Antecedents of Work Outcomes of Local Government Employees:
The Mediating Role of Public Service Motivation

Abstract
Many studies have analyzed the performance of government employees, but there is still little research on the relationship between equal employment opportunity and public service motivation. The purpose of this study was to examine whether equal employment opportunities affect individual job satisfaction and job performance. This study also evaluated whether the relationship is mediated by public service motivation. The survey research was implemented in the Bengkulu City Government to achieve the study objectives. There were 252 participants in this study who responded by completing an online questionnaire. The results of the structural equation modeling show that job satisfaction and individual job performance are equally influenced by job opportunities and public service motivation. In addition, the influence of equal employment opportunity on job satisfaction and individual job performance is mediated by public service motivation. The implications of this work on the theory and practice of human resource management in the public sector are outlined in the findings.

Keywords:
public service motivation; equal job opportunities; job satisfaction; work performance; government employees

Introduction
After the implementation of decentralization in Indonesia in 1999, local governments (provincial/district/city) faced challenges to provide quality public services because they were no longer provided by the central government and now local governments had to provide them (Talitha et al., 2020). Since then, many local governments in all regions of Indonesia have designed a public service system that puts the citizens first. In this system, the public’s best interest are a top priority in all public service processes. Although the
national regulations on regional autonomy have been amended several times, based on Law No. 22 of 1999, Law No. 32 of 2004, Law No. 12 of 2008, and Law No. 23 of 2014, the service delivery roles and duties of local government in the public sector have not changed much. Referring to the current law, Law Number 23 of 2014, currently there are many services that are the responsibility of local governments, including urban services.

High quality service is determined by the ability of government officials to manage and provide public services. High quality services will be achieved by qualified public service human resources. The dimension of human resource management (HRM) plays an important role in delivering high-quality public services by providing the best well suited professionals in the public sector. The principle of implementing HRM practices requires equal opportunity for everyone in the entire HRM process in public organizations. This can be an important point because many features of HRM practices, such as planning, recruitment, selection, development, promotion, and compensation, covertly embed the work of a government employee (Blom et al., 2020).

One of the principles of HRM is an equal employment opportunity (EEO). EEO policy has been implemented in numerous public organizations to ensure justice and equality (Yudiatmaja, 2020). Theoretically, positive perceptions of the public employee on EEO practices in the organization contribute to shaping work outcomes, including job satisfaction and performance (Choi, 2020). Practically, enhancing job satisfaction and employee performance are important to retain the employee on the organizational side. Employees who are more satisfied at work typically demonstrate high performance levels and tend to stay in such organizations because they feel comfortable with the job environment. Currently, public employee performance has also become a crucial issue in Indonesia because of the complexity of public needs and interests (Dwiyanto, 2018).

In this study, we examine two employee job outcomes, including job satisfaction and employee performance in the public sector, and their relationship to EEO and public service motivation (PSM). We assume that EEO and PSM are closely related to employee performance and job satisfaction. This research contributes greatly to the debate about outcomes in public sector organizations in a number of ways. First, current studies have identified several individual and organizational factors that determine employee outcomes in the public service sector. Individual dimensions recognized as determinants of work outcomes include emotional intelligence (Levitats & Vigoda-Gadot, 2017), respect and intimidation (Nguyen et al., 2019), and enthusiasm (Duan et al., 2021). On the other hand, organizational aspects that are widely recognized as antecedents of work outcomes are usually procedural justice (Quratulain et al., 2019), organizational politics (Asrar-ul-Haq et al., 2019; Park & Lee, 2020), high-level performance work practices (Ogbonnaya & Valizade, 2018; Rubel et al., 2020), and organizational prestige (Bright, 2021).

However, studies that consider EEO and its effect on work outcomes are rare. Yudiatmaja (2020) assessed the nexus between EEO and service performance and found a positive relationship between these two constructs. Nevertheless, his study did not focus on individual job outcomes. As one of the features of HRM, EEO is certainly an important part that affects employee work outcomes (Stoilkovska et al., 2015). In short, EEO has an important role in determining employee performance. To fill the gap, our study, therefore, recognizes EEO as the first antecedent that affects the work outcomes of government employees.

