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# Improving Employee Performance Through Physical Work Environment And Soft Skills: The Moderating Role **Of Work Motivation**

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# ABSTRACT

Employee performance is essential for government agencies in achieving organizational goals. Several factors can affect employee performance, including the physical work environment and soft skills, which can be moderated by work motivation. This study aims to analyze the effect of the physical work environment and soft skills on employee performance at the Regional Inspectorate of Musi Rawas Regency, with work motivation as a moderating variable. This research uses a quantitative approach with a survey method. The sample consisted of 65 employees who represented the population in the agency. Data were obtained through questionnaires and analyzed using multiple linear regression and moderation tests. The results showed a significant influence of the physical work environment on employee performance, which is moderated by work motivation. In addition, soft skills also have a considerable impact on employee performance, which is also moderated by work motivation. This research highlights the importance of paying special attention to motivation and soft skills in government agency human resource development programs. A conducive work environment and high work motivation contribute to improved employee performance.

## INTRODUCTION

Internal supervision in the government environment is essential in realizing good and clean governance (Kurniawan et al., 2024; Middin et al., 2024). Internal auditors or Government Internal Supervisory Apparatus (APIP) are tasked with controlling and protecting public interests in the financial sector (Kurniawan et al., 2024; Furgan et al., 2020). Internal supervision includes various activities such as audits, reviews, evaluations, monitoring, and other supervisory activities (Kurniawan et al., 2024; Middin et al., 2024; ordery et al., 2022). The Regional Inspectorate of Musi Rawas Regency needs to continue to strive to achieve better work results and fulfill task demands more effectively so that performance and productivity increase (Dzomira, 2020; Yulisfan & Nasution, 2023). There are several influencing factors to achieve optimal employee performance, including the work environment, soft skills, and work motivation (Dzomira, 2020; Annisa & Sampurna, 2024; Viana et al., 2022). The Regional Inspectorate of Musi Rawas Regency is supported by 65 employees consisting of various position groups with specific competencies and roles according to operational needs. Soft skills are important for job success, including communication, teamwork, time management, and problem-solving (Dzomira, 2020; Ziniyel & TWUM, 2024). Several factors influence optimal employee performance, including the work environment, such as the physical work environment, soft skills, and work motivation.

The physical work environment significantly impacts employee performance and productivity. Research shows that the quality of an optimal work environment supports employees in achieving their work goals. Factors such as comfort, noise, lighting, odors, air circulation, and security have been shown to influence employee performance positively. Several studies underline that an uncomfortable or noisy workspace can hinder concentration, negatively affecting employee motivation and productivity (Musfirah, 2023). The physical work environment aspect involves various elements that ensure employees' comfort and psychophysical health. A safe and clean work environment contributes not only to job satisfaction but also to employee morale. Research has found that poor conditions, such as excessive noise, inadequate lighting, and lack of air circulation, can impair concentration and affect motivation (Cavallari et al., 2024). In addition to physical factors, soft skills are also critical in improving employee performance. Soft skills refer to interpersonal abilities such as communication, cooperation, and leadership. A study shows that employees with good soft skills can complete tasks more efficiently, contributing to the company's overall performance. Research in this area shows that communication and collaborative skills can increase interactions between coworkers, improving team dynamics and overall performance (Musfirah, 2023). In addition, soft skills development is becoming increasingly important in the ever-evolving digital era. Employees who are strong in soft skills are better able to adapt to change and innovation, an important criterion many employers seek (Prayudha & Soetjipto, 2023). Positive portrayals of soft skills in professional settings include the fact that interpersonal competencies can promote more efficient work patterns and responsiveness to workplace challenges. Work motivation also acts as a key factor in employee performance. Research shows that motivation can be a strong moderator in the effect of competence on job satisfaction (Nurazizah et al., 2024). This shows that high motivation can trigger employee effectiveness in achieving job satisfaction, inversely proportional to the lack of motivation that can reduce their work results. In this context, leaders' understanding of employee motivational factors can create a more positive and productive work atmosphere (Baumann & Sander, 2021).

