

(Original Article)

The Effect of Organisational Climate on Employee Performance: The Mediating Role of Work Motivation at the Class I Banjarmasin Harbourmaster and Port Authority Office

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Abstract : *This study aims to analyse the influence of organisational climate on employee performance, with work motivation as a mediating variable, at the Banjarmasin Class I Harbour Master's Office and Port Authority. The study employs a quantitative approach using a survey method and purposive sampling technique, with 48 employees as respondents. Data analysis was conducted using Partial Least Squares Structural Equation Modelling (PLS-SEM) via the SmartPLS version 3.29 application. The results indicate that organisational climate has a positive and significant influence on employees' work motivation ($t = 6.823$; $p < 0.05$). Furthermore, work motivation also has a positive and significant effect on employee performance ($t = 3.833$; $p < 0.05$). In addition, organisational climate was found to have a direct effect on employee performance ($t = 3.028$; $p < 0.05$). The results of the mediation test indicate that work motivation partially mediates the relationship between organisational climate and employee performance ($t = 3.464$; $p < 0.05$). These findings confirm that improvements in employee performance are influenced not only by the creation of a conducive organisational climate, but also by the level of work motivation employees possess in carrying out their duties and responsibilities effectively.*

Keywords: *Organisational Climate; Work Motivation; Employee Performance*

1. Introduction

Employee performance is one of the principal determinants of organisational success in delivering public services. In the context of bureaucratic reform and the growing demand for good governance, public sector organisations are required to improve service quality, operational effectiveness, and accountability. High employee performance contributes significantly to the achievement of organisational objectives and the enhancement of public trust in government institutions. According to Aguinis (2019), employee performance reflects the extent to which individuals successfully accomplish work-related tasks and responsibilities in alignment with organisational goals. Consequently, improving employee performance has become a strategic priority for public organisations.

The enhancement of employee performance is particularly important in government institutions that perform strategic functions in supporting

national economic activities and transportation systems. The Class I Banjarmasin Harbourmaster and Port Authority Office (KSOP) is responsible for ensuring maritime safety, supervising port operations, and providing administrative services related to maritime transportation. Given the complexity of these responsibilities, employees are expected to maintain high levels of performance to ensure effective public service delivery and operational efficiency.

Previous studies have suggested that employee performance is influenced not only by technical competence but also by organisational factors. The Ability–Motivation–Opportunity (AMO) Theory posits that performance is a function of employees’ abilities, motivation, and opportunities provided by the organisation (Jiang & Messersmith, 2018). This perspective implies that organisational conditions play a critical role in shaping employee behaviour and work outcomes. Among the various organisational factors, organisational climate has received considerable scholarly attention.

Organisational climate refers to employees’ shared perceptions of organisational policies, practices, procedures, and working conditions (Schneider et al., 2013). Organisational Climate Theory developed by Litwin and Stringer (1968) suggests that employees’ perceptions of their work environment influence their motivation, attitudes, and behaviour. A supportive organisational climate characterised by clear communication, managerial support, fairness, and cooperation is likely to foster positive work attitudes and improve employee performance. Conversely, an unfavourable climate may lead to dissatisfaction and reduced productivity.

Empirical evidence has demonstrated a significant relationship between organisational climate and employee performance. Parker et al. (2020) found that organisational climates emphasising managerial support and goal clarity positively affect employee engagement and performance. Similarly, Al–Attabi and De Boer (2021) reported that supportive organisational climates enhance employee performance within public sector organisations. In Indonesia, Sari and Widodo (2021) revealed that organisational justice and internal communication significantly contribute to employee productivity in government institutions.

Although organisational climate has been recognised as an important determinant of performance, several scholars argue that its influence may not be entirely direct. Herzberg’s Two–Factor Theory (1959) explains that workplace conditions serve as hygiene factors that prevent dissatisfaction, whereas motivational factors stimulate employees to achieve higher levels of performance. This theoretical perspective suggests that work motivation may act as an intermediary mechanism through which organisational climate influences employee performance.

