

Employee Work Motivation Determinant Model and Its Influence on Halal Value Chain Strengthening Performance at the Department of Industry and Trade West Nusa Tenggara Province

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ABSTRACT

Strengthening the Halal Value Chain (HVC) is a strategic approach to improving the competitiveness of the halal industry and supporting the development of a sustainable regional halal ecosystem. Its successful implementation depends largely on the quality of human resources, particularly the work motivation of government employees responsible for policy execution. This study examines the effects of leadership, competence, and work environment on work motivation and their impact on the performance of Halal Value Chain implementation at the Department of Industry and Trade of West Nusa Tenggara Province. A quantitative explanatory approach was employed. Data were collected from 450 respondents through purposive sampling and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results reveal that work environment and competence have significant positive effects on work motivation, whereas leadership has no significant effect. Work motivation also positively influences HVC implementation performance and mediates the effects of competence and work environment on implementation performance. These findings highlight the importance of improving the work environment and employee competence to strengthen the sustainable implementation of the Halal Value Chain.

INTRODUCTION

Halal economic transformation has become a strategic agenda in global and national economic development. (Jauhari, 2025) The current concept of halal is no longer limited to religious aspects related to the halalness of products, –but has evolved into an economic system that encompasses the entire value creation process from raw material procurement, production, distribution, marketing to consumption. This concept is known as the halal value chain , which emphasizes halal integrity at all stages of economic activity. (Bawafie et al.,

2024) Strengthening the halal value chain is important because it not only increases consumer trust but also serves as an instrument for increasing product and industrial competitiveness in national and international markets. (Jaelani & Kalijaga, 2018).

As the country with the largest Muslim population in the world, Indonesia has a significant opportunity to become a global hub for the halal industry. (Hasyim, 2023) The government has strengthened the halal ecosystem through the implementation of Law Number 33 of 2014 concerning Halal Product Assurance, which requires certain products to have halal certification. (Nasrudin & Nursari, 2025) This policy encourages central and regional governments to accelerate the development of the halal ecosystem through business development, facilitating halal certification, developing the halal industry, and expanding market access for halal products. (Eva Amalia, 2024).

West Nusa Tenggara Province is a region strategically positioned for the development of the national halal economy. (Jaelani & Kalijaga, 2018) This potential is supported by a predominantly Muslim population, high growth of MSMEs, a thriving local food industry, and regional policies that encourage the strengthening of a halal-based economy. (Nasution, 2020) Various programs have been implemented to strengthen the halal ecosystem, ranging from facilitating halal certification for MSMEs, developing the halal industry, to plans to develop halal industrial areas to support strategic regional economic zones. (Nuryanti et al., 2025) In 2024, the NTB Provincial Government even prepared to develop a Halal Industrial Zone covering approximately 50 hectares in the buffer zone of the Mandalika Special Economic Zone (KEK) as part of a long-term strategy to strengthen the regional halal industry. (Silalahi, Full Moon, Ramadani, Imsar, 2025).

In terms of halal certification, developments in West Nusa Tenggara (NTB) are showing a positive trend. In January 2024, 475 halal certificates were issued to 364 MSMEs in NTB through a facilitation program supported by various stakeholders. (Fajriani Puntodewi, 2024) Additionally, by mid-2024, 1,000 micro and small businesses will receive halal certification through a facilitation program facilitated by local and central governments. (Rosanti et al., 2025) This data shows an increase in the number of MSMEs entering the formal halal ecosystem. However, compared to the hundreds of thousands of MSMEs in West Nusa Tenggara (NTB), the number of MSMEs that have obtained halal certification is still relatively small, resulting in a significant gap between the target for halal economic development and the implementation of halal certification on the ground. (Fadilah et al., 2026).

In this context, the role of local governments is crucial. One regional government organization with a strategic role is the West Nusa Tenggara Provincial Department of Industry and Trade. (Karenina Antara & Koloay, 2024) This agency's function is to foster small and medium-sized industries, develop the competitiveness of regional products, facilitate marketing, strengthen local resource-based industries, and support product quality improvement through halal certification programs. (Yuanitasari et al., 2023) In 2024, the NTB

Industry Office actively implemented a halal certification facilitation program for small and medium-sized industries to increase the competitiveness of local products in national and international markets. (Jaelani & Kalijaga, 2018).

However, the success of halal value chain strengthening programs is not solely determined by policies, budgets, and regulations. Human resources, particularly the personnel implementing these programs, are crucial. (Bawafie et al., 2024) Halal certification facilitation programs, halal MSME development, halal industry development, and market access enhancement require employees with high work motivation, strong organizational commitment, collaborative skills, and a strong public service orientation. (Sulaiman, 2026).

From the perspective of public sector human resource management, work motivation is one of the main factors that influences organizational effectiveness. (Scientific & Educational, 2014) Work motivation determines the level of effort, persistence, creativity, and commitment of employees in achieving organizational goals. (Anggraeni & Jakarta, 2020) Employees who have high motivation tend to show better performance in implementing development programs, while low motivation can have an impact on less than optimal achievement of organizational targets. (Wiyadi, 2003) Therefore, understanding the factors that shape employee work motivation is important, especially in government organizations that have a strategic role in regional economic development. (Sanjaya, 2025).