Research shows that organizations that focus on creating a comfortable working atmosphere, encouraging soft skills development, and increasing employee motivation can achieve better results in productivity and job satisfaction (Nurlatifah et al., 2023; Basuki & Zakiyah, 2023). Therefore, it is important for human resource management to implement strategies that pay close attention to these three aspects in order to achieve long-term success in the organization. This research is relevant to identify factors that affect the performance of employees of the Regional Inspectorate of Musi Rawas Regency, especially related to the development of interpersonal skills, to provide recommendations for improving organizational performance and productivity (Dzomira, 2020; Andrianto & Nurjanah, 2023). This research is important to conduct because it can improve the performance and productivity of the Regional Inspectorate of Musi Rawas Regency and productivity of the Regional Inspectorate of Musi Rawas Regency interpersonal skills (Dzomira, 2020; Juanda et al., 2023). The study's results can be used as a consideration for the leadership of the Regional Inspectorate of Musi Rawas Regency in making policies and strategies related to human resource development ((Dzomira, 2020; Hay & Cordery, 2020).

# LITERATURE REVIEW

#### Performance

Employee performance in organizations is the product of intricate dynamics among individual abilities, group capabilities, and environmental contexts, which collectively influence outcomes. According to Hidayat, the commitment of individuals or teams to execute and refine their tasks is central to achieving desired results, highlighting the role of intrinsic motivation in performance management (Elufioye et al., 2024).

To enhance employee performance, extensive research points to several key determinants. Ulyanah et al. emphasize the combined influence of organizational culture, leadership, and competence, establishing that these elements significantly impact performance outcomes, both in isolation and collectively (Fatmasaria et al., 2024). Further corroboration comes from Hidayat, who identifies a strong correlation between employees' perceptions of organizational performance metrics and their motivation and commitment levels, which in turn propel performance attainment (Elufioye et al., 2024). Miladi et al. reinforce these findings, indicating that a disciplined work culture, coupled with robust motivational support, plays a pivotal role in elevating employee performance, thereby necessitating an environment conducive to such productivity ((Syafri et al., 2023).

# **Physical Work Environment**

The work environment is critically recognized as a determinant of employee productivity and satisfaction, manifesting through both physical and non-physical elements. This duality underscores the importance of creating a conducive workspace that integrates effective management strategies. Research by Radu highlights the necessity of addressing both physical facilities—such as workspace efficiency and equipment availability and intangible components like social interactions and organizational culture, which profoundly influence employee engagement and performance outcomes (Seo & Lee, 2021; Bilginoğlu & Yozgat, 2022); Focusing on the physical work environment, it becomes evident that various factors—such as cleanliness, lighting, and safety-play vital roles in shaping employee productivity. Studies consistently illustrate that well-maintained physical settings correlate positively with enhanced productivity levels, particularly when aspects like proper lighting and reduced noise are prioritized (Rabbad et al., 2024; Wright & Silard, 2020);. Additionally, the maintenance of a clean workspace is not just about aesthetics; it significantly contributes to mental well-being, thereby enhancing job efficiency. Such findings stress the imperative for managers to create and maintain physical work conditions that facilitate a productive environment, as indicated by the importance of workplace ergonomics and overall setup.

### Soft Skills

Soft skills, often referred to as soft skills, encompass a range of personal attributes and interpersonal abilities that enable individuals to manage their behavior and interact effectively with others. They include emotional intelligence, social skills, communication skills, and personal habits. These skills are important in workplace adaptability and social engagement, enabling individuals to navigate complex interpersonal relationships and dynamic environments, ultimately improving employability and work performance (Achmadi, 2022). Several scholars emphasize that soft skills are crucial for effective collaboration and establishing a positive work culture, which significantly impacts overall organizational success (Hatamleh, 2021).

The importance of soft skills in contemporary work environments has been widely demonstrated. Sharma, 2021, describes soft skills as essential non-technical abilities, including communication, teamwork, adaptability, and emotional management, integral to improving individual performance in both professional and personal contexts (Katsumata & Teixeira, 2024). These skills complement hard skills or technical abilities and are increasingly recognized as

important factors in achieving career advancement and work effectiveness. For example, employees with high levels of emotional intelligence (EI) a key component of soft skills exhibit better interpersonal functioning and stronger professional resilience, which are much needed in the face of pressure in the modern workplace ((Duong & Nguyen, 2023).

