

Improving Employee Performance: The Role of Leadership, Work Environment, and Internal Control Systems Mediated by Work Motivation in the Papua Provincial Inspectorate

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ABSTRACT

This study investigates the influence of leadership, work environment, and internal control systems on employee performance mediated by work motivation in the Papua Provincial Inspectorate, both partially and simultaneously. This study uses a quantitative approach with respondents from the Papua Provincial Inspectorate. Data analysis was conducted using regression analysis and path analysis to test the direct and indirect relationships between variables. The results show that leadership has a positive effect on work motivation with a coefficient of 0.213, the work environment has a positive effect with a coefficient of 0.325, and the internal control system also has a positive effect on work motivation with a coefficient of 0.018. Furthermore, leadership, work environment, and internal control systems are proven to have a partial positive effect on employee performance. Simultaneously, these three variables have a significant effect on employee performance through the mediating role of work motivation. These findings confirm that work motivation plays a strategic role in strengthening the influence of leadership, work environment, and internal control systems on employee performance. In practical terms, the results of this study provide an empirical basis for the Papua Provincial Inspectorate in formulating managerial policies oriented towards continuous improvement of employee performance.

Keywords: Leadership, Work Environment, Internal Control System, Work Motivation, Employee Performance.

I. Introduction

The implementation of regional autonomy and fiscal decentralisation has given local governments greater authority to manage resources and finances in accordance with regional potential, needs and priorities. This situation requires regions to improve their ability to optimise Local Own-Source Revenue (PAD) and ensure accountable, transparent, efficient and effective financial management (Agustina, 2013). To support this, an Internal Control System is needed to ensure that organisational objectives are achieved effectively, efficiently, and in accordance with the provisions of laws and regulations as stipulated in Government Regulation No. 60 of 2008. Efforts to strengthen governance are also carried out through anti-

corruption policies, such as Presidential Instruction No. 5 of 2004 and Presidential Instruction No. 7 of 2015, which emphasise the importance of bureaucratic reform and internal supervision. However, in practice, the effective implementation of internal control systems in the regions still faces various obstacles, particularly those related to the quality of leadership, working conditions, and the level of motivation of officials, which ultimately have an impact on the performance of local government employees.

In this context, the Papua Provincial Inspectorate has a strategic role as the Government Internal Supervisory Apparatus (APIP) in ensuring good governance through audits, reviews, evaluations, monitoring, and the preparation of supervisory reports. Optimising this role is highly dependent on the performance of professional employees who have integrity and are able to work effectively. Employee performance is a key factor in the successful implementation of supervisory functions and is influenced by leadership, the work environment, internal control systems, and work motivation. Effective leadership can provide direction and motivation to employees, while a conducive work environment can increase comfort and productivity. In line with this, an adequate internal control system plays a role in supporting operational efficiency and reporting reliability, thereby indirectly influencing employee performance. However, observations show that several aspects of leadership, work environment, and internal control systems in the Papua Provincial Inspectorate still require attention.

Employee motivation is also not optimal, as seen in the lack of training, weak cooperation, and low responsibility among some employees. This situation has an impact on the suboptimal performance of employees in carrying out their supervisory duties. These conditions indicate managerial and organisational problems that need to be systematically examined to understand the factors that influence employee performance. Based on these conditions, this study was conducted to analyse how leadership, work environment, and internal control systems affect employee performance, as well as how work motivation acts as a mediating variable in this relationship. The results of this study are expected to contribute to the development of public sector management science and provide practical input for the Papua Provincial Inspectorate in improving the quality of human resource management and the effectiveness of supervision.

II. Literature Review and Hypothesis Development

2.1. Leadership

This subsection explains the concept of leadership and its relevance as a determinant of work behaviour and performance in public organisations. Leadership is one of the main internal factors that determine the success of an organisation. Changes in leadership are often followed by changes in the performance of the unit or organisation (Yukl, 1989). In the context of modern organisations, leadership is understood as the process of influencing individuals/groups to achieve goals through direction, support, and effective decision-making (e.g., Yukl, 2013; Northouse, 2021), making it relevant for explaining variations in employee motivation and performance. Siagian (2002) views leadership as the ability to influence subordinates to voluntarily carry out the leader's wishes, even though they may not personally agree. In organisations, leaders play a role in three main aspects: (1) interpersonal role as a symbol of the organisation and motivator; (2) informational role as a receiver and disseminator of information; and (3) decision-making role as a policy and strategy maker (Siagian, 2002). Thus, effective leadership not only has a direct impact on performance but also shapes work motivation through clear direction, support, and the psychological climate of work. The leadership indicators in this study can be summarised as follows: the ability to provide direction, the ability to motivate, firmness in enforcing rules, communication skills, and setting an example.

