The Influence of Leadership on Motivation

The results of the first hypothesis test show the effect of leadership on motivation, as shown in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was 1.392 with a T-statistic value of 6.346 and a P-value of 0.000. This value is greater (>) than the table t value (1.969), and the P value is less (<) than 0.05, meaning that the effect is positive and significant. Therefore, leadership has a positive and significant effect on motivation in the XXX market (H1 Accepted). Based on the results of the hypothesis testing and data analysis, it can be concluded that leadership has a positive and significant effect on motivation.

To improve motivation through leadership, the management of Market XXX should do the following: 1) Leadership style: Management needs to apply a participatory or transformational leadership style, where leaders not only direct but also encourage employees to participate in decision-making, provide inspiration, and serve as positive role models; 2) Communication Leaders must be able to build open, two-way, and transparent communication with employees; and 3) Support and development: Leaders need to provide moral and professional support, such as positive feedback, job training, and opportunities for development

If XXX market management can implement leadership, communication, support, and development styles, it will have an impact on employee motivation, including 1) Intrinsic motivation: Motivation that comes from within employees, such as satisfaction when completing tasks well, feeling useful, and finding meaning in their work. This grows when employees feel valued and emotionally involved by their leaders; 2) extrinsic motivation leaders who are fair and transparent in providing incentives or recognition will significantly increase employee work enthusiasm; and 3) goals and expectations: leaders who can clearly explain the organization's vision and provide realistic guidance can foster a fighting spirit in the workplace. The results of this study align with those of Sitthiwarongchai, Wichayanuparp, Chantakit, and Charoenboon (2020), who state that leadership has a positive and significant impact on motivation.

4.2.2. The Influence of Capabilities on Motivation

The results of the second hypothesis test show the effect of capability on motivation, as shown in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was -0.899, with a T-statistic value of 4.350 and a P-value of 0.000. This value is greater (>) than the t-table value (1.969), and the P-value is less (<) than 0.05, indicating a positive and significant effect. Therefore, capability has a positive and significant effect on motivation in the XXX market (H2 Accepted). Based on the results of the hypothesis testing and data analysis, it can be concluded that capability has a positive and significant effect on motivation.

To improve motivation through capability, the management of Market XXX should do the following: 1) Skills and knowledge: Management needs to ensure that employees have the relevant technical knowledge and skills for their tasks; 2) Adaptability: A dynamic work environment requires employees to be flexible and quick to adapt to changes in systems, technology, and work targets; and 3) Independent Employees who are independent tend to be more motivated because they feel they have control over their work.

If XXX market management can implement skills and knowledge, adaptability, and independence, it will have an impact on employee motivation, including 1) Intrinsic motivation: high capabilities will make employees feel competent, empowered, and proud of their work achievements. This fosters intrinsic motivation, as they find meaning and positive challenges in their work. 2) Extrinsic motivation: With increased capabilities, opportunities for promotion, rewards, incentives, and recognition also increase. This triggers enthusiasm for work because they see real rewards for their improved abilities; and 3) Goals and expectations: Good capabilities make employees more optimistic about achieving long-term goals. They feel that they have the capital to grow, both professionally and personally, which provides strong motivation to continue advancing in their careers. The results of this study are in line with the research conducted by Lee (2023), which states that capabilities have a positive and significant effect on motivation.

4.2.3. The Influence of Organizational Culture on Motivation

The results of the third hypothesis test show the influence of organizational culture on motivation, as shown in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was 0.468 with a T-statistic value of 4.104 and a P-value of 0.000. This value is greater (>) than the t-table value (1.969), and the P-value is less (<) than 0.05, indicating a positive and significant effect. Therefore, organizational culture has a positive and significant effect on motivation in the XXX market (H3 Accepted). Based on the results of the hypothesis testing and data analysis, it can be concluded that organizational culture has a positive and significant effect on motivation.