Various theories explain that work motivation is influenced by both individual and organizational factors. (Usman et al., 2022) Abraham Maslow's theory of needs explains that individuals are motivated when their basic needs, including their self-actualization needs, are met. Meanwhile, Frederick Herzberg's two-factor theory explains that motivation is influenced by intrinsic factors such as achievement and recognition, as well as extrinsic factors such as organizational policies and working conditions. (Bojonegoro, 2025) In the public sector, James L. Perry's theory explains that the motivation of government officials is not only influenced by material rewards but also by the desire to provide benefits to the community through quality public services. (Estu et al., 2024).

Although extensive research has been conducted on government employee work motivation, most studies focus on the influence of motivation on individual performance, job satisfaction, organizational commitment, or employee productivity. On the other hand, research on the halal value chain focuses more on halal certification, halal supply chain management, halal industry development, and halal consumer behavior. Research integrating government employee work motivation with halal value chain strengthening performance is still very limited.

Furthermore, most halal value chain studies position the government as a regulator or facilitator without examining the internal organizational factors that influence the effectiveness of these roles. Yet, the successful implementation of halal policies in the regions depends heavily on the quality and motivation of the personnel implementing the program. In other words, there is a research gap *between* studies of public sector human resource

management and studies of the halal value chain. Few studies have explained how factors shaping government employee work motivation can influence the success of strengthening the halal value chain at the regional level.

Based on these conditions, a study is needed that is able to build a model of employee work motivation determinants and analyze its influence on the performance of strengthening the halal value chain at the Department of Industry and Trade of West Nusa Tenggara Province. This research is important because it not only contributes to the development of work motivation theory in public sector organizations, but also offers a new perspective on the importance of human resource factors in supporting the successful development of regional halal ecosystems and value chains. The research results are expected to be a basis for local governments in formulating more effective human resource management strategies to accelerate the realization of NTB. as a center for developing a competitive and sustainable halal economy.

RESEARCH METHOD

This study uses a quantitative approach with an explanatory research type *that* aims to explain the causal relationship between leadership, competence, and work environment on employee work motivation and their influence on the performance of the implementation of *halal value chain strengthening* at the Department of Industry and Trade of West Nusa Tenggara Province. The quantitative approach was chosen because this study seeks to test a theoretical model built on various relevant theories, namely the Transformational Leadership Theory proposed by (Barbuto, 1997) , Competency Theory developed by (Eko & Nurhadi, 2006) , the Work Environment Theory proposed by (Nahaso, 2020) and Sedarmayanti (2017), the Two-Factor Theory by Herzberg, Mausner, and Snyderman (1959), and the Public Sector Performance Theory proposed by Mahsun (2012) and Moeheriono (2014). To test the relationship between these variables, this study used the *Structural Equation Modeling–Partial Least Square* (SEM-PLS) approach. (Yoshanda & Sulistiyowati, 2023) The SEM-PLS method was chosen because it is able to analyze the relationship between latent constructs simultaneously, test direct and indirect influences, and is suitable for use in research models involving mediating variables and higher-order *constructs*.

The research was conducted at the West Nusa Tenggara Province Industry and Trade Office, an institution that plays a strategic role in policy formulation, program implementation, business development, halal certification facilitation, and stakeholder coordination in developing the regional halal industry ecosystem. The population of this study was all employees at the West Nusa Tenggara Province Industry and Trade Office who are involved in the implementation of organizational duties and functions, particularly those related to halal industry development and strengthening *the halal value chain*. (Establishing & Value, 2024) The sample determination was carried out using a *purposive sampling technique*, namely the selection of respondents based on certain criteria relevant to the

research objectives, such as having sufficient work experience, understanding the programs run by the organization, and being willing to provide the information needed in the research. Considering that this research uses a Structural Equation Modeling approach based on Partial Least Squares (SEM-PLS), the number of samples was determined by considering recommendations (Sudarmo et al., 2025) which states that the sample size in SEM-PLS must be sufficient to produce stable and reliable model estimates. Therefore, the target number of respondents was 450, adjusted to the available population conditions.

Data collection was conducted using a closed questionnaire instrument with a five-level Likert scale, ranging from a score of 1 (strongly disagree) to a score of 5 (strongly agree). The research instrument was designed to measure five main constructs with 22 indicators. The leadership construct (X1) was measured through indicators of vision and direction (X1.1), leadership support (X1.2), decision making (X1.3), Exemplary (X1.4), the competence construct (X2) was measured through indicators of knowledge (X2.1), skills (X2.2), work attitude (X2.3), experience (X2.4), the work environment construct (X3) was measured through indicators of physical conditions (X3.1), work relationships (X3.2), work facilities (X3.3), work comfort (X3.4). Meanwhile, the work motivation construct (Y1) is measured through the indicators of *achievement* (Y1.1), *recognition* (Y1.2), *responsibility* (Y1.3), *advancement* (Y1.4), *work itself* (Y1.5), and the *Halal Value Chain* strengthening implementation performance construct (Y2) is positioned as a high-level construct consisting of five indicators of the halal program (Y2.1), halal industry development (Y2.2), halal certification (Y2.3), stakeholder coordination (Y2.4), program effectiveness (Y2.5).

In this study, the measurement model (*outer model*) uses a reflective approach . The selection of the reflective model is based on the concept that latent constructs are factors that influence the emergence of measurement indicators. In other words, indicators do not form the construct, but rather represent or reflect the condition of the construct being measured. Therefore, changes in latent variables such as leadership, competence, work environment, work motivation, and *Halal Value Chain implementation performance* will be reflected through changes in the scores of the indicators used. This approach is appropriate because the indicators in this study are designed to reflect respondents' perceptions of the characteristics of the variables being studied.