2.2. Work Environment

This subsection emphasises that the work environment (physical and non-physical) is a context that affects employee comfort, work energy, and engagement. The work environment includes everything that

surrounds employees and can influence them in carrying out their duties, both physical and non-physical (Nitisemito, 1992; Danang Sunyoto, 2012; Basuki & Susilowati, 2005). A conducive work environment will increase comfort, safety, and occupational health so that employee performance can be optimal. Conversely, a poor work environment has the potential to reduce performance. The physical work environment includes the condition of the workspace, lighting, air circulation, noise, odours, and safety (Sedarmayanti, 2009). The non-physical work environment relates to relationships between employees, relationships with superiors, communication patterns, family atmosphere, and work climate (Mangkunegara, 2005; Schultz & Schultz, 2006). Theoretically, a supportive work environment will increase work motivation because employees feel comfortable, socially supported, and able to complete tasks easily, which ultimately strengthens performance. Based on various opinions, the work environment indicators used in this study include: work atmosphere, relationships with colleagues, availability of work facilities, lighting, air circulation, noise levels, unpleasant odours, and safety in the workplace.

2.3. Internal Control System

This subsection positions the internal control system as a governance mechanism that influences the clarity of procedures, work discipline, and accountability—which have an impact on motivation and performance. Control is the process of influencing or directing organisational activities to run in accordance with objectives (Krismiaji, 2015). In the context of accounting and financial management, internal control systems serve to prevent losses, inefficient use of resources, recording errors, and non-compliance with policies and regulations. Internal control is defined as a process carried out by management and all personnel to provide reasonable assurance that the organisation's objectives will be achieved, including: reliability of financial reporting, security of assets, compliance with regulations, and operational effectiveness and efficiency (Siti & Ely, 2010). Referring to COSO, the main components of internal control include: (1) control environment, (2) risk assessment, (3) control activities (control procedures), (4) information and communication, and (5) monitoring. In public sector organisations, internal control systems also function as governance 'guardrails': clarifying work standards, reducing task uncertainty, and strengthening accountability. These conditions can increase work motivation because employees have clear guidelines, and have an impact on performance through process efficiency and output quality. In this study, the internal control system is operationalised through the following indicators: control environment, risk assessment, control procedures, information and communication, and monitoring.

2.4. Employee Performance

This subsection explains performance as an outcome influenced by managerial (leadership), contextual (work environment), and governance (internal control) factors, either directly or through motivation. Employee performance is the result of the quality and quantity of work achieved by employees in carrying out their duties in accordance with their assigned responsibilities (Mangkunegara, 2000). In the context of public institutions, performance also reflects the ability of officials to carry out their mandate of supervision and service in a manner that is procedurally compliant, timely, and accountable. Performance indicators generally reflect the level of achievement of organisational goals effectively and efficiently, both qualitatively and quantitatively (BPKP, 2000; Lohman, 2003). Operationally, employee performance in this study can be measured through: work quality, work quantity, timeliness, discipline, and responsibility in carrying out tasks.

2.5. Work Motivation

This subsection places motivation as a psychological mechanism that bridges the influence of organisational factors on performance. Work motivation is an internal or external drive to work diligently to

achieve satisfactory results (Moch. As'ad, 1999; Winardi, 2000; Wursanto, 1987). Motivation is important in the mediation model because leadership, work environment, and internal control essentially shape work energy, commitment, and the will to achieve work targets, which are then reflected in performance. Maslow's hierarchy of needs theory explains that motivation is influenced by the gradual fulfilment of physiological, safety, social, self-esteem, and self-actualisation needs. In the context of work, motivation will increase when employees feel that these needs are being met proportionally. Referring to Mangkunegara (2009), the work motivation indicators used in this study include: responsibility for work, drive to achieve goals, opportunities for development, recognition of performance, and challenges in the workplace.