To enhance motivation through organizational culture, the management of the XXX market should implement the following: 1) Values and beliefs: where organizational values and beliefs reflect the fundamental principles and shared work ethic; 2) norms and rules: fair, consistent, and clear work norms create a sense of security and trust within the organization. Rules agreed upon by all can shape positive behavior and avoid conflicts, enabling employees to be more focused, disciplined, and motivated to work productively; 3) Work environment: An organizational culture that creates a supportive, inclusive, and open work environment encourages employees to feel valued and heard.

If XXX market management can implement values and beliefs, norms and rules, and a work environment, it will have an impact on employee motivation, including: 1) Intrinsic motivation: Employees will feel internally motivated because they work in an environment that aligns with their personal values and feel that their work is meaningful; 2) Extrinsic motivation: A culture that values employee contributions will encourage external recognition, such as awards, bonuses, or promotions; and 3) Goals and expectations: A healthy organizational culture provides clear direction and positive future expectations for employees. They feel that they are part of something bigger, giving them long-term motivation to continue growing and contributing. The results of this study align with the research conducted by Saluy et al. (2022), which states that organizational culture has a positive and significant impact on motivation.

4.2.4. The Influence of Leadership on Employee Performance

The results of the fourth hypothesis test show the influence of leadership on employee performance, as shown in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was 1.074 with a T-statistic value of 10.550 and a P-value of 0.000. This value is greater (>) than the t-table value (1,969), and the P-value is less (<) than 0.05, indicating a positive and significant influence. Therefore, leadership has a positive and significant influence on employee performance in the XXX market (H4 Accepted). Based on the results of the hypothesis testing and data analysis, it can be concluded that leadership has a positive and significant influence on employee performance.

To improve employee performance through leadership, the management of the XXX market should do the following: 1) Leadership style: the implementation of a transformative or democratic leadership style, where leaders are able to set an example, inspire, and motivate employees to achieve their full potential, will create a conducive and productive work environment; 2) Communication: Open, clear, and two-way communication allows employees to understand work expectations, receive direct feedback, and feel involved in the organizational process; and 3) Support and development: leaders who provide moral support, work facilities, training, and opportunities for development will encourage employees to become more competent and confident in carrying out their duties.

If XXX market management can implement leadership, communication, support, and development styles, it will have an impact on employee performance, including: 1) Quantity of work: leaders who are able to manage workloads fairly and provide motivation will encourage employees to produce a high volume of work within the specified time without neglecting quality; 2) Quality of work: with good guidance and coaching, employees will be able to produce work that is accurate and precise, in accordance with organizational standards; and 3) Timeliness: Disciplined and firm leadership in time management will make employees more compliant with deadlines, more organized, and able to respond to tasks quickly and efficiently. The results of this study are consistent with the research conducted by Suprayitno (2024), which states that leadership has a positive and significant impact on employee performance.

4.2.5. The Influence of Capabilities on Employee Performance

The results of the fifth hypothesis test show the influence of capabilities on employee performance, as seen in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was -0.557 with a T-statistic value of 5.861 and a P-value of 0.000. This value is greater (>) than the t-table value (1.969), and the P-value is less (<) than 0.05, meaning that the effect is positive and significant. Therefore, capability has a positive and significant effect on employee performance in the XXX market **(H5 Accepted)**. Based on the results of the hypothesis testing and data analysis, it can be concluded that capability has a positive and significant effect on employee performance.

To improve employee performance through capabilities, the following actions should be taken by market management XXX: 1) Skills and knowledge: management needs to provide technical and non-technical training in line with employees' duties and responsibilities. Enhancing work competencies helps employees perform tasks efficiently and effectively; 2) Adaptability: Employees who can adapt to changes in procedures, technology, and market dynamics will be more flexible and less easily hindered; and 3) Independence: Independence encourages employees to act proactively and take responsibility for completing tasks without relying entirely on their superiors.