Work motivation is generally defined as the internal and external forces that initiate, direct, and sustain work–related behaviour (Kanfer et al., 2017). Employees with high levels of motivation tend to demonstrate

greater commitment, persistence, and productivity in performing their duties. Ryan and Deci (2020), through Self-Determination Theory, argue that supportive work environments fulfil employees' psychological needs for autonomy, competence, and relatedness, thereby enhancing intrinsic motivation and subsequent performance.

The relationship between organisational climate and work motivation can also be explained through Social Exchange Theory (Blau, 1964). This theory suggests that employees who perceive organisational support and fair treatment develop a sense of obligation to reciprocate through positive attitudes and behaviours. Kim and Beehr (2020) found that perceptions of organisational justice and support enhance intrinsic motivation and organisational commitment, which subsequently contribute to higher levels of employee performance.

Several empirical studies have identified work motivation as a mediating variable in the relationship between organisational climate and employee performance. Tummers and Bakker (2021) reported that public service motivation mediates the relationship between work environment and employee performance in public sector organisations. Likewise, Nguyen et al. (2022) found that work motivation significantly mediates the influence of organisational support on employee performance among government employees in Asia. In Indonesia, Hidayat and Setiawan (2020) demonstrated that work motivation mediates the relationship between organisational culture and employee performance within central government institutions.

Despite the growing body of literature, several research gaps remain evident. First, most previous studies have been conducted in private sector organisations, educational institutions, or healthcare settings. Second, many studies have employed conventional regression approaches rather than comprehensive structural modelling techniques. Third, empirical investigations within maritime public sector organisations, particularly Harbourmaster and Port Authority Offices, remain scarce. Consequently, limited evidence exists regarding the mechanisms through which organisational climate influences employee performance in maritime governance institutions.

Preliminary observations at the Class I Banjarmasin Harbourmaster and Port Authority Office revealed indications of delayed task completion, suboptimal work coordination, and varying employee perceptions regarding communication systems and organisational support. These conditions suggest that organisational climate and work motivation may significantly influence employee performance. Therefore, this study seeks to examine the effect of organisational climate on employee performance, with work motivation serving as a mediating variable. The findings are expected to contribute to the literature on public sector organisational behaviour while providing practical recommendations for enhancing employee performance within maritime public administration institutions.

2. Method

This study employed a quantitative approach with a survey design to examine the causal relationships among organisational climate, work motivation, and employee performance. A quantitative approach was selected because the study aimed to test hypotheses derived from the theoretical framework through inferential statistical analysis (Creswell & Creswell, 2018). The research adopted a cross-sectional design, whereby data were collected at a single point in time to capture respondents' perceptions of the variables under investigation.

The study was conducted at the Class I Banjarmasin Harbourmaster and Port Authority Office (KSOP). This institution was selected due to its characteristics as a technical-operational public organisation operating within a highly regulated environment and facing substantial performance demands. The study population consisted of all employees of the organisation. A purposive sampling technique was employed, with respondents required to have worked within the organisation for at least one year and to be actively involved in organisational operations. These criteria were established to ensure that participants possessed sufficient knowledge and experience regarding the organisational climate and workplace dynamics. Based on these criteria, a total of 48 employees participated in the study. This sample size was considered adequate for Partial Least Squares Structural Equation Modelling (PLS-SEM), as the method is relatively robust when applied to small samples and non-normally distributed data (Hair et al., 2022).