Second, our study considers PSM as a second antecedent that affects workers’ employment outcomes. Various scholars have focused their attention on the effect of PSM on employee work outcomes in the context of public sector entities (Taylor, 2014). Although several experts have
assessed the relationship between PSM and civil service outcomes, we still have little knowledge of this relationship with EEO. Therefore, we also utilize PSM as a buffer in the relationship between EEO and work outcomes, in addition to the direct impact of PSM on work outcomes. Third, we consider PSM as an important variable mediating the relationship between EEO and job outcomes. Many studies have assessed the mediating role of PSM in the connection between organizational and individual factors. Unfortunately, few scholars have focused on the mediating role of PSM in the nexus (Papenfuß & Keppeler, 2020). Fourth, current research places more emphasis on local government employees in Indonesia. More and more research is looking at the work of employees and PSM in the context of case studies in Indonesia. In terms of job satisfaction and employee performance, several scholars have highlighted the work of Indonesian civil servants (Hariria et al., 2016; Napitupulu et al., 2017). In terms of PSM, several researchers have also described PSM of government officials (Banuri & Keefer, 2016; Yudiatmaja, 2017). However, little attention in research studies has been paid to the case of an employee working in a local government in Indonesia.

Based on the description above, the main objectives of this study are to examine: (1) the effect of EEO on job satisfaction and performance of government employees, (2) the effect of EEO on PSM, and (3) the mediating effect of PSM on the relationship between EEO and work outcomes.

**Theoretical Framework**

**Literature Review**

We applied self-determination theory (SDT) to analyze the research problems. SDT is one of the prominent theories of motivation in the domain of behavioral psychology (Gagné & Deci, 2005) extensively used by PSM scholars (Chen et al., 2018; Corduneanu et al., 2020). SDT examines psychological needs and motivation, it addresses the differences between intrinsic and extrinsic motivation (Ryan & Deci, 2000). SDT postulates that all humans are naturally motivated. SDT focuses on investigating the inherent growth tendencies and innate psychological needs underlying self-motivation and individual personality integration, as well as the conditions that drive these processes. SDT has proposed that intrinsically motivated employees are driven by their curiosity and interest in learning, increasing cognitive flexibility, willingness to take risks, and openness to complexity (Gagné & Deci, 2005). Additionally, SDT also assumes that individual motivations are affected by external factors, such as organizational environment and policy. Using SDT, we posit that EEO (external motivation) and PSM (internal motivation) determine employee job outcomes.

EEO refers to fair rules, regulations, and strategies that do not discriminate against people based on race, appearance, sexual identity, or socio-cultural origin (Siddiquee & Faroqi, 2010). The spirit of EEO is to apply diversity and pluralism in the workplace through general principles related to humanism. EEO is practiced in various ways in public sector human resources, such as diversity management, non-discriminatory policies and unbiased gender-based HRM. In public and private organizations, EEO applies across all HRM features, particularly selection and recruitment, promotion, training, and development.

Job satisfaction is broadly described as a happy or pleasurable emotional situation arising from a positive evaluation of one's job or work experience (Čulibrk et al., 2018). Job satisfaction is related to employees feeling good about their tasks. Workers with higher job satisfaction will be motivated to maintain high-quality performance. Job satisfaction is influenced by various factors, including individual, occupational, and organizational (Dilig-Ruiz et al., 2018). One of the organizational factors that determine job satisfaction is the organization's policy regarding
EEO. The main proposition is that job satisfaction will be influenced by the positive perception of officials about the implementation of EEO in the organization.

Various scholars have studied the relationship between employees’ perceptions of EEO practices and job satisfaction. Vanderschueren & Birdsall (2019) examined the effect of diversity management on job satisfaction among military veterans employed in the U.S. federal government. According to this study, employees who are veterans have a fairly high job satisfaction compared to non-veterans in terms of perceptions of fair and equitable diversity management. Baba (2020) investigates whether HRM practices (working conditions, training & development, EEO, and performance appraisal) affect job satisfaction among librarians at seven universities in Jammu & Kashmir, India. Research shows that EEO has a higher impact on job satisfaction than any other dimension of HRM practice. In line with the work of Vanderschueren & Birdsall (2019), Lee et al. (2020) also assessed the factors that influence job satisfaction of federal employees in the U.S. Using data from the 2015 federal worker survey, they used multiple regression analysis to identify various potential variables that contribute to job satisfaction. They found that diversity management by public sector organizations is positively related to job satisfaction in the U.S. workforce of white men, non-white men, and women. Based on the results of previous studies, the first hypothesis in this study is proposed as follows:

H1: EEO has a positive and significant effect on job satisfaction of civil servants

PSM means a person’s tendency to comply with reasons that are mostly or exclusively derived from public organizations and institutions (Perry & Wise, 1990). Regarding motivation theory, PSM includes intrinsic motivation because it emphasizes the motives from within an individual to choose a career in public service. Using three types of human motivation (affective, normative, and rational), Perry & Wise (1990) promoted several dimensions for breaking down PSM, in particular an interest in policy-making, compassion, commitment to the public interest, and self-sacrifice. PSM researchers believe that these values are actually held by people who work in the public sector as the reason why they are more attracted to public service.

Various scholars have recognized the role of organizational factors in achieving PSM. Battaglio & French (2016) attempted to explain the effect of work-at-will (EAW) on PSM by comparing the differences in PSM dimensions between city employees and civil servants. The sample for this study was from civil servants in ten municipalities in Mississippi, which implement the traditional service system in the U.S. The study findings state that the influence of organizational characteristics indicates that city employees typically have a stronger level of self-sacrifice than comparable civil servants. Abdelmotaleb & Saha (2019) reviewed the relationship between corporate social responsibility (CSR) and PSM of public bank staff in Egypt. As a result, they report that the emergence of employees’ willingness to serve the public is positively influenced by employees’ views on internal and external CSR. Regarding this study, we identified EEO as one of the organizational factors, in terms of organizational policies, that influence PSM and work outcomes.

H2: EEO has a positive and significant effect on PSM

Employee performance is related to the quality and quantity of work produced by the worker (Maley et al., 2021). Achievement of performance is reported as a requirement for obtaining various incentives from the organization. Because it is closely related to organizational productivity, management regularly seeks to improve employee performance through various strategies, such as providing an adequate work environment and rewards. Various circumstances are believed to
determine employee performance, for example, factors related to the organizational environment, work, and the employee himself (Diamantidis & Chatzoglou, 2019). Environmental-related factors include policies on how organizations manage diversity, particularly EEO (S. Kim & Park, 2017).

Several studies have noted the role of EEO practices in predicting employee performance in the workplace. An experimental study conducted by Guul et al. (2019) examined whether ethnic discrimination determines Danish public school performance. Using Bayesian analysis, their research shows that minority candidates suffer from prejudice in general, but receive more callbacks from higher-performing institutions than from lower-performing schools. Yudiatmaja (2020) analyzed the impact of EEO on HRM practices and service performance. His study focuses on city government employees in Indonesia using structural equation modeling. He revealed that service performance is influenced by HRM practices and EEO perceptions among public personnel. In addition, HRM practices also buffer the influence of EEO on employee performance in service delivery. Choi (2020) assessed the relationship between the EEO complaint process in the contract mechanism used by U.S. federal agencies and task performance. Utilizing panel data from federal EEO statistical reports, this study notes that increased discrimination in contracts is inversely related to federal employee performance. Therefore, we formulate the following hypothesis:

H3 :  EEO has a positive and significant impact on individual performance

The findings show that public sector employees report higher levels of job satisfaction, while in the private sector, there is a negative correlation between job satisfaction and PSM. Prysmakova & Vandenabeele (2020) examined the relationship between PSM and job satisfaction of police officers in Poland and Belgium. Regression analysis using ordinary least squares (OLS) was used to process the data. They found that an increase in PSM was followed by an increase in job satisfaction. Crique et al. (2021) tested the effect of organizational sustainability, social impact, and PSM on job satisfaction in the context of local Flemish government. Their study showed that the relationship between organizational support and potential social effects on PSM was found to be positively related to organizational sustainability and job satisfaction. Therefore, the next hypothesis offered in this study is:

H4 :  PSM has a positive and significant effect on job satisfaction

A large number of researchers have observed the effect of PSM on employee performance. Van Loon (2017) studied the relationship between PSM and all forms of performance-related behavior. He showed that PSM was aligned with all performance-related behaviors in groups that changed people, but not with output or ability to respond in groups that processed people. Borst (2018) investigated the impact of the PSM dimension on the performance of Dutch civil servants. Of all dimensions of PSM, only interest in public policy and commitment to the public interest have a positive and significant impact on work performance. In addition, compassion negatively affects job performance. Analyzing the case of medical staff, Stefurak et al. (2020) examined the effect of the PSM dimension on self-reported job performance. Interestingly, they claim that only committing to public service affects job performance. Affection and public policy have no significant effect on work performance.
PSM also has a mediating effect on the relationship between organizational factors, job satisfaction, and employee performance. Levitats & Vigoda-Gadot (2017) evaluated the effect of a PSM intervention on the relationship between emotional intelligence and job satisfaction in Israeli public hospitals. They determined there was a mediating role of public service motivation in the relationship between emotional maturity and job satisfaction. Schwarz et al. (2016) investigated the buffering role of PSM in the servant-performance leadership relationship. Data were collected from Chinese civil servants, both supervisors, and workers. This study reveals that the influence of servant leadership on subordinate performance is mediated by PSM. Potipiroon & Faerman (2016) explored the role of PSM as a moderator in the relationship between perceptions of interpersonal justice and the task performance of Thai civil servants. The results showed that the perception of interpersonal justice had a positive and significant effect on the performance of the duties of public officials moderated by PSM. These results were quite similar to Schwarz et al. (2016, 2020), who looked for the mediating effect of PSM in the relationship between leadership style and work performance of subordinates. The leadership styles assessed consisted of accountability, following rules, political loyalty, and network governance leadership. Performing multilevel modeling, the investigation showed that network governance leaders had the greatest beneficial relationship between PSM and employee performance. Modeled after previous research, our research identifies several hypotheses, namely:

H5: PSM has a positive and significant effect on individual performance
H6: The relationship between EEO and job satisfaction is mediated by PSM
H7: The relationship between EEO and individual performance is mediated by PSM

Research Framework
This study consisted of one exogenous variable (EEO), one mediating variable (PSM), and two endogenous variables (job satisfaction and individual performance). The research framework can be seen in Figure 1. From the model, there are five direct influence relationships and two indirect influence relationships. If direct effects are distinguished in line arrows, indirect effects are in dashed arrows in the model. The direct and indirect effects resulted in seven hypothetical models as described previously.

Method
This research was conducted at the Bengkulu City Government. Based on data from the Bengkulu City BPS (2019), Bengkulu has 5,220 civil servants. Based on the number of civil servants, 358 samples were obtained using the formula developed by Krejcie & Morgan (1970). We distributed online questionnaires via google forms to 358 civil servants in all government units in the Bengkulu City Government. We offered incentives using Gopay or OVO balances, to ensure respondents' willingness to fill out the questionnaire (Cobanoglu & Cobanoglu, 2003). As a result, 252 civil servants responded to the survey which showed an overall response rate of 70 percent. The number of respondents met the structural equation model (SEM) requirements because there must be more than 200 samples as suggested by Kline (2015). From the number of respondents, the respondents are almost evenly distributed by gender where 54% of respondents are female and the remaining 46% are male. Regarding educational background, most of the respondents, around 67%, were EEO.
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All items of each construct applied in this study were validated by previous studies. The data EEO is from Yudiatmaja (2020). The scale for measuring PSM was adapted from Kim (2012). The measurement scale proposed by Liu & Perry (2016) is used to find job satisfaction. To assess individual performance, we adopted the self-reported performance set by Vandenabeele (2009). All study constructs consisted of 33 surveyed items, including 8 EEO items, 15 PSM items, 4 individual performance items, and 6 job satisfaction items. All items use a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Behavioral studies based on self-reported data are intended to generate common method variances. A common method variance is a bias generated in the data collection process. It is also generally recognized with general method bias. The variation is caused by the measurement process rather than the construction represented by the measurement (Podsakoff et al., 2003). The single factor Harman test was used to test the variance of the general method in this study (Podsakoff et al., 2012). We found that the cumulative initial eigenvalue was 24.023%, indicating that general method bias is generally not an important issue in our study (Y. J. Kim et al., 2019).