If XXX market management can apply skills and knowledge, adaptability, and independence, it will have an impact on employee performance, including: 1) Quantity of work: Capable employees tend to complete a larger volume of work because they already have good competencies and work efficiency; and 2) Quality of work: High capabilities make employees more thorough, accurate, and able to meet work quality standards. Work errors decrease, and results align better with organizational and customer expectations; 3) Timeliness: With skills and independence, employees complete tasks faster, avoid delays, and effectively manage their work time. The findings of this study align with the research conducted by Chatterjee, Chaudhuri, Vrontis, and Giovando (2023), which states that capabilities have a positive and significant impact on employee performance.

4.2.6. The Influence of Organizational Culture on Employee Performance

The results of the sixth hypothesis test show the influence of organizational culture on employee performance, as seen in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was 0.345 with a T-statistic value of 7.542 and a P-value of 0.000. This value is greater (>) than the t-table value (1.969), and the P-value is less (<) than 0.05, indicating a positive and significant influence. Therefore, organizational culture has a positive and significant influence on employee performance in the XXX market (H6 Accepted). Based on the results of the hypothesis testing and data analysis, it can be concluded that organizational culture has a positive and significant influence on employee performance.

To improve employee performance through organizational culture, the management of the XXX market should: 1) values and beliefs: when these values are understood and consistently implemented, they will form productive, responsible, and results-oriented work behavior; 2) norms and rules: clear work norms and fair rules will create certainty and consistency of behavior in the work environment; and 3) work environment: a healthy, safe, and supportive work environment (both physically and psychologically) will encourage employee morale and loyalty. An environment that is open to ideas and innovation also makes employees more willing to take initiative and actively contribute.

If XXX market management can implement values and beliefs, norms and rules, and a supportive work environment, it will have an impact on employee performance, including: 1) Quantity of work: a work culture that encourages productivity and efficiency will increase the amount of work that can be completed within a certain period of time; 2) Quality of work: when employees work in a culture that upholds professionalism, honesty, and commitment to quality, the results of their work tend to be more precise, thorough, and in line with organizational standards; and 3) Timeliness: an organizational culture that is disciplined and values time instills habits in employees to complete tasks on time, respect deadlines, and prioritize work according to urgency. This is crucial for maintaining a smooth organizational workflow. The findings of this study align with those of Abdullahi, Raman, and Solarin (2021), who state that organizational culture has a positive and significant impact on employee performance.

4.2.7. The Effect of Motivation on Employee Performance

The results of the seventh hypothesis test show the effect of motivation on employee performance, as shown in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was 0.141 with a T-statistic value of 3.804 and a P-value of 0.000. This value is greater (>) than the t-table value (1.969), and the P-value is less (<) than 0.05, indicating a positive and significant influence. Therefore, motivation has a positive and significant effect on employee performance in the XXX market (H7 Accepted). Based on the results of the hypothesis test and data analysis, it can be concluded that motivation has a positive and significant effect on employee performance.

To improve employee performance through motivation, the management of the XXX market should do the following: 1) Intrinsic motivation: Intrinsic motivation comes from within the employee, such as pride in completing a task, a desire to grow, and personal satisfaction; 2) Extrinsic motivation: management must ensure that the reward and compensation system aligns with employee contributions; and 3) Goals and expectations: employees perform better when they have clear work objectives and realistic expectations regarding the outcomes of their work.

If XXX market management can implement intrinsic motivation, extrinsic motivation, goals, and expectations, it will have an impact on employee performance, including 1) Quantity of work: Motivated employees will have high work enthusiasm and drive them to complete more work in the time available. They tend to be proactive and take more responsibility. 2) Quality of work: Motivation also contributes to increased accuracy, caution, and seriousness in work, resulting in neater work, fewer mistakes, and compliance with organizational standards. 3) Timeliness: Motivation makes employees more disciplined and organized so that work is completed on schedule or even faster. The results of this study are in line with research conducted by Kuswati (2020), who stated that motivation has a positive and significant effect on employee performance.