2.6. Previous Research and Research Gaps

Various previous studies have shown that leadership, work environment, internal control systems, and work motivation are closely related to employee performance. Research at the South Sulawesi Provincial Inspectorate found that organisational culture and motivation had a positive and significant effect on employee performance, while work stress had a negative and insignificant effect (Author, 2020). Mahajaya and Subudi (2016) proved that motivation, leadership, and work environment had a significant positive effect on employee performance at the Badung Regency Inspectorate. Satria (2015) showed that leadership style, motivation, and work environment have a significant influence on the performance of Kediri City BKD employees, both partially and simultaneously. Umar (2015) found that leadership influences the performance of Gorontalo City Inspectorate employees, although the magnitude of this influence is still influenced by other factors such as motivation, education, compensation, and work environment.

Another study by Harahap and Khair (2019) shows that leadership and compensation have a significant influence on work motivation, and leadership has a significant influence on job satisfaction, although motivation does not always play a strong mediating role. Prakoso et al. (2014) found that the work environment significantly influences employee motivation and performance, and that motivation significantly influences performance. The work environment also affects performance through work motivation. Sulistyono (2020) showed that internal control, leadership style, and work motivation have a positive influence on employee performance. However, some previous studies tended to test these variables separately or did not specifically place the internal control system as a governance factor integrated with the motivation mechanism in the context of APIP. Furthermore, empirical evidence specifically focusing on the Papua Provincial Inspectorate is still limited. Therefore, the original contribution of this study lies in the development of an integrated model that tests the influence of leadership, work environment, and internal control systems on employee performance with work motivation as a mediating variable in the context of the Papua Provincial Inspectorate.

2.7. Hypothesis Development

Based on a synthesis of the literature, the relationships between variables in this study are explicitly formulated as follows: (a) leadership, work environment, and internal control systems are predicted to increase work motivation; (b) work motivation is predicted to increase performance; and (c) these three organisational variables are predicted to affect performance both directly and indirectly through motivation. This formulation is in line with the use of path analysis to test direct and mediating effects.

H1: Leadership has a positive and significant effect on employee performance mediated by work motivation in the Papua Provincial Inspectorate.

H2: The work environment has a positive and significant effect on employee performance mediated by work motivation in the Papua Provincial Inspectorate.

H3: The internal control system has a positive and significant effect on employee performance mediated by work motivation at the Papua Provincial Inspectorate.

H4: Leadership, work environment, and internal control system have a simultaneous positive and significant effect on employee performance at the Papua Provincial Inspectorate.

H5: Leadership, work environment, and internal control systems have a simultaneous positive and significant effect on employee performance through work motivation as a mediating variable.

H6: Work motivation has a positive and significant effect on employee performance at the Papua Provincial Inspectorate.

III. Research Method

This study utilises a quantitative approach with an explanatory design, as its primary objective is to examine the causal relationship between variables and verify the direct and indirect (mediating) influence models through measurable numerical data. This design was chosen so that hypothesis testing could be conducted objectively and replicably, particularly to assess the strength of the influence of leadership, work environment, and internal control systems on employee performance through work motivation (Sugiyono, 2016). This research was conducted at the Papua Provincial Inspectorate as a representative of the Government Internal Supervisory Apparatus (APIP) at the provincial level. The research data consisted of primary and secondary data. Primary data was obtained through the distribution of questionnaires and limited interviews with employees of the Papua Provincial Inspectorate. Meanwhile, secondary data was obtained from organisational documents such as the number of employees, organisational structure, and other relevant supporting documents (Uma Sekaran & Bougie, 2016).

The research population consisted of all 100 employees of the Papua Provincial Inspectorate. The sampling technique used was the census method, in which questionnaires were distributed to the entire population. Of the total questionnaires distributed, 64 were returned in a usable condition and could be processed, resulting in an effective sample size of 64 respondents (Sugiyono, 2016). The questionnaire return rate was used as the basis for the effective sample, and the analysis was conducted on data that had undergone completeness and consistency checks. This study involved five variables, namely leadership (X_1), work environment (X_2), internal control system (X_3), work motivation (M), and employee performance (Y). The operational definitions of each variable were determined based on relevant theories. The leadership variable refers to the concept of a leader's ability to influence subordinates according to the theory of Robbins and Judge (2013). The work environment variable refers to the physical and non-physical conditions of the workplace as described by Sedarmayanti (2009). The internal control system uses indicators that refer to the COSO (2013) concept. Work motivation refers to the work motivation theory as proposed by Mangkunegara (2011). Meanwhile, employee performance is measured based on performance dimensions in accordance with Bernardin & Russell (2010).