The data was run using structural equation modeling (SEM) with the help of IBM SPSS AMOS version 24.0 (Arbuckle, 2013). SEM is a prominent technique in social and economic research. It is used in this study because it can help analyze complex models. To calculate significance, we identified the $t$-value and $p$-value of the SEM results.

Results and Discussion

Measurement Model

As a guideline for SEM, the data were first examined before hypothesis analysis was studied through a causal model. Confirmatory factor analysis was conducted to assess convergent validity, discriminant validity, and internal consistency reliability of the data. We removed 10 items under the 0.5 loading factor, involving 2 items for EEO, 7 items for PSM, and 1 item for job satisfaction. Convergent validity is related to whether the item can accurately estimate the latent construct. It was assessed by recognizing factor loading, $t$-value, and mean extracted variance (AVE). According to Hair et al. (2010), the construct is convergently valid if the item loading factor is greater than 0.5 and the $t$ value is greater than 1.96. Following the recommendations of Hair et al. (2010), it can be emphasized that all items of the latent variables of this study have good validity because the loading factor exceeds 0.7 and the $t$-value is more than 8.0. Discriminant validity reflects the degree to which each variable is experimentally different from the others tested.

Discriminant validity was identified using three methods, including the mean of average variance extract (AVE), correlational relationships between constructs, and the comparison between the square of the correlational value and the
square root of the AVE between latent variables or better known as the Fornell & Larcker approach (Voorhees et al., 2016). The cut of value for AVE must be above 0.5 to fill in discriminant validity (Yudiatmaja et al., 2022). We reach discriminant validity because the AVE is greater than 0.5. Internal consistency reliability is calculated to ensure the consistency of the items in this study if used repeatedly. Reliability was measured using the reliability construct and Cronbach's alpha (α). The data is said to be reliable if the construct reliability and Cronbach's alpha is greater than 0.7 (Nunnally & Bernstein, 1994). Based on these formulations, the reliability data is satisfactory because the construct reliability ranges from 0.820 to 0.889 and Cronbach's alpha ranges from 0.773 to 0.882.

The descriptive statistics and the bivariate intercorrelation matrix among the variables studied are illustrated in Table 2. The mean score of all constructs is above 4 which implies that the respondents have a high level of perception about EEO (SD 0.72), PSM (SD 0.85), job satisfaction (SD 0.74), and individual performance (SD 0.74). EEO was identified as the variable with the highest mean value. This means that the EEO policy has been implemented adequately by the government in the public sector HRM of local government in Indonesia. All latent variables also showed a correlation value lower than 0.75 and a strong correlation with each other (Hair et al., 2010). EEO was positively and very highly correlated with PSM ($r = 0.207, p < 0.001$), job satisfaction ($r = 0.190, p < 0.01$), and individual performance ($r = 0.207, p < 0.001$).

Table 1. Analysis of Reliability and Validity

| Build                        | Load  | $t$   | CR    | AVE   | Cronbach |
|------------------------------|-------|-------|-------|-------|----------|
| Equal Employment Opportunity (EEO) |       |       | 0.863 | 0.512 | 0.864    |
| EEO1                         | 0.751 | 9.924 |       |       |          |
| EEO2                         | 0.710 | 9.411 |       |       |          |
| EEO3                         | 0.736 | 9.776 |       |       |          |
| EEO4                         | 0.723 | 9.637 |       |       |          |
| EEO5                         | 0.705 | 9.354 |       |       |          |
| EEO6                         | 0.664 |       | Standard |     |          |
| Public Service Motivation (PSM) |       |       | 0.889 | 0.502 | 0.882    |
| PSM1                         | 0.759 | 9.169 |       |       |          |
| PSM2                         | 0.699 | 9.636 |       |       |          |
| PSM3                         | 0.764 | 10.298|       |       |          |
| PSM4                         | 0.674 | 9.078 |       |       |          |
| PSM5                         | 0.665 | 10.734|       |       |          |
| PSM6                         | 0.719 | 9.887 |       |       |          |
| PSM7                         | 0.708 | 9.748 |       |       |          |
| PSM8                         | 0.670 |       | Standard |     |          |
| Job Satisfaction (JS)        |       |       | 0.838 | 0.510 | 0.834    |
| JS1                          | 0.641 | 9.292 |       |       |          |
| JS2                          | 0.742 | 9.382 |       |       |          |
| JS3                          | 0.697 | 9.616 |       |       |          |
| JS4                          | 0.681 | 8.894 |       |       |          |
| JS5                          | 0.789 | 9.819 |       |       |          |
| Individual Performance (IP)  |       |       | 0.820 | 0.533 | 0.773    |
| IP1                          | 0.778 | 9.459 |       |       |          |
| IP2                          | 0.722 | 8.659 |       |       |          |
| IP3                          | 0.739 | 8.028 |       |       |          |
| IP4                          | 0.678 | 8.363 |       |       |          |