4.2.8. The Influence of Leadership on Employee Performance through Motivation

The results of the eighth hypothesis test show the influence of leadership on employee performance through motivation, as seen in Table 10. The results of the hypothesis test analysis obtained a value (O), where the path coefficient was 0.196 with a T-statistic value of 3.078 and a P-value of 0.002. This value is greater (>) than the t-table value (1.969), and the P-value is less (<) than 0.05, indicating a positive and significant effect. Therefore, leadership has a positive and significant effect on employee performance through motivation in the XXX market (H8 Accepted). Based on the results of the hypothesis testing and data analysis, it can be concluded that leadership has a positive and significant effect on employee performance through motivation.

To improve employee performance through motivation and leadership, the management of the XXX market should take the following actions: 1) Intrinsic motivation: leaders must be able to stimulate motivation from within employees, such as pride in achievements, desire to learn, and personal commitment to tasks; 2) Extrinsic motivation: management must provide fair and transparent incentives, such as bonuses, allowances, or awards, as well as an objective performance appraisal system; 3) Goals and expectations: employees work more optimally when they understand the organization's goals and concrete expectations for their roles; 4) Leadership style: transformative and participatory leadership styles are very effective in promoting motivation; 5) Communication: Open, clear, and two-way communication promotes motivation because employees feel heard and valued; and 6) Support and development: leaders need to provide moral and technical support, as well as opportunities for training, career development, or coaching.

If XXX market management can implement intrinsic motivation, extrinsic motivation, goals and expectations, leadership style, communication, support, and development, it will have an impact on employee performance, including: 1) Quantity of work: Effective motivation and leadership encourage employees to be more productive. They tend to complete more tasks within a certain time frame because they feel focused and valued; 2) Quality of work: With support and motivation, employees work more carefully and with dedication. They strive to achieve optimal results in accordance with organizational standards; 3) Timeliness: Employees who are motivated and well-led are more disciplined in completing tasks on schedule. They understand the importance of time and strive to maintain their professional reputation. The findings of this study align with research conducted by Saluy et al. (2022), which states that leadership has a positive and significant impact on employee performance through motivation.

4.2.9. The Influence of Capability on Employee Performance through Motivation

The results of the ninth hypothesis test show the influence of capability on employee performance through motivation, as seen in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was -0.126 with a T-statistic value of 2.920 and a P-value of 0.004. This value is greater (>) than the t-table value (1.969), and the P-value is less than (<) 0.05, indicating a positive and significant effect. Therefore, capability has a positive and significant effect on employee performance through motivation in the XXX market (H9 Accepted). Based on the results of the hypothesis testing and data analysis, it can be concluded that capability has a positive and significant effect on employee performance through motivation.

To improve employee performance through motivation and capability, the management of Market XXX should implement the following: 1) Intrinsic motivation: encouraging employees to work from within, such as feeling satisfied when completing tasks, self-development, and emotional involvement in work; 2) Extrinsic motivation: providing rewards, benefits, promotions, or formal recognition from superiors can encourage employees to continue developing their capabilities; 3) Goals and expectations: employees will be motivated if they have direction and know what the organization expects of them; 4) Skills and knowledge: management must provide training, workshops, or mentoring to improve employees' hard and soft skills; 5) Adaptability: Training on adaptation to technology, new policies, and market conditions is necessary to keep employees relevant and on track in their work; and 6) Independence: Encouraging employees to be independent in making decisions or solving problems will increase their critical thinking and responsibility.