Soft skills are facilitators of professional success and are an important component of selfdevelopment, encompassing intrapersonal and interpersonal abilities that contribute significantly to an individual's overall life skills. Many researchers argue that these skills can be developed through structured training and educational programs, thus enabling individuals to apply theoretical knowledge in real situations effectively (Saepudin et al., 2022). This is particularly relevant in the context of higher education, where soft skills development is essential in preparing graduates for the challenges of an increasingly competitive job market, as affirmed in various studies that encourage the systematic integration of soft skills training into the academic curriculum (Soimah & Utami, 2023)

Furthermore, research shows a correlation between soft skills and individual work readiness. With employers increasingly prioritizing applicants who demonstrate strong soft skills, particularly in aspects of communication and emotion regulation, it is clear that these competencies are increasingly considered more important than technical expertise alone (Frolli et al., 2024). Analysis of job postings also frequently shows that employers value emotional intelligence, often more than IQ, indicating a shift in value toward social skills as a complement to technical abilities (Untung et al., 2023).

Soft skills development involves recognizing and developing various personal and social attributes that support better work interactions. Yuniendel, notes that soft skills include self-confidence, decision-making, teamwork, and conflict resolution, which are essential for building positive relationships within and outside the organizational context (Labobar & Malatuny, 2023). These skills improve not only individual performance but also team dynamics and overall organizational effectiveness, thus creating a work environment that supports collaboration and innovation ((Ulutaş et al., 2021).

### **Work Motivation**

Motivation is a factor that drives individuals to engage in certain activities, which is often defined as the driving force behind behavioral actions. According to Saunila et al., (2021), motivation includes intrinsic and extrinsic elements that catalyze behavior, forming the foundation for personal and organizational achievement. It is important to understand that motivation not only explains the reasons behind a person's actions but also distinguishes between goal setting and the means taken to achieve it (Cheah et al., 2022). State that motivation is an internal drive to encourage, direct, and regulate individual behavior. This multifaceted concept suggests that individuals are often driven by deeper, sometimes even subconscious, drives that influence their choices in their personal and professional lives.

The literature identifies motivation as a complex construct encompassing various psychological phenomena. Sumarmi et al., (2022) suggest that motivation consists of values or beliefs that deeply influence an individual's journey toward a desired outcome. This is confirmed by Sumarmi et al. Grunberg et al., (2022), who explain that motivation is a psychological process characterized by physiological or psychological deficits that drive behavioral responses to achieve specific incentives. By understanding the interaction of these various perspectives, it becomes clear that motivation involves analyzing the needs and drives that create an environment conducive to goal achievement. Essentially, motivation represents a complex nexus where individual needs interact with motivational dynamics that direct behavior.

In an organizational context, the impact of motivation goes beyond individual performance alone, reflecting a collective ethos that has significant implications for organizational culture and functioning (Laras et al., 2023). ,Boikanyo, (2024) explain that creating an environment that

supports motivation is essential to increase employee enthusiasm and effectively direct their skills and capabilities to achieve organizational goals.

# **METHODS**

This research uses a quantitative approach with a survey method to collect and analyze measured data in numbers. Quantitative research is a research method that obtains data through various structured collection techniques, allowing researchers to conduct in depth statistical analysis. In this quantitative research tradition, numerical data will be analyzed using statistical software, such as SPSS (Statistical Package for the Social Sciences).

In this study, the population that is the focus is employees in the Regional Inspectorate office of Musi Rawas Regency, totaling 65 people. Determining a representative sample size is very important for the reliability and validity of the research results. The data used in this study come from primary and secondary data. Primary data is information obtained directly from respondents through questionnaires distributed. In contrast, secondary data includes existing information, such as organizational documents and other relevant data. Data collection is done not only through questionnaires but also through direct observation, which allows researchers to gain deeper contextual insights.

Observation, as a data collection technique, provides an opportunity for researchers to directly observe the phenomenon under study. This technique can be done in the field or through recordings. In addition, the questionnaire serves as a tool to collect written data from respondents, providing advantages in terms of efficiency and standardization of the questions given.