The selection of these theoretical references is based on the following considerations: (1) relevance to the context of public organisations and the work behaviour of civil servants; (2) clarity of constructs and indicators that have been tested in previous studies; and (3) suitability for the operationalisation of variables for regression and path analysis. To strengthen the contemporary perspective, this study also considers more recent management and organisational behaviour literature as conceptual comparisons, particularly regarding leadership and work motivation (e.g., Northouse, 2021; Yukl, 2013). Data collection techniques were carried out through field research and literature studies. Field research included questionnaires, interviews, and observations in the work environment, while literature studies were conducted through searches of scientific journals, management theory books, and related regulations (Neuman, 2014). All questionnaire items were measured using a five-point Likert scale from 'strongly disagree' to 'strongly agree' (Sugiyono, 2016).

3.1. Questionnaire Design and Constructs Measured

The questionnaire was designed in the form of closed-ended statements using a 1–5 Likert scale to measure respondents' perceptions of each construct. Each variable was measured through several indicators adapted from the literature and adjusted to the context of the Inspectorate (APIP). The questionnaire consisted of two main sections: (1) respondent characteristics (e.g., work unit, length of service, and education level), and (2) statements of research variable indicators (leadership, work environment, internal control system, work motivation, and employee performance). To ensure the comprehensibility of the items, the questionnaire underwent a limited pilot test with a number of internal respondents who were not included in the analysis sample, followed by revisions to the wording and clarity of terms before the main distribution. As an innovative addition that enriched the quality of the data, the questionnaire was accompanied by a link/QR code (for online completion) to facilitate access, reduce input errors, and speed up data recapitulation, without changing the substance of the instrument.

3.2. Limited Interviews and Observations

Semi-structured interviews were conducted to clarify quantitative findings, particularly regarding the context of internal control system implementation, leadership patterns, and work environment factors. The interview questions focused on: (1) respondents' experiences regarding leadership direction and work support; (2) facility conditions and work relationships that affect task implementation; (3) SPIP/COSO practices in the work unit (e.g., procedures, communication, monitoring); and (4) factors that increase/decrease work motivation. The interviews were conducted briefly (± 15 –30 minutes) with selected informants based on availability and representativeness of the work unit, then summarised to support the interpretation of statistical results. Observations were conducted non-participatively to record the physical conditions of the work environment (e.g., layout, lighting, air circulation) and work practices relevant to the implementation of procedures and coordination, as supporting data to strengthen triangulation.

3.3. Data analysis

Data analysis was conducted in several stages. First, descriptive analysis was used to describe the respondent profile and the tendency of respondents' answers for each variable. Second, validity testing was conducted using Pearson Product Moment correlation to ensure the suitability of items with the construct, as well as reliability testing using Cronbach's Alpha coefficient (Nunnally & Bernstein, 1994). Third, prior to regression analysis, classical assumption tests were conducted, including tests of normality, multicollinearity, and heteroscedasticity to ensure that the regression model met statistical requirements (Gujarati & Porter, 2009). To clarify the analysis procedure, classical assumption tests were conducted with the following conditions: (1) normality test using Kolmogorov–Smirnov/Shapiro–Wilk and residual P–P plot examination; (2) multicollinearity test using Tolerance and Variance Inflation Factor (VIF) values, where the model is declared free of multicollinearity if Tolerance > 0.10 and VIF < 10 ; and (3) heteroscedasticity test using the Glejser test and/or examination of the scatterplot between the residual and the predicted value, so that it can be ascertained that the residual variance is randomly distributed.

Hypothesis testing was performed using linear regression analysis and path analysis to test the direct and indirect effects between variables (Ghozali, 2018). Mediation tests were conducted using the Sobel test to determine the significance of the indirect effect of independent variables on dependent variables through work motivation. The mediation effect was considered significant if the calculated t-value was greater than the t-table value at $\alpha = 0.05$ (Sobel, 1982). Path analysis was chosen because it was in line with the research model, which contained direct relationships ($X \rightarrow Y$ and $X \rightarrow M$) and indirect relationships ($X \rightarrow M \rightarrow Y$), thus being consistent with the formulated hypothesis. All analyses were performed using statistical software such as SPSS, with a significance level of 0.05.