If XXX market management can implement intrinsic motivation, extrinsic motivation, goals and expectations, skills and knowledge, adaptability, and independence, it will have an impact on employee performance, including: 1) Quantity of work: High capabilities and strong motivation enable employees to complete more tasks efficiently; 2) Quality of work: With adequate skills and strong internal and external motivation, employees will produce work that is neater, more accurate, and in line with organizational quality standards; and 3) Timeliness: Motivation and capabilities encourage employees to complete work on time. The results of this study are in line with research conducted by <u>Bastari</u>, <u>Eliyana</u>, and <u>Wijayanti</u> (2020), who state that capabilities have a positive and significant effect on employee performance through motivation.

4.2.10. The Influence of Organizational Culture on Employee Performance through Motivation

The results of the tenth hypothesis test show the influence of organizational culture on employee performance through motivation, as shown in Table 10. The hypothesis test analysis obtained a value (O), where the path coefficient was 0.066 with a T-statistic value of 3.359 and a P-value of 0.001. This value is greater (>) than the t-table value (1.969), and the P-value is less (<) than 0.05, indicating a positive and significant influence. Therefore, organizational culture has a positive and significant influence on employee performance through motivation in the XXX market (H10 Accepted). Based on the results of the hypothesis testing and data analysis, it is concluded that organizational culture has a positive and significant influence on employee performance through motivation.

To improve employee performance through motivation and organizational culture, the management of Market XXX should implement the following: 1) Intrinsic motivation: an organizational culture that values achievements, trust, and participation will encourage intrinsic motivation among employees; 2) Extrinsic motivation: an organizational culture that is fair and transparent in providing rewards, promotions, and incentives will increase employee morale; 3) Goals and expectations: an organizational culture that aligns the company's vision and mission with individual goals will provide clear direction for employees; 4) Values and beliefs: an organizational culture instilled through values such as honesty, responsibility, and teamwork will create a positive and supportive work environment; 5) Norms and rules: work norms that are respected by all serve as guidelines for employee behavior, which in turn improves discipline and work productivity; and 6) Work environment: organizational culture is also reflected in a clean, safe, and comfortable work environment. An environment that supports the physical and psychological well-being of employees fosters positive motivation and increases work effectiveness.

If XXX market management can implement intrinsic motivation, extrinsic motivation, goals and expectations, values and beliefs, norms and rules, and the work environment, it will have an impact on employee performance, including: 1) Quantity of work: Motivation derived from a healthy work culture will make employees more enthusiastic and productive, resulting in a significant increase in the number of tasks completed; 2) Quality of work: An organizational culture that instills quality standards and integrity will produce employees who are meticulous, professional, and concerned about the results of their work; and 3) Timeliness: Employees motivated in a disciplined and structured cultural environment will be more time-conscious and able to complete tasks by the set deadlines, reducing delays and improving operational efficiency. The results of this study align with research conducted by Saluy et al. (2022), which states that organizational culture has a positive and significant impact on employee performance through motivation.

5. Conclusions

5.1. Conclusion

Based on the problem formulation, research hypothesis, results, and discussion above, the conclusions of the research conducted in the XXX market are as follows: 1) Leadership has a positive and significant effect on Motivation; 2) Capability has a positive and significant effect on Motivation; 3) Organizational culture has a positive and significant effect on Motivation; 4) Leadership has a positive and significant effect on Employee Performance; 5) Capability has a positive and significant effect on Employee Performance; 6) Organizational culture has a positive and significant effect on Employee Performance;

7) Motivation has a positive and significant effect on Employee Performance; 8) Leadership has a positive and significant effect on Employee Performance through Motivation; 9) Capability has a positive and significant effect on Employee Performance through Motivation; and 10) Organizational Culture has a positive and significant effect on Employee Performance through Motivation.

5.2. Limitations

The limitations of this study include the number of respondents, which did not cover the entire population owing to the busy nature of work activities at the XXX market. In addition, the study was limited in terms of time; therefore, the researchers analyzed the data based on the amount of data obtained.

5.3. Suggestions

Based on the results of this study, it is recommended that the XXX market provides motivation, leadership, capabilities, and organizational culture to employees/staff to ensure that employees can participate and be involved in every market activity.

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