Primary data were collected through a structured questionnaire developed on the basis of theoretical indicators associated with each construct. The instrument utilised a five-point Likert scale ranging from strongly disagree to strongly agree. Questionnaire items were adapted from the human resource management literature and relevant previous studies and subsequently adjusted to the context of public sector organisations. Organisational climate was measured through indicators reflecting goal clarity, opportunities for participation, capability development, fair treatment, recognition of achievement, interpersonal warmth, and organisational integration. Work motivation was assessed using indicators related to working conditions, willingness to work hard, rewards, enjoyment of work, promotion opportunities, job security, and acceptance of additional responsibilities. Employee performance was measured through indicators including work quantity, efficiency, quality, task accomplishment, timeliness, knowledge, and creativity. All constructs were operationalised through statements designed to capture respondents' perceptions of their workplace experiences.

Data analysis was conducted using Partial Least Squares Structural Equation Modelling (PLS-SEM) with the support of SmartPLS version 3.29. PLS-SEM was selected because it is appropriate for predictive research models involving mediation relationships and does not require strict

assumptions of multivariate normality (Hair et al., 2022). The analytical procedure consisted of two major stages: evaluation of the measurement model and evaluation of the structural model.

The measurement model was assessed through tests of construct validity and reliability. Convergent validity was evaluated using outer loadings and Average Variance Extracted (AVE), while internal consistency reliability was assessed through Composite Reliability and Cronbach's Alpha coefficients. Following established guidelines, constructs were considered valid and reliable when outer loading values exceeded 0.70, AVE values exceeded 0.50, and reliability coefficients were greater than 0.70 (Hair et al., 2022).

Once the measurement model met the required criteria, the structural model was evaluated to test the proposed relationships and research hypotheses. Statistical significance was examined using the bootstrapping procedure at a 5 per cent significance level. Hypotheses were considered statistically significant when the *t*-statistic exceeded 1.96. In addition, the coefficient of determination (R^2) was analysed to assess the explanatory power of exogenous variables on endogenous variables, while the predictive relevance of the model was evaluated using the Q^2 statistic. The mediating role of work motivation was examined through indirect effect analysis within the structural model to determine whether motivation functioned as a partial or full mediator in the relationship between organisational climate and employee performance.

Through this methodological approach, the study is expected to provide comprehensive empirical evidence regarding the relationships among organisational climate, work motivation, and employee performance within the context of a maritime public sector organisation.

3. Results And Discussion

Data analysis was conducted using the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach with the assistance of SmartPLS version 3.29. Model evaluation was performed in two stages, namely the assessment of the measurement model (outer model) and the structural model (inner model). All constructs satisfied the required validity and reliability criteria; therefore, the analysis proceeded to hypothesis testing.

Hypothesis testing was carried out using the bootstrapping procedure at a significance level of 5 per cent ($\alpha = 0.05$). A hypothesis was considered supported when the *t*-statistic exceeded 1.96 and the *p*-value was below 0.05. The results of the structural model evaluation are presented in Table 1.

Table 1. Results of Structural Model Testing (PLS-SEM Bootstrapping)

Relationship Between Variables	t-Statistic	t-Statistic	t-Statistic
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Organisational Climate → Work Motivation	6.823	0.000	Supported
Work Motivation → Employee Performance	3.833	0.000	Supported
Organisational Climate → Employee Performance	3.028	0.003	Supported
Organisational Climate → Work Motivation → Employee Performance	3.464	0.001	Supported

Source: SmartPLS 3.29 Output, 2022.

The effect of organisational climate on work motivation yielded a *t*-statistic of 6.823 with a significance level of 0.000. This value substantially exceeded the critical threshold of 1.96, indicating that organisational climate has a significant positive effect on employees' work motivation. This finding reinforces Organizational Climate Theory, which posits that employees' collective perceptions of organisational policies and practices shape their psychological orientations and work-related attitudes (Litwin & Stringer, 1968). From the perspective of Self-Determination Theory, a work environment characterised by goal clarity, fairness, and social support enhances employees' intrinsic motivation (Ryan & Deci, 2020). The present finding is consistent with the studies of Parker et al. (2020) and Tummers and Bakker (2021), who reported that supportive organisational climates significantly enhance employee motivation in public sector organisations.

