Analysis of Food Provider Performance with Work Motivation as a Mediating Variable

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ABSTRACT: The objective of this study is to examine the impact of work ability, budget participation, and spirit at work on performance, as well as to determine the mediating role of work motivation in the relationship between work ability, budget participation, spirit at work, and performance. The research was conducted with a sample of 99 food providers in the Semampir and Kenjeran districts of Surabaya City, where the owners also participated as respondents and managers. Primary data was collected through the distribution of questionnaires to the participants, and data analysis was carried out using the Partial Least Square (PLS) method. The results of the study reveal that 1) an improvement in work ability significantly enhances performance, 2) budget participation does not have a significant impact on performance, 3) high spirit at work can lead to a significant improvement in performance, 4) work motivation does not mediate the relationship between work ability and performance, 5) on the other hand, work motivation acts as a mediator between budget participation and performance. The more involvement in budget determination, the higher the work motivation. 6) Work motivation does not mediate the relationship between spirit at work and performance, as spirit at work directly influences performance without the need for work motivation as an intermediary.

KEYWORDS: Work Ability, Budget Participation, Spirit at work, Work Motivation, Performance

I. INTRODUCTION

Performance plays a vital role in the success of organizations, as it directly impacts their ability to make a positive difference in society and the environment. It is essential to regularly and systematically measure performance to ensure that goals are being met efficiently and effectively. Performance is closely tied to the strategic objectives of the organization, customer satisfaction, and overall economic contribution. According to Armstrong and Baron in [1], performance is a reflection of the work done, while Mangkunegara et al. [2] define it as the qualitative and quantitative outcomes achieved by employees in fulfilling their assigned responsibilities. Ultimately, performance is influenced by both motivation and capability.

One of the key challenges faced by organizations is ensuring that their employees work efficiently. This requires employees to effectively carry out their tasks based on their skills. However, not all employees possess the necessary capabilities and job skills [3]. Efficiency in work is achieved when employees are competent, skilled, and motivated, leading to optimal work performance [4].

Work ability is a crucial aspect of competency that is developed through education, training, and experience. It is linked to an individual's physical and mental capacity to execute tasks required for a job, rather than just their desires [5]. As per Robbins & Judge [6], work ability refers to an individual's ability to handle various job responsibilities. It represents the inherent potential within an individual to successfully carry out tasks in a job role.

The ability to perform work is dependent on an individual's interest, knowledge, and experience in relation to the tasks assigned to them based on their position. This concept is elaborated by Wursanto [7], who suggests that an employee’s level of capability while working is connected to their psychological aspects, including agility and problem-solving skills. Apart from Work Ability, another crucial factor that impacts performance is the motivation of each employee. The outcomes of performance are undoubtedly influenced by the high motivation levels of employees facilitated by a government leader.

Higher performance serves as a motivating factor in a job, with enthusiasm for work being a key element in enhancing satisfaction levels at work. Pohan [8] highlights that spirit at work and compensation are individual factors that impact employee
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Performance. Spirit at work reflects how dedicated employees are in fulfilling their duties and obligations within the organization. It can be gauged through attendance, adherence to rules, meeting deadlines, and taking responsibility. The involvement of human resources in a company is vital for maintaining performance levels. This research seeks to explore the impact of work ability, involvement in budgeting, and spirit at work on the performance of service providers, as well as the role of motivation in mediating the influence of work ability, budget participation, and spirit at work on provider performance.

Employee participation in budgeting has a positive impact on work motivation. This is because when employees are involved, they feel valued as they contribute to decision-making for the future. Feeling valued and being involved in budgeting generates internal motivation within employees, leading them to perform their tasks more effectively. Consequently, with high motivation, it is expected that employee performance in task completion will improve. According to Laberto [9], there were significant and positive correlations between budget participation and work motivation. When employees are highly motivated, they are more likely to understand the budget and effectively handle challenges during its implementation. Budiman [10] also supports this notion, as it demonstrates a positive and significant relationship between motivation and managerial performance. In other words, the higher the motivation of a manager, the better their performance. Similar to Laberto’s study, it also found a positive and significant relationship between motivation and performance, with motivation acting as a mediating variable between budget participation and managerial performance [9].