IV. Result and Discussion

4.1. Analysis Result

a. Respondent Characteristics

The questionnaire was distributed to 100 employees of the Papua Provincial Inspectorate. Of these, 64 questionnaires were returned and could be processed, while 36 questionnaires were not returned or did not meet the processing requirements. Thus, the response rate reached 64%. The participating respondents were active employees of the Papua Provincial Inspectorate with various characteristics, including gender, employment status, and education level. These characteristics are important for describing the profile of the research respondents and ensuring that the data obtained reflects the conditions of employees within the Papua Provincial Inspectorate. In general, the characteristics of the respondents show that the employees are predominantly those with high academic qualifications and who work as civil servants (ASN), so they can be considered to have the professional capacity to understand the research instruments.

Table 1. Respondent Characteristics

Characteristics	Category	Number	Percentage
Gender	Male	38	59
	Female	26	41
Employment status	Civil servant	64	100
	Contract	0	0
Education	Bachelor's Degree	28	44
	Master's Degree	36	56

Based on the table, it can be seen that male respondents (59%) outnumber female respondents (41%). However, according to Robbins (2003), gender differences do not have a significant effect on compliance behaviour, so gender diversity in this study does not cause significant bias. All respondents (100%) were civil servants (PNS), so it can be said that all research participants had structural and functional positions relevant to internal control tasks. In terms of education, the majority of employees had pursued higher education, with 56% holding a master's degree and 44% holding a bachelor's degree. This shows that Papua Provincial Inspectorate employees have good academic competence and are relevant to the demands of professionalism in carrying out supervisory duties. Overall, the characteristics of the respondents indicate that the research data comes from credible sources, is highly educated, and understands the context of the implementation of internal control systems, leadership, work environment, motivation, and employee performance.

b. Multiple Regression Analysis

In measuring the effect of capital expenditure on economic growth and employment rates, simple regression was used as a tool to analyse the relationship. Based on the results of data processing using the ToolPak Analysis application from Excel, several values were found that will be used as considerations in this study, as follows.

Table 2. Coefficients

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.939	0.244	3.855	0.000
Leadership	0.213	0.112	1,906	0.061
Environment	0.325	0.140	2,321	0.024
Internal Control System	0.018	0.127	0.141	0.888