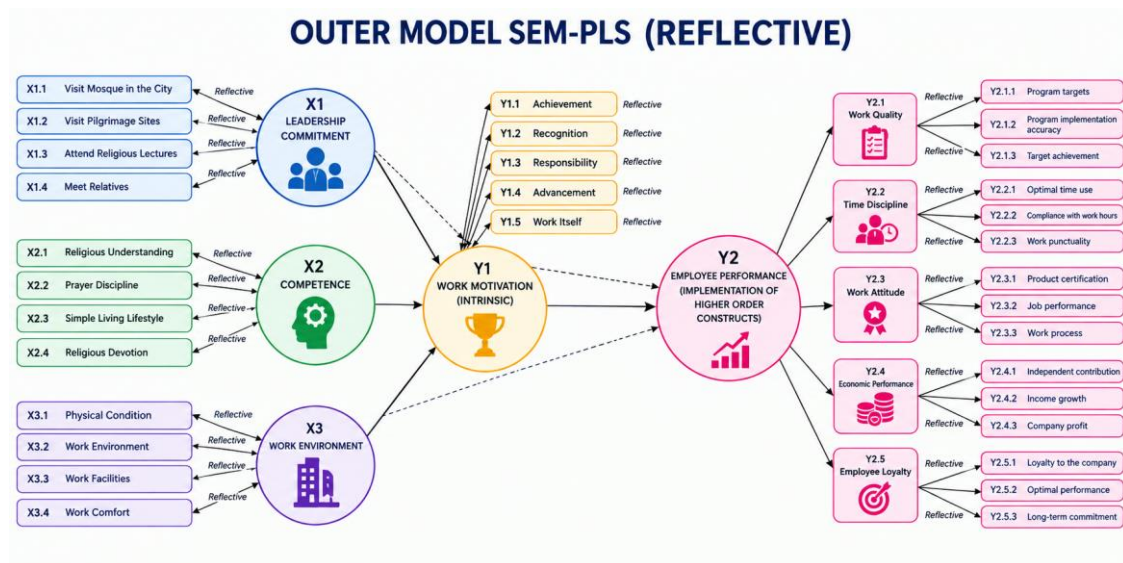
The reflective model was tested through construct validity and reliability evaluation. Convergent validity was tested by examining *the outer loading* and *Average Variance Extracted* (AVE) values. An indicator is deemed capable of representing a construct if it has an *outer loading value* ≥ 0.70 , while a construct is deemed capable of adequately explaining the indicator if the AVE value is ≥ 0.50 . Furthermore, the construct's internal consistency was tested through *Cronbach's Alpha* and *Composite Reliability values* , with a recommended value greater than 0.70. This test was conducted to ensure that all indicators within a construct consistently measure the same concept.

Specifically for the performance variable of the implementation of *Halal Value Chain strengthening*, this study uses a higher-order construct approach with a reflective-reflective hierarchical component model. This approach is used because the performance variable is seen as a general concept reflected through several dimensions that form it. The dimensions of halal programs, halal industry development, halal certification, stakeholder coordination, and program effectiveness are first-order constructs that reflect the second-order construct in the form of the performance of the implementation of *Halal Value Chain strengthening*. Testing of high-order constructs is carried out using a repeated indicator approach, namely by connecting indicators from the first-order construct to the second-order construct to see the contribution of each dimension in explaining the performance variable.

After the measurement model meets the eligibility criteria, the next stage is to evaluate the structural model (*inner model*). The evaluation is carried out by looking at the coefficient of determination (R^2) value to determine the ability of the independent variable to explain the dependent variable, the effect size (f^2) value to determine the magnitude of the influence of each variable, and the predictive relevance (Q^2) value to see the model's ability to predict the observed phenomenon. Hypothesis testing is carried out using the *bootstrapping procedure* in SmartPLS with a resampling rate of 5,000 times. The relationship between variables is declared significant if it meets the criteria of a *t*-statistic value greater than 1.96 and a *p*-value less than 0.05.

Next, an indirect effect test was conducted to determine the role of work motivation as a mediating variable between leadership, competence, and the work environment on the performance of the *Halal Value Chain strengthening implementation*. Mediation analysis was conducted by examining the indirect effect value to determine whether work motivation acts as a partial or full mediator. Through the SEM-PLS analysis stages, this study is expected to provide a more comprehensive picture of how leadership, competence, and the work environment influence the success of *Halal Value Chain strengthening* through increased employee work motivation.

RESULTS AND DISCUSSION



Evaluation Results of the Measurement Model (*Outer Model Reflective*)

In this study, a measurement model evaluation was conducted to ensure that the indicators used were able to reflect the latent constructs validly and reliably. Because all research variables used a reflective approach, the evaluation was conducted through *outer loading tests*, Average Variance Extracted (AVE), Composite Reliability, Cronbach's Alpha, and discriminant validity.

Outer value Loading is used to assess the contribution of each indicator in explaining the construct being measured. Indicators with loading values ≥ 0.70 indicate good convergent validity. Meanwhile, indicators with loading values between 0.40 and 0.70 can still be retained if the AVE and construct reliability meet the recommended limits.

