

Employee Performance Dimension through Employee Work Quality

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ABSTRACT

This study aims to analyze the influence of Training and Work Motivation on Employee Performance with Employee Work Quality as an intervening variable at the Representative Office of Bank Indonesia, North Sumatra Province. The research employed a quantitative approach using the Structural Equation Modeling (SEM) method based on SmartPLS 3.0. The sample consisted of employees within the Representative Office of Bank Indonesia, North Sumatra Province, selected through purposive sampling. Data were collected using a questionnaire with a 1–5 Likert scale.

The results indicate that Work Motivation has a significant effect on Employee Performance and also has a significant effect on Employee Work Quality. Training has a significant effect on Employee Work Quality, but does not directly affect Employee Performance. In addition, Employee Work Quality has been proven to significantly influence Employee Performance. The mediation test results reveal that Employee Work Quality significantly mediates the effect of Work Motivation and Training on Employee Performance. This study emphasizes the importance of improving work quality as a primary strategy to enhance employee performance, particularly through effective training programs and increased work motivation.

Introduction

Improving employee performance is one of the main factors in supporting the achievement of Bank Indonesia's strategic goals. Employee performance is one of the key indicators in assessing an organization's effectiveness. Employees with high performance are able to carry out their duties and responsibilities well, make significant contributions to achieving organizational goals, and enhance the institution's competitiveness amidst the dynamics of the banking industry. One of the main factors contributing to improved employee performance is training. Training is a systematic process aimed at enhancing employees' knowledge, skills, and work attitudes so they can work more effectively and efficiently. Therefore, structured and continuous training programs are essential to ensure employees have skills and knowledge that are always relevant to job demands. Besides training, work motivation is also an important factor in improving employee performance. Work

motivation is a drive originating from within oneself or external factors that influence a person's behavior and performance at work. High motivation will encourage employees to work harder, be more disciplined, and more responsible in carrying out their duties. Factors that can increase work motivation include reward and incentive systems, a conducive work environment, career development opportunities, and inspirational leadership. Conversely, a lack of work motivation can cause employees to work sub-optimally, lack initiative, and tend to experience decreased productivity. The relationship between training and work motivation on employee performance is not always direct. There are other factors that can mediate that relationship, one of which is employee work quality. Work quality refers to the extent to which an employee can complete tasks well, accurately, efficiently, and according to established standards. High work quality can be a bridge connecting training and work motivation with overall employee performance. Through this research, it is hoped that a deeper understanding can be obtained regarding how training and work motivation contribute to improving employee performance. By considering work quality as an intervening variable, this study also aims to determine the extent to which work quality can mediate the relationship between training and work motivation with employee performance. Academically, this study can enrich the literature on the influence of training and work motivation on employee performance with work quality as an intervening variable. Meanwhile, practically, this research can provide recommendations for Bank Indonesia's management in designing more effective training strategies and developing policies that can increase employee work motivation. With the increasing complexity of challenges in the financial sector, investment in human resource development is a necessity so that organizations can remain competitive and adapt to changes. Several problems related to employee performance are still found, such as lack of effectiveness in carrying out tasks, low work quality in several aspects, and varying levels of work motivation. Some employees work sub-optimally, which may be caused by a lack of training relevant to job needs or minimal motivational encouragement from the work environment. The effectiveness of training and motivation enhancement programs remains a concern. Although various programs have been implemented, it is not yet fully known to what extent training and work motivation can improve employee performance, especially when considering work quality as an intermediary factor. Therefore, research is needed to better understand the relationship between training, work motivation, and employee performance.

Problem Identification

1. Low Work Motivation and Commitment. Some employees, especially non-organic ones, show a decline in work spirit due to a lack of clarity in the reward system and career paths.
2. High Workload and Work Stress. Public service units and currency distribution units often experience pressure ahead of reporting periods or major holidays, triggering fatigue and decreased productivity.
3. Limitations in Digital Competency. Some employees have not fully mastered reporting systems and internal digital applications, causing delays in submitting data to the central Bank Indonesia.
4. Suboptimal Discipline and Internal Coordination. Some employees still show tardiness and weak inter-unit communication, hindering team work effectiveness.