$$Y = 0.939 + 0.213X1 + 0.0325X2 + 0.018X3 + e$$

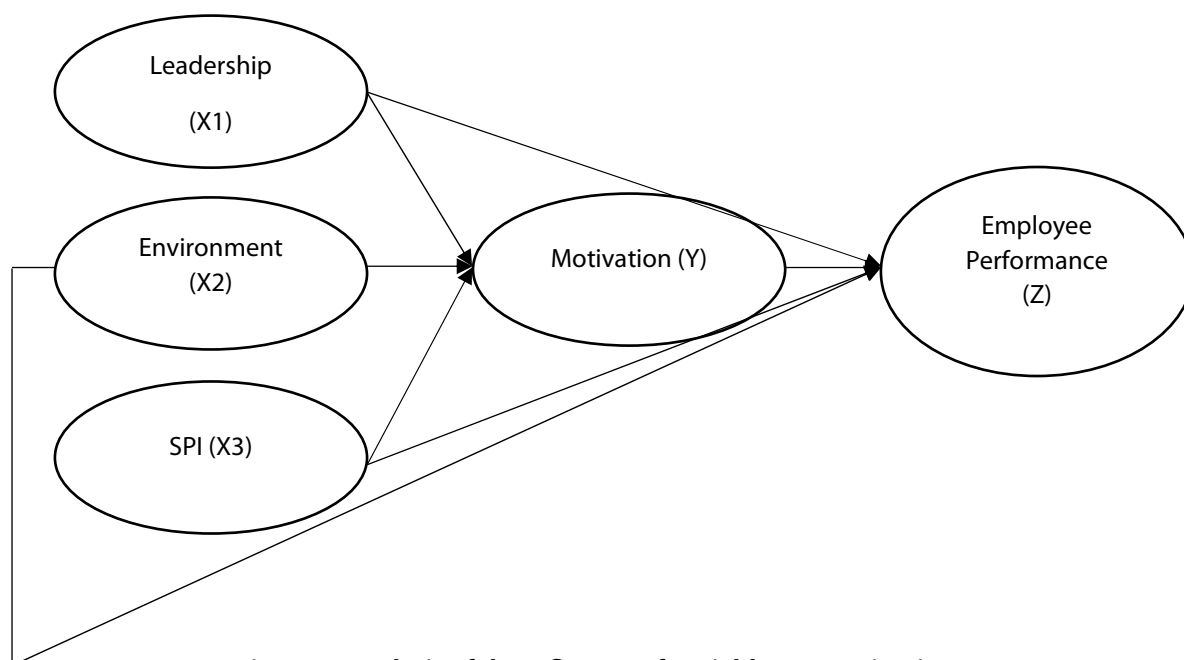


Figure 1. Analysis of the Influence of Variables on Motivation

From the above equation, it can be explained that:

- 1) The constant value of 0.939 indicates that if the independent variables, namely Leadership, Environment and Internal Control System, are zero, then the performance value mediated by work motivation is 0.939.
- 2) The Leadership coefficient of 0.0213 means that if Leadership increases by one unit, the performance mediated by work motivation will increase by 0.0213 units. The β coefficient value of the Leadership variable is positive at 0.0213.
- 3) The environment coefficient is 0.325, meaning that if the environment increases by one unit, the performance mediated by work motivation will increase by 0.325 units. The β coefficient value of the environment variable is positive at 0.325.
- 4) The Internal Control System coefficient is 0.018, meaning that if the Internal Control System increases by one unit, performance mediated by work motivation will increase by 0.018 units. The β coefficient value of the Internal Control System variable is positive at 0.018.
- 5) The coefficient of performance mediated by work motivation is 0.717, meaning that if performance mediated by work motivation increases by one unit, performance will increase by 0.717 units. The beta coefficient value of the variable of performance mediated by work motivation is positive at 0.717.

4.2. Discussion

- a. Respondents' Responses to Leadership, Work Environment, Internal Control System, Performance, and Work Motivation

Based on the questionnaire results, respondents' responses to the leadership variable at the Papua Provincial Inspectorate were generally in the very good category. Most employees stated that their leaders did not discriminate between employees in assigning tasks, provided encouragement and motivation, were highly initiative in providing input for improving work results, and acted as catalysts by conveying clear information about task implementation. The leadership was also considered capable of creating a sense of

security through the implementation of regulations that support work comfort, setting an example in the way they work, being polite in communication, and praising the work results of employees. The average response of respondents showed a dominance of the "very appropriate" and "appropriate" categories, which illustrates that employees' perceptions of leadership in the Papua Provincial Inspectorate environment tend to be positive. Regarding the work environment variable, respondents assessed that workplace cleanliness had created a pleasant working atmosphere, relationships between employees were good, and work facilities such as computers, printers, desks, chairs, and stationery were adequately available. The lighting in the workspace was considered comfortable and not glaring, the air circulation was pleasant, and the noise level was relatively low so as not to interfere with work concentration. The use of air fresheners helped reduce unpleasant odours, and the support of security officers made employees feel calm while working. Overall, the work environment was considered conducive and supportive of employee work activities.

Regarding the internal control system, respondents stated that the agency has demonstrated a commitment to ethical values and integrity, that leaders have independence in developing the implementation of internal controls, and that they carry out their supervisory functions well. Management is considered to have established an appropriate organisational structure, clear reporting lines, and well-distributed authority and responsibilities. Employees also acknowledge that they comply with the policies and regulations established by management. Respondents' responses, which were predominantly in the "appropriate" and "very appropriate" categories, indicated that the internal control system at the Papua Provincial Inspectorate was perceived to be quite effective. In terms of performance, most employees assessed that they had good skills and abilities in completing their work, both individually and in groups. Employees claimed that they always tried to be honest in carrying out their duties, had a high sense of responsibility, were able to make decisions in urgent situations, and were able to work well with colleagues. They also assessed that work can generally be completed on time, with the ability to balance speed and quality of work, and minimise errors. This indicates that employee performance is in the good category. Meanwhile, in terms of work motivation, respondents consider that their salaries or wages are relatively adequate for their living needs, and that incentives such as bonuses and allowances are considered to improve performance. Employees feel that there is equality in the implementation of work, that spiritual needs are accommodated through religious activities, and that the need for work participation is fulfilled through cooperation and togetherness. Employee placement is considered to be quite appropriate to their abilities, future security is maintained through pension guarantees, the work environment is considered comfortable, training is provided to improve competence, and work competition is considered healthy.