The relationship between work motivation and employee performance produced a *t*-statistic of 3.833 and a *p*-value of 0.000, indicating a significant positive effect. This result is consistent with the Ability-Motivation-Opportunity (AMO) Theory, which identifies motivation as a key mechanism through which employees' capabilities are transformed into productive work outcomes (Jiang & Messersmith, 2018). Employees who possess stronger motivation are more likely to demonstrate greater effort, persistence, and commitment in completing their tasks. This finding corroborates previous studies by Nguyen et al. (2022) and Mensah and Amponsah-Tawiah (2020), which identified work motivation as a direct determinant of employee performance in public organisations.

The direct effect of organisational climate on employee performance generated a *t*-statistic of 3.028 with a *p*-value of 0.003. This result indicates that organisational climate exerts a significant positive influence on employee performance. The finding supports Social Exchange Theory (Blau, 1964), which argues that employees who perceive organisational support and fairness are likely to reciprocate through enhanced performance and organisational commitment. In other words, organisational climate not only shapes employee motivation but also directly influences work-related behaviour and performance outcomes. This result is in line with the findings of Al-Hamdan et al. (2019), who

reported a significant direct relationship between organisational climate and employee performance within public sector institutions.

The mediation analysis revealed that the indirect effect of organisational climate on employee performance through work motivation produced a *t*-statistic of 3.464 and a *p*-value of 0.001. Since the direct effect of organisational climate on employee performance remained significant after the inclusion of work motivation as a mediator, work motivation can be classified as a partial mediator. This finding suggests that organisational climate influences employee performance through two distinct pathways: a direct pathway and an indirect pathway operating through enhanced work motivation.

From a theoretical perspective, this finding strengthens the integration of Organizational Climate Theory, Self-Determination Theory, and the AMO framework. Organisational climate provides employees with opportunities, support, and favourable working conditions, while work motivation serves as the internal mechanism through which these organisational resources are translated into productive behaviour and performance outcomes. The finding also supports the study conducted by Hidayat and Setiawan (2020), which demonstrated that motivation mediates the relationship between organisational factors and employee performance in public sector organisations.

Overall, the structural model indicates that employee performance at the Class I Banjarmasin Harbourmaster and Port Authority Office is influenced by the quality of organisational climate both directly and indirectly through work motivation. These findings highlight that effective management of public organisations depends not only on formal systems and administrative procedures but also on employees' perceptions of their working environment and the extent to which such perceptions foster internal motivation. Consequently, organisational efforts aimed at improving performance should prioritise the development of a supportive organisational climate that encourages employee motivation, engagement, and commitment to organisational objectives.

4. Conclusion

This study aimed to examine the effect of organisational climate on employee performance, with work motivation serving as a mediating variable, at the Class I Banjarmasin Harbourmaster and Port Authority Office. Using the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach, the findings revealed that organisational climate has a significant positive effect on work motivation. This result indicates that employees' perceptions of goal clarity, fairness, participation opportunities, and organisational integration play an important role in fostering work motivation.

The study further demonstrated that work motivation significantly influences employee performance. Employees with higher levels of

motivation tend to exhibit better productivity, timeliness, and quality of work. In addition, organisational climate was found to have a significant direct effect on employee performance, suggesting that a supportive and well-structured working environment contributes directly to improved work outcomes.

The mediation analysis confirmed that work motivation acts as a partial mediator in the relationship between organisational climate and employee performance. This finding implies that organisational climate affects employee performance through both direct and indirect pathways, with work motivation functioning as an important psychological mechanism linking workplace perceptions to performance outcomes.

Overall, the findings highlight that improving employee performance in public sector organisations requires not only effective organisational systems and procedures but also the development of a positive organisational climate and the strengthening of employee motivation. Consequently, organisational leaders should prioritise policies and managerial practices that promote fairness, participation, recognition, and supportive working conditions in order to enhance employee motivation and achieve sustainable performance improvements.

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