According to F. Fahmi et al. [11], individuals who are motivated to work hard utilize their full capabilities in order to achieve their desired outcomes. In reality, motivated employees are often complex and their work behavior can be difficult to comprehend. This is because motivation factors vary for each employee and involve both individual and organizational aspects. Individual factors include personal needs, clear goals, attitudes, and each employee’s ability to work. On the other hand, organizational factors encompass personal needs, clear goals, attitudes, and each employee’s ability to work. Work quality can also be assessed by comparing output or work results with the company’s established output standards.

Performance appraisal, or job performance evaluation, is a crucial process for companies to assess employee performance. It not only influences personnel decisions but also provides valuable feedback to employees regarding their job performance. Performance appraisal can be conducted individually or in groups or business divisions, with the ultimate goal of achieving company performance targets together. Individual performance assessments often have a direct impact on salary increases, bonuses, and promotions.

II. LITERATUR REVIEW

A. Performance

Performance is the outcome of work that directly impacts an organization’s strategic objectives, customer satisfaction, and overall economic contribution [1]. Employee performance, as stated by [13], is the evaluation of an employee’s work in terms of quality and dedication based on the organization’s standards. Mangkunegara et al. [2] further defines performance as the qualitative and quantitative results attained by employees while fulfilling their assigned responsibilities. It is influenced by motivation and capability, as highlighted by Keith Davis, where ability and motivation play a crucial role in determining performance levels.

In essence, performance reflects the achievements of individuals or teams within a company in alignment with their designated roles towards reaching organizational goals. The successful attainment of these goals is a direct result of optimal individual or team performance. Conversely, falling short of set targets is a consequence of inadequate individual or team performance.

According to Simamora [14], there are various aspects used to measure performance. One aspect is work quantity, which refers to the visible achievements of employees during work. This includes the timeliness of completing tasks, precision in task execution, and skill in task execution. Another aspect is work quality, which is measured by the results of the work achieved by workers. Work quality can also be assessed by comparing output or work results with the company’s established output standards.

Performance appraisal, or job performance evaluation, is a crucial process for companies to assess employee performance. It not only influences personnel decisions but also provides valuable feedback to employees regarding their job performance. Performance appraisal can be conducted individually or in groups or business divisions, with the ultimate goal of achieving company performance targets together. Individual performance assessments often have a direct impact on salary increases, bonuses, and promotions.

B. Work Ability

The ability to perform work is dependent on an individual’s interest, knowledge, and experience in relation to the tasks assigned to them based on their position. This concept is elaborated by Wursanto [7], who suggests that an employee’s level of ability while working is connected to their psychological aspects, including agility and problem-solving skills. Apart from work ability, another crucial factor that impacts performance is the motivation of each employee. The outcomes of performance are undoubtedly influenced by the high motivation levels of employees facilitated by a government leader.
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Ability means an individual's capacity to perform various tasks in a job. Ability is also a behavioral dimension of someone's expertise or excellence that involves skills and knowledge in solving a problem. Ability in an organization is essential, especially in responding to organizational demands, where there is rapid change, increasingly complex and dynamic problem development, and uncertainty about the future in the community's life order. Job satisfaction can be interpreted as a measure of the level of satisfaction of workers in performing a job [15]. Ability is the potential within an individual to do something, enabling them to either perform or not perform a job [6].

Work Ability has a positive and significant effect on employee performance, meaning that any small changes, whether increasing or decreasing Work Ability, will affect a larger increase or decrease in employee performance. The same research has been conducted by D. A. Kristiani, A. Pradhanawati, Wijayanto, and Andi [16] stating that Work Ability has an effect on employee performance. The opinion of Y. G. Rakata, A. Subyantoro, and A. Pujiharjanto [17] in his study concludes that work ability partially has a significant effect on performance. The positive influence of Work Ability on performance indicates that with increasing work ability, performance will increase. Research by S. Awaluddin and Yusuf [18] found that work ability influences employee performance. The lowest employee assessment or perception on the indicator is being able to work creatively independently.

C. Budget Participation

Budget participation is a fundamental aspect of organizational processes, wherein individuals play an active role and exert influence in decision-making that directly impacts them. According to Utama & Rohman [19], participation entails direct involvement and influence in setting budget targets, with the potential for performance evaluation and rewards based on the achievement of these targets. Consequently, budget participation involves the direct engagement of stakeholders in the policy-making process of budget preparation.