b. The Influence of Leadership on Performance Mediated by Work Motivation

The regression analysis results show that leadership has a positive effect on work motivation, with a coefficient value of 0.213. This value indicates that the better the leadership perceived by employees, the higher the work motivation that arises. Statistically, these results indicate that the null hypothesis is rejected and leadership is declared to have a significant effect on work motivation. This condition can be understood because employees tend to be motivated when led by superiors who are able to set an example, provide guidance, give encouragement, and demonstrate integrity in their work. Theoretically, these findings are in line with Hasibuan's opinion that leadership is the ability to use authority to direct subordinates to achieve organisational goals, as well as with Yukl and DuBrin's view that leadership is a process of influencing others through communication and interaction to bring about positive change and increase subordinate support. In the context of the Papua Provincial Inspectorate, leaders who are communicative, fair, supportive, and inspiring have been proven to be able to increase employee work motivation, which ultimately contributes to improved performance.

c. The Influence of the Work Environment on Performance Mediated by Work Motivation

The results of the study show that the work environment has a positive and significant influence on work motivation, with a coefficient value of 0.325. This means that the better the work environment conditions

perceived by employees, both physically and non-physically, the higher the work motivation that arises. Respondents assessed that cleanliness, comfort, inter-employee relationships, facility completeness, lighting, air circulation, low noise levels, the presence of air fresheners, and the guarantee of safety at work () were maintained quite well. These conditions create a pleasant working atmosphere, reduce psychological pressure, and encourage employees to work harder. In practical terms, a conducive working environment makes the office a comfortable place, so that employees feel at home, more enthusiastic, and more focused in carrying out their duties. Conversely, a poor working environment has the potential to reduce motivation and performance. Therefore, leaders are expected to continue to maintain and improve working conditions, both through infrastructure improvements and strengthening interpersonal relationships in the workplace. These findings are consistent with the research by Rayka Dantyo Prakoso and colleagues, which shows that the work environment has a significant effect on employee motivation and performance, and is in line with the theory of Robbins and Sofyandi, which places the work environment as one of the important factors that influence employee behaviour and productivity.

d. The Influence of Internal Control Systems on Performance Mediated by Work Motivation

This study also found that internal control systems have a positive effect on work motivation, with a coefficient of 0.018. Although the value is relatively small, it is statistically significant in the model, indicating that internal control systems still contribute to the formation of employee work motivation. A good internal control system, through commitment to ethics and integrity, leadership independence, implementation of supervisory functions, a clear organisational structure, a well-organised reporting mechanism, and employee discipline, provides procedural certainty and a sense of security at work. With a strong internal control system, employees understand the expected performance standards, know the limits of their authority and responsibilities, and are aware of the consequences of their actions. This encourages greater discipline and a sense of responsibility, which in turn increases work motivation to achieve performance in line with organisational standards. These findings are in line with Sulistyono's research, which shows that internal control has a positive effect on employee performance and reinforces the view that internal control is not only a governance instrument but also a psychological factor that can encourage better work behaviour.

e. The Influence of Leadership, Work Environment, and Internal Control Systems on Employee Performance

The regression analysis results show that leadership, work environment, and internal control system collectively have a positive effect on employee performance, with the regression equation: $Y = 1,107 + 0,228X_1 + 0,005X_2 + 0,307X_3 + e$. The constant value of 1.107 indicates that even though the three independent variables are considered zero, there is still a basic level of employee performance. The leadership coefficient of 0.228 indicates that improvements in leadership will increase employee performance, while the internal control system coefficient of 0.307 shows a strong influence on performance. The work environment coefficient of 0.005, although small, still shows a positive influence. Partially, these three variables are declared to have a significant effect on performance. This means that effective leadership, a conducive work environment, and a strong internal control system each contribute to improving the performance of Papua Provincial Inspectorate employees. However, when compared in terms of coefficient size, the internal control system has the greatest influence, followed by leadership, then the work environment. This shows that aspects of governance and internal control have a strategic position in driving the performance of supervisory apparatus.