Problem Formulation

1. Does Training have a positive and significant effect on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province?
2. Does Work Motivation have a positive and significant effect on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province?
3. Does Training have a positive and significant effect on Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province?
4. Does Work Motivation have a positive and significant effect on Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province?
5. Does Employee Work Quality have a positive and significant effect on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province?
6. Does Training have a positive and significant effect on Employee Performance through Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province?
7. Does Work Motivation have a positive and significant effect on Employee Performance through Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province?

Research Objectives

1. To test and analyze the effect of Training on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province.
2. To test and analyze the effect of Work Motivation on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province.
3. To test and analyze the effect of Training on Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province.
4. To test and analyze the effect of Work Motivation on Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province.
5. To test and analyze the effect of Work Motivation on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province.
6. To test and analyze the effect of Training on Employee Performance through Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province.
7. To test and analyze the effect of Work Motivation on Employee Performance through Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province.

Employee Performance

According to Gomes (2016) Performance is the result achieved by an individual in carrying out assigned tasks that can be measured objectively and assessed based on certain standards. According to Prawirosentono (2016) Employee performance is the work results achieved by a person in carrying out assigned duties based on ability, experience, and diligence.

Employee Performance Indicators

Indicators of employee performance according to Gomes (2016) are as follows

1. Work quality
2. Work quantity

3. Work knowledge
4. Responsibility
5. Interpersonal relationships

Training

According to Wibowo (2016) Training is a systematic process used to increase employees' knowledge, skills, and attitudes so they can carry out work effectively and efficiently. According to Sutrisno (2016) Training is a process of enhancing a person's work ability to perform specific tasks better, focused on improving technical and operational skills.

Training Indicators

According to Wibowo (2016) - Training indicators include:

1. Relevance of training material to the job
2. Instructor competency
3. Training methods used
4. Improvement in participants' work ability after training

Work Motivation

According to Mangkunegara (2017) Work motivation is a condition that drives a person to carry out activities in achieving individual or organizational goals. Hasibuan (2018) Work motivation is providing a driving force that creates a person's work enthusiasm so that they are willing to cooperate, work effectively, and integrate with organizational goals.

Work Motivation Indicators

According to Mangkunegara (2017) Work motivation indicators:

1. Physiological needs
2. Safety needs
3. Social needs
4. Esteem needs
5. Self-actualization needs

Employee Work Quality

According to Robbins & Hakim (2020) Work quality refers to how well an employee performs a task in terms of accuracy, neatness, completeness, and consistency. Sedarmayanti (2018) Work quality is the employee's ability to produce high-quality work, viewed from the aspects of accuracy, speed, and conformity with organizational expectations.

Employee Work Quality Indicators

Indicators according to Sedarmayanti (2018) are as follows:

1. Quality of work results
2. Speed of task completion
3. Work initiative
4. Responsibility for tasks

Conceptual Framework

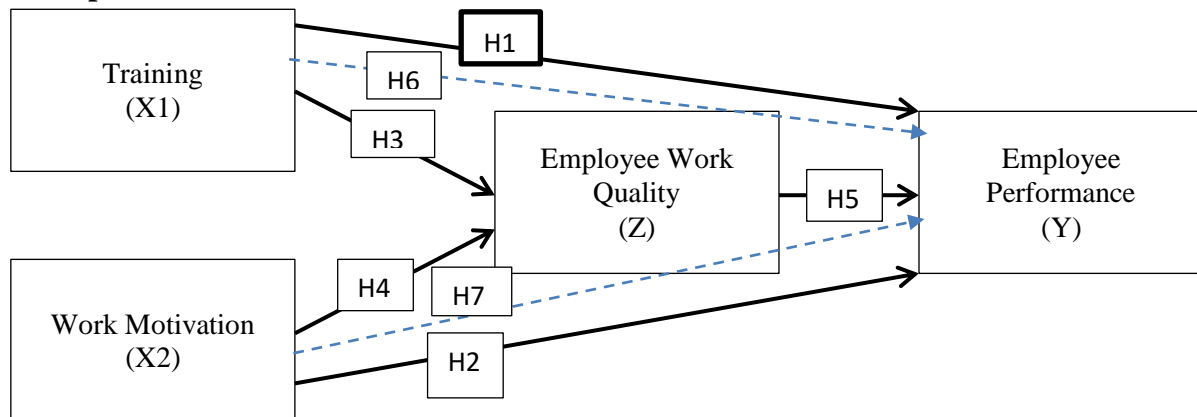


Figure 1 : Conceptual Framework

Hypotheses

1. Training has a positive and significant effect on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province
2. Work Motivation has a positive and significant effect on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province
3. Training has a positive and significant effect on Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province
4. Work Motivation has a positive and significant effect on Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province
5. Employee Work Quality has a positive and significant effect on Employee Performance at the Representative Office of Bank Indonesia, North Sumatra Province
6. Training has a positive and significant effect on Employee Performance through Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province
7. Work Motivation has a positive and significant effect on Employee Performance through Employee Work Quality at the Representative Office of Bank Indonesia, North Sumatra Province

Method

Research Type

According to Sugiyono (2019) quantitative research is defined as a research method based on the philosophy of positivism, used to study specific populations or samples, data collection uses research instruments, data analysis is quantitative/statistical, with the aim of testing established hypotheses.

Research Location and Time

The location of this research is at the Representative Office of Bank Indonesia, North Sumatra Province, Jl. Balai Kota No. 4, Medan, North Sumatra 20111. This research was conducted from November 2025 to December 2025.

Research Population

In this research, the researcher took the population of all employees of the Kesawan Representative Office of Bank Indonesia, North Sumatra Province, totaling 80 employees and will be used as the research population. According to Sugiyono (2019), a population is a generalization area consisting of: objects/subjects that have certain quantities and characteristics determined by the researcher to be studied and then conclusions are drawn.

Research Sample

This research sample decided to take a sample, namely all the existing population at the research location, totaling 80 employees, and the sampling technique used was saturated sampling. According to Sugiyono (2019), a sample is part of the number and characteristics possessed by that population. If the population is large, and it is impossible for the researcher to study everything in the population, for example due to limitations of funds, manpower, and time, then the researcher can use a sample taken from the population.

Research Data Sources

According to Sugiyono (2019), primary data is a source that directly provides data to the data collector, for example data selected from respondents through questionnaires or data from researcher interviews with sources.

Data Collection Technique

The data collection technique used in this research is using a questionnaire to collect data and distribute it to respondents. A questionnaire is a data collection technique carried out by giving a set of written questions or statements to respondents to answer (Sugiyono, 2019).

Data Analysis Technique

The approach used in analyzing this research is Structural Equation Model Partial Least Square (SEM-PLS) using SMART PLS software. The reason for using this method is that the number of samples required in the analysis is relatively small and Smart PLS analysis does not have to have a normal distribution. PLS is a powerful analysis method because it can be applied to all data scales and does not require many assumptions.

Measurement Model Evaluation (outer model or measurement model)..

To assess discriminant validity, it is done by comparing the square root of average variance extracted (SR of AVE) value with the cross loading of its indicators. If the square root of average variance extracted (SR of AVE) value of a construct is greater than the cross loading value, it can be said to have good discriminant validity. The three criteria used by Pradnyani in her research to assess the outer model are convergent validity, discriminant validity, and composite reliability.