Kusuma [20] in his study states that budget participation has a positive influence on managerial performance. The results show evidence that active involvement in the budgeting process will have a direct impact on improving managerial performance. The same research by D. Ferdiani and A. Rohman [21] shows a positive and significant relationship between budget participation and organizational commitment. High employee participation in budgeting will increase the commitment of employees to the organization where they work. When employees are involved in budgeting, they will feel that their opinions are needed and considered by the organization. The higher the level of employee participation in budgeting, the performance produced by those employees will also experience a significant improvement. Budget participation significantly positively influences managerial performance. The higher the level of participation of structural officials in the Bondowoso Regency Government SKPD in the budgeting process, the better their managerial performance.

D. Spirit at Work

Spirit at work is an individual's desire and dedication to perform their work well and discipline to achieve maximum work achievements. This spirit stimulates individuals to create and be creative in their work [22]. The decline in spirit at work can be seen from low productivity, high absenteeism rates, high employee turnover rates, rising damage rates, widespread anxiety, frequent demands, and strikes. Pohan [8] defines spirit at work as one of the individual factors that influence performance, and remuneration is one of the organizational factors that influence employee performance.

The research results by A. A. N. Pratama, Wardani, and Aprina [23] conclude that spirit at work has a positive and significant effect on employee performance. Spirit at work has a positive and significant effect on employee performance. The more spirited an employee is at work, the higher the employee's performance can increase. Spirit at work and discipline toward performance show a very strong or positive relationship [24]. The research results by Syuhada & Amelia [25] support the results of previous research that spirit at work has a positive and significant effect on the performance of Angkasa Pura Avsec Division employees. The more spirited in carrying out work in their field, the higher the employee's performance can increase.

E. Work Motivation

Work motivation is a factor that drives someone to perform a specific activity; therefore, work motivation is often also interpreted as a driving factor for someone's behavior in the workplace. Every activity carried out by someone in the professional context certainly has a factor that drives that activity [26]. Work motivation is related to the level of effort made by someone in pursuit of a goal within the work environment [27]. Work motivation is the drive that causes a person to behave in a professional setting. This drive can be caused by factors within oneself (intrinsic work motivation) and factors from outside oneself (extrinsic work motivation). Factors within a person are values lived with all their souls. External factors driving work-related behavior, such as expectations for a career, salary, bonuses, and community recognition [28].
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Several studies have found that work motivation can act as a mediator between work ability and employee performance. Guterresa, L. Armanu & Rofiaty [29] in their study show that work motivation can act as a mediator between work ability and employee performance. In other words, the higher the work ability, the higher the work motivation, and the higher the employee’s performance. Some studies show that budget participation can affect employee performance through work motivation mediation. Budget participation can have a positive effect on employee work motivation, and higher work motivation can improve employee performance. Y. K. Putra et al [30] in their study show that budget participation has a positive effect on work motivation, and work motivation has a positive effect on employee performance. Research conducted by Chariri and Fitrianto [31] also shows the same results, where budget participation has a positive effect on employee work motivation, which then affects employee performance. Therefore, work motivation can be an important mediating variable in explaining the relationship between budget participation and employee performance.

Research results explaining the relationship between spirit at work, work motivation, and performance have shown that spirit at work has a positive effect on work motivation, and higher work motivation can improve employee performance. This is supported by study in Pakistan [32], showing that spirit at work has a positive effect on work motivation, and work motivation has a positive effect on employee performance. Spirit at work is a condition where employees feel motivated and enthusiastic in carrying out their tasks and responsibilities at work. Spirit at work can affect work-related motivation because employees who feel motivated and enthusiastic tend to be more focused, energetic, and enthusiastic in their professional tasks. This can improve overall productivity and employee performance. Therefore, work motivation can be an important mediating variable in explaining the relationship between spirit at work and employee performance.

III. RESEARCH METHODS AND HYPOTHESES

This study adopts a quantitative approach to analyse the impact of work ability, budget participation, and spirit at work on performance. The research focuses on 99 food providers in the Semampir and Kenjeran Subdistricts of Surabaya City, with owners and managers serving as respondents. The exogenous variables include work ability, budget participation, and spirit at work, while work motivation is considered as a mediating variable. The endogenous variable under scrutiny is the provider’s performance. Measurement of research variables utilizes the Likert scale: a. strongly disagrees (score 1); b. disagrees (score 2); c. neutral (score 3); d. agree (score 4), e. strongly agree (score 5).