Construct	Number of Indicators	Loading Lowest	Highest Loading	Evaluation
Leadership (X1)	16	0.576	0.895	Most of the indicators meet the criteria; indicators with loadings of 0.40–0.70 are still retained because their reliability and AVE meet the criteria.
Competence (X2)	16	>0.70	>0.85	All indicators meet convergent validity
Work Environment (X3)	16	>0.70	>0.90	All indicators meet convergent validity
Work Motivation (Y1)	15	0.734	>0.90	All indicators meet convergent validity
Halal Value Chain Strengthening Performance (Y2)	15	0.761	>0.90	All indicators meet convergent validity

Reflective outer model data processing indicate that most indicators across all constructs have *outer loading values* above the recommended limit of 0.70. The leadership construct has the lowest loading value of 0.576 on one of the indicators, but this indicator is retained because it is still within acceptable limits and the leadership construct has met the reliability and convergent validity values. The decision to retain indicators with loadings between 0.40 - 0.70 was made considering that the elimination of indicators must be done theoretically, not only based on statistical values. Considering that the leadership indicators have been designed based on the dimensions of vision and direction, leadership support, decision-making, and exemplary behavior, all indicators are still considered capable of representing the concept of leadership.

Convergent Validity Test

Convergent validity testing was conducted to determine the indicator's ability to represent the latent constructs measured in the study. In the SEM-PLS method using SmartPLS, convergent validity was analyzed through loading factor values and Average Variance Extracted (AVE). A construct is considered to have convergent validity if its loading factor value is >0.70 and its AVE value is >0.50 .

Construct	AVE	Criteria	Conclusion
Leadership (X1)	0.647	>0.50	Valid
Competence (X2)	0.601	>0.50	Valid
Work Environment (X3)	0.604	>0.50	Valid
Work Motivation (Y1)	0.685	>0.50	Valid
HVC Performance (Y2)	0.752	>0.50	Valid

Based on the test results, all research variables have an AVE value above 0.50 so that all constructs are declared to meet convergent validity. The leadership variable has an AVE value of 0.647. This value indicates that 64.7% of the indicators can be explained by the leadership construct. This value exceeds the minimum threshold of 0.50, indicating that the leadership indicators adequately represent the research variables. The high AVE value indicates that indicators such as vision and direction, leadership support, decision-making, and role models have a strong relationship in shaping the leadership construct.

The competency variable has an AVE value of 0.601. This value indicates that 60.1% of the indicators can be explained by the competency construct. This indicates that the knowledge, skills, work attitudes, and experience indicators adequately describe competency. A high AVE value indicates that competency remains strongly linked to work motivation.

The work environment variable has an AVE value of 0.604. This value indicates that 60.4% of the indicators can be explained by the competency construct. This indicates that the physical conditions, work relationships, work facilities, and work comfort indicators are well-functioning. A high AVE value indicates that the work environment still has a strong link to work motivation.

The results of this study are in line with research (Estu et al., 2024) which shows that the constructs of motivation, work environment, competence, and performance can be measured validly through reflective indicators with AVE values above the minimum threshold of 0.50. These findings reinforce that human resource variables such as competence, work environment, motivation, and performance possess construct characteristics that can be empirically represented through their measurement indicators. According to Hair Jr., in SEM-PLS analysis, AVE values that meet the criteria indicate that the indicators have a good level of validity and are able to adequately explain the research variables (Hair et al., 2022).

Reliability Testing

Reliability testing was conducted to determine the level of consistency of indicators in measuring the research constructs. Construct reliability in this study was analyzed using Cronbach's Alpha and Composite Reliability values. A construct is considered reliable if its Cronbach's Alpha and Composite Reliability values are >0.70 (Yarsasi & Iskoko, 2025).

Construct	Cronbach Alpha	Composite Reliability	Conclusion
Leadership (X1)	0.961	0.967	Very Reliable
Competence (X2)	0.931	0.956	Reliable
Work Environment (X3)	0.945	0.958	Reliable
Work Motivation (Y1)	0.966	0.970	Very Reliable
HVC Performance (Y2)	0.975	0.978	Very Reliable

Based on the results of reliability testing, all research variables have Cronbach's Alpha and Composite Reliability values above 0.70 so that all constructs are declared reliable. The leadership variable had a Cronbach's Alpha value of 0.961 and a Composite Reliability of 0.967. These values indicate that the indicators in the leadership variable have a good level of internal consistency in measuring the research construct. The high reliability value indicates that the leadership indicators are able to provide stable and consistent measurement results for employee performance.

The competency variable had a Cronbach's Alpha value of 0.931 and a Composite Reliability of 0.956. These values indicate that the indicators in the leadership variable have a good level of internal consistency in measuring the research construct. The high reliability value indicates that the competency indicators are able to provide stable and consistent measurement results for employee performance.

The work environment variable had a Cronbach's Alpha value of 0.945 and a Composite Reliability of 0.958. These values indicate that the indicators in the leadership variable have a good level of internal consistency in measuring the research construct. The high reliability value indicates that the work environment indicators are able to provide stable and consistent measurement results for employee performance.

Discriminant Validity

Discriminant validity testing was conducted to ensure that each construct in the study had distinct characteristics and did not overlap (Maharani & Indrati, 2025). In the SEM-PLS method using SmartPLS, discriminant validity was analyzed using the Heterotrait-Monotrait Ratio (HTMT) value. A construct was declared to have met discriminant validity if it had an HTMT value <0.90 . (Mulyono et al., 2025)

Construct Relationship	HTMT	Evaluation
X1–X2	0.865	Fulfil
X1–X3	0.895	Fulfil
X1–Y1	0.820	Fulfil
X1–Y2	0.838	Fulfil
X2–X3	0.930	Need attention
X2–Y1	0.901	Need attention
X2–Y2	0.884	Fulfil
X3–Y1	0.960	Need attention
X3–Y2	0.911	Need attention
Y1–Y2	0.888	Fulfil