Assessing the Inner Model or Structural Model

Evaluation of the inner model can be done by looking at the magnitude of R² (R-square). The larger the R² value, the greater the influence of a particular exogenous latent variable on the endogenous variable. With the help of the R program, the direct effect of a particular exogenous variable on the endogenous variable is obtained. In assessing the model with PLS, it starts by looking at the R-square for each dependent latent variable. Changes in the R-square value can be used to assess whether a particular independent latent variable has a substantive influence on the dependent latent variable (Ghozali, 2018).

Outer model

According to Wiyono (2015) the assessment criteria used in assessing indicators are:

- a) Convergent validity loading factor value 0.5 to 0.6;
- b) Discriminant validity the correlation value of cross loading with its latent variable must be greater than the correlation with other latent variables.
- c) AVE value must be above 0.5
- d) Good composite reliability value if it has a value ≥ 0.7 .

Inner Model Goodness of fit in the inner model is measured using the R square of the dependent latent variable. Changes in the R-square value can be used to assess whether a particular independent latent variable has a substantive influence on the dependent latent variable. Meanwhile, hypothesis testing in this research uses path analysis.

T statistics.

If the t statistic coefficient shows a coefficient greater than the t table, this result indicates that the variable is significant, meaning there is a meaningful influence of the latent variable on other latent variables. An exogenous variable is declared significant on an endogenous variable if the t statistic result is greater than the t table.

Results and Discussion

Outer Model Analysis

Testing the measurement model (outer model) is used to determine the relationship between latent and manifest variables. This test includes convergent validity, discriminant validity, and reliability.

Convergent Validity

This test is seen from its loading factor; the threshold value is 0.7, and the Average Variance Extracted (AVE) value is 0.5; if it exceeds that figure, it is said to be valid. This means the indicator value is considered valid if it describes the construct variable with a value greater than 0.7. The structural model used in this research is illustrated in the figure below:

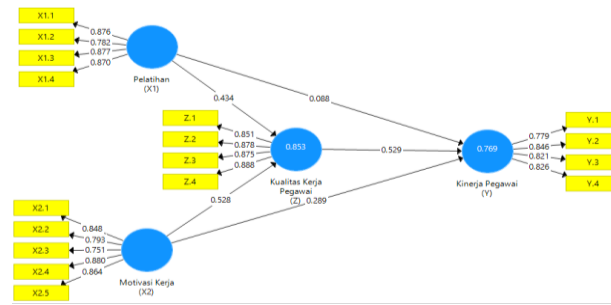


Figure 2. Outer Model

Source : Smart PLS 3.3.3

The Smart PLS output for loading factors provides the results in the table below: Outer Loadings This study has relationships consisting of two substructures.

for substructure 1

$$Z = b1X1 + b2X2 + e1$$

$$Z = 0,434 + 0,528 + e1$$

For substructure 2

$$Y = b3X2 + b4X1 + b5Z + e2$$

$$Y = 0,088 + 0,289 + 0,529 + e2$$

Table 1. Outer Loadings

	Employee Performance (Y)	Employee Work Quality (Z)	Work Motivation (X2)	Training (X1)
X1.1				0,876
X1.2				0,782
X1.3				0,877
X1.4				0,870
X2.1			0,848	
X2.2			0,793	
X2.3			0,751	
X2.4			0,880	
X2.5			0,864	
Y.1	0,779			
Y.2	0,846			
Y.3	0,821			
Y.4	0,826			
Z.1		0,851		
Z.2		0,878		
Z.3		0,875		
Z.4		0,888		

Source : Smart PLS 3.3.3

The outer loadings test results show that all indicators for the Training, Work Motivation, Employee Performance, and Employee Work Quality variables have values above 0.70. This indicates that each indicator has met the convergent validity criteria and is

able to explain the construct well. Indicators for Training (0.782--0.877) and Work Motivation (0.751--0.880) show strong contributions to their variables. Likewise, indicators for Employee Performance (0.779--0.846) and Employee Work Quality (0.851--0.888) reflect excellent representation ability. Thus, all indicators are declared fit to be retained in the model.