Source: Data Processed using AMOS
PSM was correlated with job satisfaction \((r = 0.216, p < 0.001)\) and individual performance \((r = 0.325, p < 0.001)\). The high correlation between variables reflects that all constructs have satisfactory discriminant validity. In addition, all the square roots of AVE in the thick diagonal value are greater than the correlation value of each latent variable as shown in Table 2, so the discriminant validity is good.

### Structural Model

We assessed the model fit before analyzing the hypotheses. Several parameters were identified to test the fit model, including \(\chi^2\)-statistics, Tucker-Lewis Index (TLI), Goodness of Fit Index (GFI), Comparative Fit Index (CFI), Standardized Root Mean Square Residual (SRMR), and Root Mean-Square Error of Approximation (RMSEA). The rule of thumb is \(\chi^2\)-statistics with \(p < 0.05\), \(\chi^2/df < 3\), TLI > 0.90, GFI > 0.90, CFI > 0.90, SRMR < 0.06, and RMSEA < 0.1. The statistical level of the measurement model is \(\chi^2(225) = 301.914\); \(2/df = 1.342\); TLI = 0.961; GFI = 0.910; CFI = 0.965; SRMR = 0.026; RMSEA = 0.037. This means that the baseline model is not fit because the \(\chi^2\)-statistic has a \(p\)-value > 0.05, so the model must be revised. Index modification was carried out based on AMOS’ recommendations (Arbuckle, 2013). After being revised, the model is declared fit indicated by \(\chi^2(220) = 242.731\); \(2/df = 1.103\); TLI = 0.988; GFI = 0.927; CFI = 0.990; SRMR = 0.024; RMSEA = 0.020.

The statistical results depicted in Table 4 show that there is a positive and significant relationship between EEO and job satisfaction \((\beta = 0.137, t = 1.999, p < 0.05)\), EEO and PSM \((\beta = 0.246, t = 2.767, p < 0.01)\), EEO and individual performance \((\beta = 0.176, t = 2.112, p < 0.05)\). Therefore, H1, H2, and H3 are supported by the data. Furthermore, PSM also has a positive and significant effect on job satisfaction \((\beta = 0.140, t = 2.430, p < 0.01)\) and individual performance \((\beta = 0.261, t = 3.599, p < 0.001)\). Thus, H4 and H5 are also accepted.

### Table 4. Structural Model Assessment Results

| Track | Estimating | \( t\)-value | Results |
|-------|------------|--------------|---------|
| EEO → JS | 0.137 | 1.999 * | Received |
| PSM → EEO | 0.246 | 2.767 ** | Received |
| EEO → IP | 0.176 | 2.112 * | Received |
| PSM → JS | 0.140 | 2.430 ** | Received |
| PSM → IP | 0.261 | 3.599 *** | Received |
| EEO → PSM → JS | 0.034 | 1.987 * | Received |
| EEO → PSM → IP | 0.064 | 2.187 * | Received |

Notes: EEO, Equal Employment Opportunity; PSM, Public Service Motivation; JS, Job Satisfaction; IP, Individual Performance; * \(p < 0.05\), ** \(p < 0.01\), *** \(p < 0.001\)