Based on the test results, the HTMT value of the leadership variable against the competency variable is 0.865, the HTMT value of the leadership variable against the work environment variable is 0.895; the HTMT value of the leadership variable against the work motivation variable is 0.820, the HTMT value of the leadership variable against the performance variable of the implementation of the strengthening of the halal value chain is 0.838 which is below the maximum limit of 0.90 so that all leadership constructs are declared to meet discriminant validity. For the test results of the HTMT value of the competency variable against the work environment variable is 0.930, the HTMT value of the competency variable against work motivation is 0.901 variables; the HTMT value of the competency variable against the halal value chain strengthening variable is 0.884 which is above the maximum limit of 0.90 so that there are two variables that have not met the discriminant validity, namely the competency variable against the work environment and the competency variable against work motivation. For the test results of the HTMT value of the work environment variable against the work motivation variable of 0.960, the HTMT value of the work environment variable against the performance variable of the implementation of the strengthening of the halal value chain of 0.911, the HTMT value of the work motivation variable against the performance variable of the implementation of the strengthening of the halal value chain of 0.88, so that overall the relationship of the constructs tested there are six constructs that do not overlap between constructs, so it can be concluded that each variable in this study is able to explain different concepts well. The results of this study are in line with Henseler's opinion which states that the HTMT value below 0.90 indicates that the research

construct has good discriminant validity and is suitable for use in SEM-PLS analysis (Henseler et al., 2026).

Structural Model Evaluation (Inner Model)

Coefficient of Determination (R-squared)

The R-squared values reflect the proportion of variance in each endogenous construct explained by its predictors. Table 2 presents the R-squared and Adjusted R-squared values for all endogenous constructs in the model.

Table 2. Coefficient of Determination (R-squared)

Endogenous Construct	R²	Interpretation
Work Motivation (Y1)	0.847	Strong
HVC Performance (Y2)	0.788	Strong

The R-square (R²) value on the endogenous construct shows that variables Motivation Work (Y1) has The R² value is 0.847. This is show that amounting to 84.7% variation Motivation Work can explained by variables exogenous in the model, namely Leadership , Competence, and Work Environment. These values is in the category strong , so that the research model own ability very good prediction in explain factors that influence motivation Work employee.

Next , the Implementation Performance construct Strengthening the Halal Value Chain (Y2) has The R² value is 0.788, which means that 78.8% of the variation HVC performance can explained by the existing constructs in the research model . These values also include category strong , so that show that the model is built capable explain connection between motivation work and factors organization to improvement performance implementation of the halal value chain empirical .

The height R² value on both endogenous constructs strengthen that the research model own Power explain the strong . This is show that leadership , competence , and environment Work is factor important in form motivation work , which is next contribute to improvement performance implementation strengthening the halal value chain.

Effect Size (f-squared)

The f-squared statistic measures the practical contribution of each predictor to its target endogenous construct. Table 3 presents f-squared values for all structural paths in the model, classified according to the benchmarks of Cohen (1988): large (≥ 0.35), medium (0.15 to 0.34), small (0.02 to 0.14), and negligible (< 0.02).

Table 3. Effect Size (f-squared)

Connection	f²	Interpretation
X1 → Y1	Small	Low influence
X2 → Y1	Currently	Moderating influence

Connection	f ²	Interpretation
X3 → Y1	Big	Dominant influence
X1 → Y2	Currently	Sufficient influence
X2 → Y2	Small	Low influence
X3 → Y2	Currently	Moderating influence
Y1 → Y2	Big	Strong influence

The results of the effect size (f²) test show that every connection between construct own level different contributions in explain endogenous variables . Relationship Leadership (X1) towards Motivation Work (Y1) has category effect size value small , which shows that leadership give contribution positive However its influence relatively low compared to factor others . This is show that existence leadership Not yet become factor main in form motivation Work if No supported by factors organization other .

Connection Competence (X2) towards Motivation Work (Y1) shows influence moderate , which means competence own sufficient contribution big in increase motivation work . Meanwhile that , Environment Work (X3) on Motivation Work (Y1) has influence big , so that become the most dominant factor in form motivation Work employee . Condition environment supportive work capable create a sense of comfort and improve encouragement employee in operate task .

On the construct HVC performance (Y2), relationship Leadership (X1) on HVC Performance has influence moderate , showing that leadership play a role in push achievement performance implementation of the halal value chain. Competence (X2) towards HVC Performance has influence small , which shows that ability individual still important but No factor dominant in a way directly . Next , the environment Work (X3) on HVC Performance shows influence moderate , so that environment organization be one of factor supporters in success HVC implementation .

The most important findings seen in the relationship Motivation Work (Y1) on HVC Performance (Y2) which has a large effect size . This show that motivation Work is the strongest factor in explain improvement performance implementation of the halal value chain. Thus, the motivation play a role as mechanism main connecting factor leadership, competence, and environment Work in push achievement performance organization.

Predictive Relevance (Q²)

Construct	Q ²	Conclusion
Work motivation	>0	Have predictive relevance
HVC Performance	>0	Have predictive relevance

The results of the Predictive Relevance (Q^2) test through blindfolding method shows that all over endogenous constructs in study This own Q^2 value is greater big from zero ($Q^2 > 0$). Based on criteria PLS-SEM model evaluation , higher Q^2 value big from zero show that the model has ability prediction (predictive relevance) regarding endogenous constructs under study.

Construct Motivation Work (Y1) has Q^2 value > 0 , which indicates that variables Leadership, Competence , and Work Environment have ability good prediction in explain change level motivation Work employee . This is show that factor organization used in the capable model describe mechanism formation motivation Work in a way empirical.