Discriminat Validity

The next research will determine data validity using Discriminant Validity, with the aim of knowing whether the cross loading value is greater compared to other latent variables to identify indicators that have a strong connection with the concept. The following table displays the cross loading findings from the validity test, as follows:

Table 2. Discriminant Validity

	Employee Performance (Y)	Employee Work Quality (Z)	Work Motivation (X2)	Training (X1)
X1.1	0,714	0,815	0,823	0,876
X1.2	0,719	0,758	0,640	0,782
X1.3	0,644	0,722	0,699	0,877
X1.4	0,621	0,681	0,694	0,870
X2.1	0,722	0,777	0,848	0,724
X2.2	0,638	0,673	0,793	0,665
X2.3	0,661	0,690	0,751	0,588
X2.4	0,724	0,789	0,880	0,753
X2.5	0,713	0,762	0,864	0,748
Y.1	0,779	0,738	0,660	0,699
Y.2	0,846	0,741	0,751	0,680
Y.3	0,821	0,693	0,683	0,634
Y.4	0,826	0,650	0,633	0,583
Z.1	0,706	0,851	0,808	0,811
Z.2	0,710	0,878	0,810	0,744
Z.3	0,804	0,875	0,764	0,746
Z.4	0,798	0,888	0,739	0,767

Source : Smart PLS 3.3.3

The Discriminant Validity test results in the table show that each indicator has the highest loading value on the variable where it resides compared to other variables. For example, indicators for Training (X1) have the highest loading value in column X1, similarly indicators for Work Motivation (X2), Employee Performance (Y), and Employee Work Quality (Z) show the highest values on their respective constructs. This proves that each indicator is able to clearly distinguish its variable from one another, so that discriminant validity in the model has been well met.

Composite reliability

In the research, composite reliability is used to see each variable with its reliability value and if the variable value is greater than 0.60 then the research is considered reliable and if it is below 0.60 and 0.7 then it is not reliable. There are several blocks to determine whether the research is reliable or not and valid or not, among others: Cronbach's alpha value, composite reliability, and AVE value can be seen in the table below:

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance (Y)	0,835	0,890	0,670
Employee Work Quality_(Z)	0,896	0,928	0,763
Work Motivation_(X2)	0,885	0,916	0,686
Training_(X1)	0,874	0,914	0,726

Source : Smart PLS 3.3.3

The Discriminant Validity test results in the table show that each indicator has the highest loading value on the variable where it resides compared to other variables. For example, indicators for Training (X1) have the highest loading value in column X1, similarly indicators for Work Motivation (X2), Employee Performance (Y), and Employee Work Quality (Z) show the highest values on their respective constructs. This proves that each indicator is able to clearly distinguish its variable from one another, so that discriminant validity in the model has been well met.

Inner Model Analysis

The structural model (inner model) is evaluated to ensure the resulting baseline model is strong and correct. Several markers that can be used to identify the stages of main model assessment inspection include:

Coefficient of Determination (R²)

Based on data processing that has been carried out using the SmartPLS 3.0 program, the following R Square values were obtained:

Table 4. R Square Results

	R Square	Adjusted R Square
Employee Performance (Y)	0,769	0,760
Employee Work Quality_(Z)	0,853	0,849

Source : Smart PLS 3.3.3

Based on the R Square results, the Employee Performance (Y) variable has a value of 0.769, which means that 76.9% of the variability in Employee Performance can be explained by the Training and Work Motivation variables. Meanwhile, the Employee Work Quality (Z) variable has an R Square value of 0.853, indicating that 85.3% of the variability in Employee Work Quality is explained by the Training and Work Motivation

variables. The Adjusted R Square values, which are not much different, indicate a strong and stable predictive model.