Primary data, obtained directly from the research object through responses to statements in the questionnaire, serves as the data source. The data collection technique employed is the questionnaire, a list of statements used for data acquisition. The data analysis method involves the Partial Least Square (PLS) method, utilizing a covariance-based approach due to its flexibility in handling more complex models that test moderation and mediation relationships [33].

![Figure 1. Conceptual Framework](image)

**Research Hypotheses**

| H1 | Work ability has a positive influence on the provider’s performance. |
| H2 | Budget participation has a positive influence on the provider’s performance. |
| H3 | Spirit at work has a positive influence on the provider’s performance. |
| H4 | Work motivation can mediate the influence of work ability on the provider’s performance. |
| H5 | Work motivation can mediate the influence of budget participation on the provider’s performance. |
| H6 | Work motivation can mediate the influence of spirit at work on the provider’s performance. |
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IV. RESULTS AND DISCUSSION

TABLE 1. RESPONDENT IDENTITIES

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>72</td>
<td>72.7%</td>
</tr>
<tr>
<td>Female</td>
<td>27</td>
<td>27.3%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 – 40 ages</td>
<td>21</td>
<td>21.2%</td>
</tr>
<tr>
<td>41 – 60 ages</td>
<td>35</td>
<td>35.4%</td>
</tr>
<tr>
<td>&gt; 60 ages</td>
<td>43</td>
<td>43.4%</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior High School</td>
<td>19</td>
<td>19.2%</td>
</tr>
<tr>
<td>Senior High School/Equivalent</td>
<td>72</td>
<td>72.2%</td>
</tr>
<tr>
<td>College</td>
<td>8</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2023

Table 1 depicts that respondents based on gender are 72 males, accounting for 72.7%. Concerning age groups, those above 60 years constitute the majority of respondents, with 43 individuals or 43.4%. The highest proportion of respondents in this study, based on educational level, holds a high school or equivalent degree, with 72 respondents or 72.2%.

The outer loading values for each statement are greater than 0.5 [34]. This implies that the indicators used in this study are valid and have met convergent validity. It also indicates that the research instrument used has measured according to what should be measured.

The results show that all research variables, namely Budget Participation, Spirit at Work, Work Ability, Work Motivation, and Performance, have met discriminant validity as the Average Variance Extracted (AVE) values are greater than 0.5, thus declared valid. The composite reliability values for the variables Budget Participation, Spirit at Work, Work Ability, Work Motivation, and Performance are greater than 0.70; hence, it can be concluded that all variables have good reliability.

TABLE 2. R-SQUARE VALUE

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work motivation (Z)</td>
<td>0.433</td>
</tr>
<tr>
<td>Spirit at Work (Y)</td>
<td>0.401</td>
</tr>
</tbody>
</table>

Source: output warp-PLS (2023)

Table 2 shows that work ability, budget participation, and spirit at work can explain the variance in work motivation by 43.3%. The remaining 56.7% is explained by other variables not included in the model, as well as errors. Table 4 also indicates that work ability, budget participation, spirit at work, and work motivation can explain 40.1% of the variance in consumer performance. The remaining 59.9% is explained by other variables not included in the model, as well as errors. From the R-Square value, a Q-Square value of 0.66 is obtained, indicating a predictive relevance of the ability model at 66%, with the remaining 34% explained by variables outside the scope of this research model. A Q-Square value of 0.66 is categorized as a strong model, making this research model suitable for hypothesis testing.