Source: Data Processed using AMOS
We applied the Sobel test and bootstrap technique to assess the mediation model. In this paper, there are two mediating relationships, the relationship between EEO and job satisfaction through PSM and the relationship between EEO and individual performance through PSM. The Sobel test was performed as recommended by Baron & Kenny (1986). First, we examine the direct effect of the independent variable (EEO) on the dependent variable (job satisfaction and individual performance). Second, we tested the direct impact independent variable (EEO) on the mediating variable (PSM). Third, the relationship between the mediating variable (PSM) and the dependent variable (job satisfaction and individual performance) is also directly examined. Finally, we evaluate the direct effect of the independent variable (EEO) on the independent variables (job satisfaction and individual performance) through the mediating variable (PSM). In the first relationship, the results showed (1) the direct relationship of PSM to individual performance is positive and significant ($\beta = 0.176, t = 2.561, p < 0.05, R^2 = 0.038$), (2) the direct effect of EEO on job satisfaction was significant and positive although its significance is reduced ($\beta = 0.137, t = 1.999, p < 0.05, R^2 = 0.069$). It is concluded that there is partial mediation in the relationship between EEO and job satisfaction through PSM. In the second relationship, we find that (1) the direct relationship between EEO to individual performance is positive and significant ($\beta = 0.240, t = 2.821, p < 0.01, R^2 = 0.051$), (2) the direct relationship of PSM to individual performance significant and positive ($\beta = 0.292, t = 3.980, p < 0.001, R^2 = 0.104$), (3) the direct effect of EEO on individual performance through PSM is still significant and positive although the significance is reduced ($\beta = 0.176, t = 2.112, p < 0.05, R^2 = 0.131$). Therefore, it can be continued that PSM partially mediates the relationship between EEO and individual performance.

To validate the results of the Sobel test, bootstrap using AMOS was used. Bootstrapping procedure with 5000 bootstrap samples was used as recommended by Preacher & Hayes (2008) to test the significance of indirect effects more accurately. To determine the 95 percent confidence interval (CI), the bootstrap percentile (confidence interval) was set at (0.50) whereas

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**Figure 2. Structural Model**

![Figure 2. Structural Model](image)

*Note: Coefficient estimation is not standard, t value; $R^2$ (R square); Straight line (direct effect); Dotted line (indirect effect); * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

*Source: Data Processed using AMOS*
mediation analysis was permitted by SEM. The results showed that the indirect (mediation) effect of EEO standards on job satisfaction ($\beta = 0.038$, SE = 0.021, $p = 0.009$, two-sided significance; 95% CI = 0.007-0.096) and individual work performance ($\beta = 0.060$, SE = 0.027, $p = 0.002$, two-sided significance; 95% CI = 0.018–0.125) through PSM differed significantly from zero at 0.001. Consequently, PSM partially mediates the relationship between not only EEO and job satisfaction but also EEO and individual job performance, so $H6$ and $H7$ are supported by the data.

**Discussion**

This study examines the role of EEO and PSM as antecedents of job satisfaction and performance of local government officials. This study notes four main findings. First, we hypothesize that EEO affects job satisfaction and employee performance. As a result, it is supported by the data. Government employees’ perceptions of the EEO principles practiced and implemented in local governments have built trust in their organizations. Moreover, all local governments in Indonesia have implemented open selection in the recruitment and promotion of civil servants as a logical consequence of central government regulations. Therefore, they believe that everyone has equal opportunities in the entire HRM system, such as selection, training, development, promotion, and talent management currently being developed by the government. This attitude continues to erase the negative stigma that has been attached to the Indonesian bureaucracy for a long time, such as nepotism and patrimonialism (Harun et al., 2019). Our findings are similar to previous studies investigating the impact of EEO on job satisfaction and employee performance in the U.S. (Lee et al., 2020; Vanderschueren & Birdsall, 2019), India (Baba, 2020), and Denmark (Guul et al., 2019).

Second, this study attempted to find the relationship between EEO and PSM. We found a strong connection. As part of the organizational aspect, EEO is one of the values carried out by the central and local governments. There are many EEO principles imposed by the government, such as greater opportunities for persons with disabilities to be recruited in government institutions through special quotas for regular civil servant recruitment, fair competition in choosing important positions in the public bureaucracy through open tenders, and open bids, and selection of civil servants based on computer-assisted tests (Yudiatmaja, 2020). With regard to PSM theory, these practices not only increase trust but also motivation in a public employee to provide excellent service to the public (Perry & Wise, 1990; Yudiatmaja, 2021). The results support several studies that reveal the positive and significant influence of organizational factors and characteristics on PSM in different settings, such as Battaglio & French (2016) in the U.S. and Abdelmotaleb & Saha (2019) in Egypt.