Hypothesis Testing

After determining the inner model, the next step is to determine the relationship between idle constructs and speculation in this case. Speculation in this review is done by looking at T-Statistics and P-Values. This test determines whether T-Insights > 1.96 and P-Values < 0.05. The following are the results of the Path Coefficient direct effect.

Table 5. Direct Hypotheses

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Employee Work Quality_(Z) -> Employee Performance (Y)	0,529	3,653	0,000	Accepted
Work Motivation_(X2) -> Employee Performance (Y)	0,289	2,316	0,010	Accepted
Work Motivation_(X2) -> Employee Work Quality_(Z)	0,528	6,011	0,000	Accepted
Training_(X1) -> Employee Performance (Y)	0,088	0,631	0,264	Rejected
Training_(X1) -> Employee Work Quality_(Z)	0,434	5,032	0,000	Accepted

Source : Smart PLS 3.3.3

1. Employee Work Quality (Z) affects Employee Performance (Y).
 The results show p value = 0.000 < 0.05 and a coefficient of 0.529, so the hypothesis is declared accepted. This means, the better the employee's work quality, the more employee performance increases.
2. Work Motivation (X2) affects Employee Performance (Y).
 P value = 0.010 < 0.05 and coefficient 0.289, so the hypothesis is accepted. This means that increasing work motivation will improve employee performance.
3. Work Motivation (X2) affects Employee Work Quality (Z).
 P value = 0.000 < 0.05 and coefficient 0.528 show the hypothesis is accepted. Thus, work motivation has a significant contribution in improving employee work quality.
4. Training (X1) affects Employee Performance (Y).
 Obtained p value = 0.264 > 0.05 and coefficient 0.088, so the hypothesis is rejected. This shows that training does not directly affect employee performance.
5. Training (X1) affects Employee Work Quality (Z).
 The results show p value = 0.000 < 0.05 and coefficient 0.434, so the hypothesis is accepted. This means that good training is able to improve employee work quality.

Table 6. Indirect Hypothesis

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Work Motivation_(X2) -> Employee Work Quality_(Z) -> Employee Performance (Y)	0,279	3,175	0,001	Accepted
Training_(X1) -> Employee Work Quality_(Z) -> Employee Performance (Y)	0,229	2,836	0,002	Accepted

Source : Smart PLS 3.3.3

6. For the indirect effect between Work Motivation on Employee Performance through Employee Work Quality, a coefficient value of 0.279 was obtained, T Statistic 3.175, and P-Value 0.001, so the hypothesis is accepted. This result shows that Employee Work Quality is a significant mediator in that relationship.
7. Next, for the indirect effect between Training on Employee Performance through Employee Work Quality, a coefficient of 0.229, T Statistic 2.836, and P-Value 0.002 were obtained, so the hypothesis is accepted. This confirms that Employee Work Quality significantly mediates the effect of Training on Employee Performance.

Conclusion

1. Employee Work Quality has a significant effect on Employee Performance ($p = 0.000$; coefficient = 0.529), so the hypothesis is accepted.
2. Work Motivation has a significant effect on Employee Performance ($p = 0.010$; coefficient = 0.289), so the hypothesis is accepted.
3. Work Motivation has a significant effect on Employee Work Quality ($p = 0.000$; coefficient = 0.528), so the hypothesis is accepted.
4. Training has no effect on Employee Performance ($p = 0.264$; coefficient = 0.088), so the hypothesis is rejected.
5. Training has a significant effect on Employee Work Quality ($p = 0.000$; coefficient = 0.434), so the hypothesis is accepted.
6. Work Motivation has a significant indirect effect on Employee Performance through Employee Work Quality ($p = 0.001$; coefficient = 0.279), so the hypothesis is accepted.
7. Training has a significant indirect effect on Employee Performance through Employee Work Quality ($p = 0.002$; coefficient = 0.229), so the hypothesis is accepted.

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