TABLE 3. HYPOTHESIS TESTING

<table>
<thead>
<tr>
<th>No</th>
<th>Relationship Between Variables</th>
<th>Path Coefficient</th>
<th>P-Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Work Ability -&gt; Performance</td>
<td>0.244</td>
<td>0.009</td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>Budget Participation -&gt; Performance</td>
<td>0.091</td>
<td>0.442</td>
<td>Not Significant</td>
</tr>
<tr>
<td>3</td>
<td>Spirit at Work -&gt; Performance</td>
<td>0.244</td>
<td>0.023</td>
<td>Significant</td>
</tr>
<tr>
<td>4</td>
<td>Work Ability -&gt; Work Motivation -&gt; Performance</td>
<td>0.063</td>
<td>0.121</td>
<td>Not Significant</td>
</tr>
<tr>
<td>5</td>
<td>Budget Participation -&gt; Work Motivation -&gt; Performance</td>
<td>0.108</td>
<td>0.022</td>
<td>Significant</td>
</tr>
<tr>
<td>6</td>
<td>Spirit at Work -&gt; Work Motivation -&gt; Performance</td>
<td>0.063</td>
<td>0.083</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>

Source: output warp-PLS (2023)

Table 3 shows that variables significantly influencing performance are work ability and spirit at work, as they have p-values smaller than 0.05. On the other hand, budget participation does not have a significant influence on performance as it has a p-
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value greater than 0.05. Table 5 also indicates the hypothesis testing for indirect influence, revealing that the variable budget participation with the work motivation variable as a mediator has a significant effect on the performance variable. Meanwhile, the variables work ability and spirit at work with the work motivation variable as a mediating variable do not have a significant influence on the performance variable.

DISCUSSION
The hypothesis testing results indicate that work ability significantly influences the performance of food providers. Good work ability encourages performance, as evidenced by increased productivity, better quality of work, and improved self-confidence. It is essential for the Surabaya city organization to ensure alignment between the providers’ abilities and assigned tasks to enhance their performance. This alignment is crucial in delivering food services according to established standards, providing better services, and ensuring user satisfaction.

Budget participation does not affect the performance of food providers. Directly providing budget participation to providers is not feasible to avoid increasing the workload assigned by the Surabaya city government as a user of food provider services. Budget participation in the performance of providers is a proposal process to demonstrate their ability to provide services to registered and adequately funded individuals.

High work spirit can assist providers in carrying out their tasks more effectively and efficiently, thereby enhancing their performance. Providers with high work spirit are also more motivated to achieve organizational goals and contribute to the success of their tasks. This indicates that high work spirit can improve the performance of food providers in providing quality food that meets the nutritional needs of the recipient community.

In the food assistance program in Surabaya city, work ability is a crucial factor that can influence the work motivation of providers. The trust given by the Surabaya city government generates pride and responsibility. Work ability can be interpreted as the capacity or proficiency of providers, prompting them to strive for excellence by continually enhancing their capabilities. Consequently, the role of motivation as a mediator contributes less to the performance of providers. In the work ability measurement, most respondents have already demonstrated that food providers are capable of performing their assigned tasks and responsibilities.

Budget participation has proven to enhance the work motivation of food providers. Providers feel a sense of responsibility and involvement in the planning and budgeting process. The Surabaya city government acts as a supervisor, assisting providers in formulating and planning their business budgets with economic precision. Budget participation for providers is offered with opportunities, but there are limitations on direct budget proposals.

Motivation does not play a mediating role in the influence of work spirit on performance. This implies that, although work motivation is a crucial factor in performance improvement, in this research context, work spirit has a direct impact on performance without needing to be mediated by work motivation. However, for the SMEs supported by the Surabaya city government, this program is highly beneficial for the residents to stimulate economic turnover in the surrounding areas of districts and sub-districts. The motivation provided by the Surabaya city government includes incentives related to varying daily food portions, which are not overly burdensome for providers and the government.

V. CONCLUSIONS
Firstly, work ability contributes to the improvement of performance in food providers. Secondly, budget participation does not contribute to performance improvement. Thirdly, high work spirit can contribute to performance improvement. Fourthly, work ability cannot enhance performance through mediation, indicating that high work ability cannot contribute with the existence of work motivation as a mediator. Fifthly, increased opportunities to participate in budget determination will significantly enhance work motivation and impact the improvement of provider performance. Sixthly, work spirit cannot increase performance through mediation; therefore, work spirit and work motivation are interrelated and cannot influence employee performance.

The Surabaya city government should pay special attention to enhancing the work ability of food providers. The government can provide periodic training and skill development, ensuring continuous improvement in the work ability of food providers, positively impacting their work motivation and the quality of food assistance program services. Future research should expand the study area, involving all food providers in the districts of Surabaya, to obtain comprehensive results.

REFERENCES
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