Next, the Implementation Performance construct Strengthening the Halal Value Chain (Y2) also has Q^2 value > 0 , which indicates that the model has ability prediction to HVC performance. Thus, the variable Motivation Work together with factors supporters other capable give contribution in predict improvement performance implementation of the halal value chain.

This result strengthen that the research model that was built own relevance good predictive , so that connection between construct in study This No only explain phenomenon in a way theoretical but also capable predict condition empirical related improvement motivation work and performance implementation of the halal value chain

Path Coefficient

Hypothesis	Connection	Coefficient	Conclusion
H1	$X1 \rightarrow Y1$	0.021	Positive but weak
H2	$X2 \rightarrow Y1$	0.198	Positive
H3	$X3 \rightarrow Y1$	0.722	Strong positive
H4	$X1 \rightarrow Y2$	0.282	Positive
H5	$X2 \rightarrow Y2$	0.029	Weak
H6	$X3 \rightarrow Y2$	0.182	Positive
H7	$Y1 \rightarrow Y2$	0.446	Strong positive

Test results Path Coefficient (coefficient track) show direction and strength connection between construct in the structural model research . Coefficient value increasingly narrow paths approach number 1 shows increasingly close relationship strong, whereas sign positive show one - way relationship between variable.

Connection Leadership (X1) towards Motivation Work (Y1) own mark coefficient as big as 0.021, which shows connection positive but weak. This is means that improvement quality leadership still give contribution to motivation work, but influence directly relatively small compared to factor other.

Connection Competence (X2) towards Motivation Work (Y1) get mark coefficient as big as 0.198 , which shows influence positive . This means that the more Good competencies possessed employee , then trend improvement motivation work is also increasing big.

Temporary that , the relationship Environment Work (X3) on Motivation Work (Y1) own mark coefficient highest that is 0.722 , indicating influence positive strong . This result show that environment Work is the most dominant factor in form motivation Work employees. Environment comfortable , supportive and conducive work capable increase Spirit as well as encouragement employee in operate task.

On the construct HVC performance (Y2), relationship Leadership (X1) on HVC Performance (Y2) own coefficient as big as 0.282 , indicating connection positive . This is means leadership contribute in increase performance implementation of the halal value chain through direction and coordination organization.

Connection Competence (X2) on HVC Performance (Y2) own coefficient as big as 0.029 , indicating influence positive but weak . Condition This show that competence Not yet become factor main influencing factors HVC performance in general directly , but still own contribution if supported by other factors .

Next , the relationship Environment Work (X3) on HVC Performance (Y2) own coefficient as big as 0.182 , which shows connection positive . This means that the environment good job can support success HVC implementation .

The most important findings seen in the relationship Motivation Work (Y1) on HVC Performance (Y2) with mark coefficient as big as 0.446 . The value show connection positive strong , so that motivation Work be one of factor the main driving force improvement performance implementation of the halal value chain.

In a way overall , results path coefficient show that environment work and motivation Work is the most dominant factor in the research model this . This matter show that improvement HVC performance is not only influenced by factors structural organization , but also by conditions psychological employee through motivation Work as mechanism driving force main.

Indirect Effect (Mediation) Indirect Effect

Mediation Relationship	Conclusion
X1 → Y1 → Y2	Mediation through work motivation
X2 → Y1 → Y2	Mediation through work motivation
X3 → Y1 → Y2	Mediation through work motivation

Test results influence No indirect effect shows that variables Motivation Work (Y1) has role as variables mediation in connection between Leadership (X1), Competence (X2), and Work Environment (X3) on Implementation Performance Strengthening the Halal Value Chain (Y2). Testing mediation This show that factor organization No only influence

performance in a way directly , but also through mechanism improvement motivation Work employee.

Connection mediation Leadership (X1) → Motivation Work (Y1) → HVC Performance (Y2) shows that motivation Work become track intermediary connecting leadership with improvement performance . Although influence direct leadership to motivation classified as weak leadership still give contribution through improvement encouragement work , direction , and support to employee.

Next, the relationship Competence (X2) → Motivation Work (Y1) → HVC Performance (Y2) shows that motivation Work capable mediate influence competence to performance. This is means that competence employee will more optimal in increase performance if supported by high motivation For apply knowledge and skills possessed in the work process.

In a relationship Environment Work (X3) → Motivation Work (Y1) → HVC Performance (Y2), motivation work also plays a role as a mediator. Environment conducive work capable increase comfort , passion , and commitment employees , who then impact on increasing performance implementation of the halal value chain. This path show that environment Work is factor important things that form condition psychological employee in achieve organizational targets.

In a way Overall, the indirect effect results show that Motivation Work (Y1) is mechanism important bridging connection between Leadership , Competence , and Work Environment on HVC Performance. Thus , the increase performance implementation of the halal value chain is not only depends on factors organization in a way directly , but also on the ability organization in build motivation Work employee.

Direct Effects Testing (H1 to H7)

Bootstrapping with 5,000 subsamples was applied to test the significance of all direct paths. A path is considered significant when the T-statistic exceeds 1.96 and the p-value falls below 0.05. All six direct effect hypotheses are accepted, as presented in Table 4.