f. Simultaneous Influence of Leadership, Work Environment, and Internal Control System on Performance Mediated by Work Motivation

The F-test conducted to assess the simultaneous influence shows that the regression model involving the variables of leadership, work environment, and internal control system on performance mediated by work motivation is statistically significant. The F-value of 13.525 with a significance of 0.000, which is much smaller

than 0.05, indicates that the three independent variables together have a significant effect on performance through work motivation. These results confirm that improvements in employee performance are not determined by a single factor, but are the result of a combination of effective leadership, a supportive work environment, and a good internal control system, which together shape work motivation and are reflected in employee work behaviour. In other words, to improve the performance of the supervisory apparatus, the Papua Provincial Inspectorate needs to pay attention to these three aspects in an integrated manner, rather than partially.

g. Partial Influence of Leadership, Work Environment, and Internal Control System on Performance Mediated by Work Motivation

The t-test results show that each independent variable, namely leadership, work environment, and internal control system, has a significant effect on performance mediated by work motivation. The significance values for leadership are 0.010, work environment 0.020, and internal control system 0.000, all of which are less than 0.05. This means that the null hypothesis is rejected for all three variables, and all three are recognised as having a significant influence. Substantively, these results indicate that although the three variables work simultaneously, each still has its own influence in explaining variations in employee performance. Good leadership can directly motivate employees and encourage them to work better. A comfortable working environment helps maintain stamina and morale. Meanwhile, a clear and strict internal control system ensures that employees' work is within the correct and measurable procedural corridor. The combination of these partial influences makes work motivation a channel that connects organisational factors with performance outcomes.

h. The Influence of Variables Mediated by Work Motivation on Performance

Path analysis was used to examine the direct and indirect effects of leadership, work environment, and internal control systems on performance, with work motivation as the mediating variable. The results show that work motivation has an influence coefficient of 0.717 on performance, which means that a one-unit increase in work motivation will increase employee performance by 0.717 units. This fairly large coefficient value indicates that work motivation plays a strong role as a mediator in the research model. The direct influence of leadership, work environment, and internal control systems on work motivation proved to be significant, so that indirectly these three variables also influence performance through motivation. Thus, work motivation acts as a bridge () connecting leadership quality, work environment comfort, and internal control system strength with final employee performance. These findings are in line with Hasibuan's view that unmet human needs are a source of motivation, and it is this motivation that drives a person to work better. The results of this study also reinforce the findings of several previous studies that place motivation as a key factor in explaining the relationship between organisational variables and employee performance.

V. Conclusion

Based on the results of the study conducted at the Papua Provincial Inspectorate, it can be concluded that the respondents' perceptions indicate that the work environment is the most dominant factor in supporting employee performance improvement, followed by work motivation, employee performance itself, internal control systems, and leadership, which received the lowest percentage. These findings show that employees perceive a comfortable work environment and strong motivation as more supportive of their work than leadership factors. Furthermore, the regression analysis results show that leadership, work environment, and internal control systems each have a positive effect on work motivation, with coefficients of 0.213, 0.325, and 0.018, respectively. These three variables are also proven to have a positive effect on employee performance, both partially and simultaneously. Simultaneously, all three have a significant effect on performance mediated by work motivation, as evidenced by a calculated F value of 13.252 with a significance of 0.000. In addition, work motivation is also proven to have a very strong effect on employee performance

with a coefficient of 0.717, indicating that motivation is a mediating variable that plays an important role in improving the performance of civil servants.

Based on these findings, several suggestions can be made. First, the leadership of the Papua Provincial Inspectorate needs to strengthen leadership aspects by improving communication skills, providing clear directions, and setting an example in carrying out tasks so as to increase employee motivation. Second, the work environment should be maintained and improved, particularly in terms of room comfort, cleanliness, lighting, and air quality, in order to create a more conducive working atmosphere. Third, the internal control system needs to be strengthened by improving the quality of supervision, clarity of reporting, and enforcement of discipline so that employees continue to work in accordance with applicable procedures and performance standards. Fourth, employees are expected to continuously develop their skills and competencies, both individually and through training activities, so that they can produce optimal performance in line with the organisation's demands. With the synergy between good leadership, a supportive work environment, a strong internal control system, and high work motivation, the performance of the Papua Provincial Inspectorate is believed to continue to improve.

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