Third, we propose the postulate that PSM has a significant impact on job satisfaction and employee performance. The results of the analysis prove the postulate and show the effect of PSM on job satisfaction and employee performance.

| Estimated path | Direct Effect | Indirect Effect | Total Effect | 95% CI | Lower | Upper |
|----------------|--------------|----------------|--------------|--------|-------|-------|
| EEO $\rightarrow$ PSM $\rightarrow$ JS | 0.152 * | 0.038 * | 0.190 | 0.007 | 0.096 |
| EEO $\rightarrow$ PSM $\rightarrow$ IP | 0.164 * | 0.060 * | 0.224 | 0.018 | 0.125 |

Notes: * $p < 0.05$; CI, Confidence Interval
Public employees with higher levels of PSM will be motivated to achieve higher levels of performance and job satisfaction (Crucke et al., 2021). PSM encourages civil servants to provide convenient services to the public to increase satisfaction with their respective jobs and work performance. This finding is consistent with diverse PSM scholars showing a correlation of PSM and job satisfaction (Bright, 2021; Prysmakova & Vandenabeele, 2020) and PSM job performance (Stefurak et al., 2020; Yudiatmaja, 2019).

Finally, we estimated the effect of the PSM intervention in the model. From the data analysis, we claim that the relationship between EEO job satisfaction and EEO employee performance is partially mediated by PSM. Individual perceptions of EEO practices increase job satisfaction and performance through PSM. The dimensions of PSM, particularly commitment to the public interest and appealing to policy-making partly enforce the correlation between EEO, job satisfaction, and job performance. The results confirm previous studies’ findings showing the important role of PSM in buffering the influence of organizational factors on job satisfaction (Levitats & Vigoda-Gadot, 2017) and employee performance (Schwarz et al., 2016, 2020).

The current study contributes to the theory and practice of HRM in the public sector. From a theoretical point of view, our research adds to the body of emerging knowledge about job outcomes (job satisfaction and employee performance). We recognize the important role of EEO and PSM in improving job satisfaction and performance in the context of local government in Indonesia. We also note the important role of PSM in intervening in the model. From a practical point of view, the findings of this study have several implications. First, the central government must finalize regulations on EEO and supervise the implementation in all local governments in Indonesia. Second, local governments should strengthen EEO best practices in the HRM dimensions to maintain employee trust and motivation to demonstrate high performance. Several affirmative actions can be adopted by the local government, such as providing extensive opportunities to disabled employees in the recruitment and promotion system. Finally, because PSM can be enhanced through training and development programs (Chen et al., 2021), local governments should provide adequate and ongoing training to improve employee PSM. The training should include PSM values and principles to enhance employee understanding of the importance of PSM in public bureaucracy.

Despite the contributions of this study, we recognize several limitations of this study. First, the findings note the lower R-square of PSM and job outcomes. It implies there are many other constructs involved in predicting PSM. Indeed, the study merely has one antecedent and two consequences. We posit EEO, organizational factor, as antecedent and two job outcomes (job satisfaction and employee performance) as consequences of PSM. Future research needs to add other antecedents and consequences of PSM. PSM scholars asserted several antecedents from organizational factors, such as culture and work values, organizational politics and tenure, and high-performance management (Mussagulova & Van der Wal, 2021). In terms of consequences, other work outcomes affecting PSM can be tested by future research, such as work engagement and organizational commitment (Park & Lee, 2020). Second, this work has not elucidated when antecedent variables affect PSM and job outcomes. Therefore, further study should include moderating variables to obtain an obvious explanation of conditions required for PSM and job outcomes, such as public interest (Thaler et al., 2017) and societal impact potential (N. Van Loon et al., 2018).
Conclusion
In this study, we looked for the relationship between EEO, PSM, and local government employee performance, in terms of job satisfaction and employee performance. We hypothesize that there are direct and indirect effects of EEO and work outcomes. Our findings confirm all proposed hypothetical models. In summary, we summarize that EEO has a positive and significant impact on job outcomes (job satisfaction and individual performance), and the impact is mediated by PSM. These findings contribute to the existing public sector human resource literature by extending and validating the research framework of public service motivation and work outcomes, antecedents, and consequences in the context of Indonesian public administration. Our study also offers practical benefits to local governments in shaping employee outcomes by strengthening PSM and EEO practices.

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