Table 4. Direct Effects Testing Results

Hypothesis	Variable Relationship	Original Sample (β)	T Statistic	P Value	Decision
H1	Leadership (X1) → Work Motivation (Y1)	0.021	0.214	0.831	Rejected
H2	Competence (X2) → Work Motivation (Y1)	0.198	2,176	0.030	Accepted
H3	Work Environment (X3) → Work Motivation (Y1)	0.722	8,946	0,000	Accepted
H4	Leadership (X1) → HVC Performance (Y2)	0.282	2,534	0.012	Accepted

Hypothesis	Variable Relationship	Original Sample (β)	T Statistic	P Value	Decision
H5	Competence (X2) $\rightarrow$ HVC Performance (Y2)	0.029	0.319	0.750	Rejected
H6	Work Environment (X3) $\rightarrow$ HVC Performance (Y2)	0.182	2,081	0.038	Accepted
H7	Work Motivation (Y1) $\rightarrow$ HVC Performance (Y2)	0.446	4,287	0,000	Accepted

Hypothesis first (H1) namely influence Leadership (X1) towards Motivation Work (Y1) produces mark coefficient track of 0.021 with The T-statistic value is 0.214 and the P-value is 0.831. Since the T-statistic value is <1.96 and the P-value is >0.05 , H1 is rejected . This show that leadership Not yet give significant influence to motivation work. Although direction connection positive , its influence still very weak.

Hypothesis second (H2) namely influence Competence (X2) towards Motivation Work (Y1) has mark coefficient of 0.198, T-statistic 2.176, and P-value 0.030. Thus , H2 is accepted . These results show that competence play a role in increase motivation Work employees, because good abilities and skills can increase belief and encouragement in operate work.

Hypothesis third (H3) regarding influence Environment Work (X3) on Motivation Work (Y1) shows mark coefficient of 0.722 with a T-statistic of 8.946 and a P-value of 0.000. H3 is accepted. This result show that environment Work is the most dominant factor in form motivation Work employee.

Hypothesis fourth (H4) namely influence Leadership (X1) on HVC Performance (Y2) obtained mark coefficient of 0.282, T-statistic 2.534, and P-value 0.012. H4 is accepted . This show that leadership capable increase performance implementation of the halal value chain through direction , coordination , and support organization.

Hypothesis fifth (H5) regarding influence Competence (X2) on HVC Performance (Y2) obtained mark coefficient of 0.029 with a T-statistic of 0.319 and a P-value of 0.750. H5 is rejected. This means that the competence No own influence significant direct to HVC performance. Condition This show that competence need supported by motivation and environment organization in order to be able to give impact to performance.

Hypothesis sixth (H6) namely influence Environment Work (X3) on HVC Performance (Y2) has mark coefficient of 0.182, T-statistic 2.081, and P-value 0.038. H6 is accepted . This show that environment good job contribute to improvement performance implementation of the halal value chain.

Hypothesis seventh (H7) namely influence Motivation Work (Y1) on HVC Performance (Y2) obtained mark coefficient of 0.446 with a T-statistic of 4.287 and a P-value of 0.000. H7 is accepted . This result show that motivation Work is factor important thing that drives improvement HVC performance.

In a way overall , results testing hypothesis show that from seven the hypothesis being tested There are five accepted hypotheses namely H2, H3, H4, H6, and H7, while the two hypotheses rejected namely H1 and H5. Findings This show that factor environment work and motivation Work own the strongest role in increase performance implementation of the halal value chain. Research results This in line with study previously shown that competence and environment Work own role important in form motivation Work as well as increase performance organization. Research Muhtarom et al. (2023) used PLS-SEM method finds that variables motivation, environment work and competence own connection positive to performance through mechanism intervening variables. Furthermore, the research Meitiningsih (2025) strengthens that motivation Work capable become variables mediation between competence and environment Work to performance employee.

Findings study this also shows that environment Work is the most dominant factor in increase motivation work ($\beta=0.722$), in line with study previously explained that condition environment supporting organizations capable increase enthusiasm, engagement, and productivity employee.

Indirect Effects and Mediation Analysis (H8 -H10)

Specific indirect effects were tested through bootstrapping with 5,000 subsamples. The type of mediation was determined using the Variance Accounted For (VAF) method: VAF below 20% indicates no mediation, VAF between 20% and 80% indicates partial mediation, and VAF above 80% indicates full mediation (Hair et al., 2022; Nitzl et al., 2016) . Results are presented in Table 5.

Table 5. Specific Indirect Effects and VAF Analysis

Hypothesis	Mediation Path	β Indirect	T Statistics	P Value	Decision
H8	X1 $\rightarrow$ Y1 $\rightarrow$ Y2	0.009	0.211	0.833	Not mediating
H9	X2 $\rightarrow$ Y1 $\rightarrow$ Y2	0.088	2,012	0.045	Mediation
H10	X3 $\rightarrow$ Y1 $\rightarrow$ Y2	0.322	3,954	0,000	Mediation

Testing influence No direct (specific indirect effect) is carried out For know role Motivation Work (Y1) as variables mediation in connection between Leadership (X1), Competence (X2), and Work Environment (X3) on Implementation Performance Strengthening the Halal Value Chain (Y2). Testing mediation seen based on mark coefficient track No direct (β), T-statistic value , and P-value. Mediation stated significant if T-statistic value > 1.96 and P-value < 0.05 .

Hypothesis H8 is influence No direct Leadership (X1) $\rightarrow$ Motivation Work (Y1) $\rightarrow$ HVC Performance (Y2) produces the indirect β value is 0.009 with The T-statistic value is 0.211 and the P-value is 0.833. Since the T-statistic value is < 1.96 and the P-value is > 0.05 , H8 is rejected . This is show that Motivation Work Not yet capable mediate connection between HVC leadership and performance in general significant . Although leadership own

direction connection positive, influence the Not yet Enough strong through mechanism motivation Work.

Hypothesis H9 is influence No direct Competence (X2) → Motivation Work (Y1) → HVC Performance (Y2) has the indirect β value is 0.088 with The T-statistic value is 2.012 and the P-value is 0.045. These results fulfil criteria significance so that H9 is accepted . This means that motivation Work capable mediate influence Competence on HVC Performance. Findings This show that competence employee will more effective in increase performance if supported by motivation high work . Knowledge and skills possessed employee need driven by will and passion work to be able to give contribution real to achievement performance organization.

Hypothesis H10 is influence No direct Environment Work (X3) → Motivation Work (Y1) → HVC Performance (Y2) obtains the indirect β value is 0.322 with The T-statistic value is 3.954 and the P-value is 0.000. Thus, H10 is accepted . This result show that Motivation Work in a way significant mediate connection between Environment HVC Work and Performance. Size mark influence No direct show that environment conducive work capable increase motivation employees, who then impact on increasing performance implementation of the halal value chain.

In a way overall , the results of the mediation test show that Motivation Work own role important as mechanism connector between factor HVC organization and performance. However , the strength mediation different in each variable . Motivation Work proven mediate influence Competence and Work Environment on HVC Performance, while the relationship Leadership on HVC Performance, Motivation Work Not yet show role significant mediation.

Test results mediation show that Motivation Work own role as intervening variables in connection between Competence and Work Environment on Halal Value Chain Implementation Performance. These results in line with study Meitinarsih (2025) which shows that motivation Work capable become mechanism connector between competence and environment Work to performance employee.

Next, research Lianasari and Ahmadi (2022) also explain that competence and environment Work is factors that can increase performance through improvement motivation Work as intervening variables.

However, in the relationship Leadership → Motivation → HVC Performance, results study show No happen mediation ($\beta=0.009$; $P=0.833$). This show that influence leadership to performance in context study This more influenced by other factors compared to through mechanism motivation Work.

CONCLUSION AND RECOMMENDATION

Study This test ten hypothesis study use approach Partial Least Square–Structural Equation Modeling (PLS-SEM) For analyze role leadership, competence , environment work

and motivation Work to improvement performance Implementation of the Halal Value Chain (HVC) . Research results give proof empirical about factors main influencing factors success HVC implementation through approach development source Power man.

Research result show that environment Work is the most dominant factor in form motivation work , with influence strong positive ($\beta = 0.722$; $T = 8.946$; $P = 0.000$) . This show that condition organization , support environment work , relationships between employees , as well as atmosphere conducive work become factor main in increase encouragement and enthusiasm Work employees . Competence is also proven give influence positive to motivation work ($\beta = 0.198$; $T = 2.176$; $P = 0.030$), which indicates that abilities , knowledge , and skills employee capable increase motivation in operate task . However thus , leadership No show influence significant to motivation work ($\beta = 0.021$; $T = 0.214$; $P = 0.831$), which indicates that leadership just Not yet Enough strong in build motivation without existence support factor organization other.

Findings important study This seen in the role motivation Work as factor the main driving force improvement Halal Value Chain (HVC) performance . Motivation Work own influence positive strong to HVC performance ($\beta = 0.446$; $T = 4.287$; $P = 0.000$). This show that employees who have motivation tall tend more capable implementing organizational strategies, improving productivity , as well as support achievement halal value chain objectives . In addition , leadership also has an influence positive to HVC performance ($\beta = 0.282$; $P = 0.012$) and environment Work give influence positive to HVC performance ($\beta = 0.182$; $P = 0.038$). Meanwhile, that , competence No give influence significant direct to HVC performance ($\beta = 0.029$; $P = 0.750$), which indicates that competence need encouragement motivational in order to be able to translated become improvement performance.

The most important findings in study This is confirmation that motivation Work play a role as mechanism mediation that bridges factor organization to achievement HVC performance. Test results mediation show that competence capable increase HVC performance through motivation work (β indirect = 0.088; $T = 2.012$; $P = 0.045$) and environment work also has influence No significant direct through motivation work (β indirect = 0.322; $T = 3.954$; $P = 0.000$). However , the path mediation leadership through motivation Work No proven significant (β indirect = 0.009; $T = 0.211$; $P = 0.833$). This show that factor organization No in a way automatic produce improvement performance , but must moreover formerly build motivation employee as internal drive.

In a way theoretical, research This strengthen perspective management source Power man in halal value chain ecosystem with put motivation Work as mechanism psychological is important , not only as variables additional. Improvement HVC performance is not only depends on factors structural like leadership , competence , and environment work , but also on ability organization in change factor the become encouragement work , commitment , and involvement employee.

From the side practically , organizations that want to increase implementation of the halal value chain is necessary prioritize development environment supportive and capable work increase motivation employees , because variables the proven become the strongest factor in the research model. Organizations also need to strengthen competence through training, development capacity, as well as improvement ability employees , but still accompanied by with improvement strategies motivation for competence can give impact real to performance. Leadership still own role important in give direction and support , but effectiveness leadership need directed at a capable approach increase engagement and motivation employee.

In a way overall , research This prove that success implementation of Halal Value Chain is not only determined by factors organization , but also by the ability organization in build motivation Work as connector main between source Power organization and achievements performance. The SEM-PLS model developed own ability strong explanation with mark R^2 Motivation Work of 0.847 and R^2 HVC Performance of 0.788 , so this model capable explain connection intervariable in a way empirical and provide contribution for development halal value chain based study source Power man.

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