The observation and questionnaire activities complement the data collection process, providing a comprehensive picture of the research subject. By combining these methods, researchers can strengthen the validity of the results obtained, presenting not only quantitative but also qualitative data that supports broader analysis.

Data analysis was carried out using quantitative descriptive methods, which aim to describe the characteristics of the data obtained and provide context to the analysis results. Through this analysis, researchers can explore existing patterns and relationships between the variables studied, providing deeper insight into the results obtained in the context of this study. The research process then ends with concluding the findings, which are based on data that has been carefully analyzed and interpreted. A systematic and structured quantitative approach is used in this research to ensure that the information obtained can support better decision-making in the future in the context of organizational policies.

# RESULTS

Multiple linear regression analysis is performed to determine how much influence the independent variable (X) has on the dependent variable (Y). In this study, the independent variables used are Physical Work Environment (X1) and Soft Skills (X2), while the dependent variable is Employee Performance (Y). This multiple linear regression test was conducted to answer the third hypothesis, namely the physical work environment and soft skills have a significant effect on the performance of employees of the Regional Inspectorate of Musi Rawas Regency.

A good physical work environment can increase employee productivity and job satisfaction (Mushtaq, 2022). In addition, soft skills also play an important role in improving employee performance (Anwar et al., 2023). Previous research shows that transformational leadership and employee commitment have a positive influence on employee performance in the banking sector (Anwar et al., 2023)

In addition, other factors such as job stress, work-life balance, and employee engagement can also affect employee performance (Gulzar et al., 2020; Ricardianto et al., 2020). Previous research also shows that compensation, training and development, and organizational culture can increase job satisfaction and employee retention (Ahmad et al., 2022; Murtiningsih, 2020).

Thus, it can be concluded that the physical work environment and soft skills have a significant effect on the performance of employees of the Regional Inspectorate of Musi Rawas Regency. Other factors such as work stress, work-life balance, employee engagement, compensation, training and development, and organizational culture also need to be considered in improving performance.

### Multiple Regression Table 1.Test Results of Physical Work Environment (X1) and Soft skills (X2) on Employee Performance (Y)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.		
Model	В	Std. Error	Beta				
(Constant)	8.516	3.308		2.575	.012		
Physical Work Environment	.258	.108	.282	2.393	.020		
Soft Skills	.506	.117	.509	4.313	.000		

Source: Data obtained by researchers, 2025

Based on the analysis of the references provided, it can be concluded that the physical work environment and soft skills affect employee performance. The following is a more detailed explanation: The regression equation obtained is: Y = 8.516 + 0.258X1 + 0.506X2 + e

- a. The constant value of 8.516 indicates that, if the physical work environment variable (X1) and soft skills (X2) do not exist or the value is zero, then the employee performance value is 8.516.
- b. The regression coefficient value of the physical work environment variable of 0.258 units indicates that, if the value of the physical work environment variable increases by one unit, the value of employee performance will increase by 0.258 units. Conversely, if the regression value of the physical work environment decreases by one unit, then employee performance will also decrease by 0.258 units.
- c. The regression coefficient value of the soft skills variable of 0.506 units indicates that, if the value of the soft skills variable increases by one unit, the value of employee performance will increase by 0.506 units. Conversely, if the regression value of soft skills decreases by one unit, then employee performance will also decrease by 0.506 units.

This result is supported by references which show that the physical work environment (Bashir et al., 2020; (Segbenya & Hatsu, 2022); (Yew et al., 2024) and soft skills (Widowati & Satrya, 2023); (Magasi, 2021) have a positive influence on employee performance.

# **Coefficient of Determination**

Table 2. Coefficient of Determination of Physical Work Environment and Soft SkillsEmployee Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.731ª	.534	.519	4.271

Source: Data obtained by researchers, 2025

Based on multiple regression analysis conducted using the SPSS 22 program, the R Square value of 0.534 Perkasa et al. (2023). This shows that 53.4% of employee performance variables

can be explained by the physical work environment and soft skills variables, while the remaining 46.6% is explained by other variables (Perkasa et al., 2023).

Previous research has shown that the physical work environment and soft skills have a significant influence on employee performance. Perkasa et al., (2023) found that physical work environment and work motivation have a positive and significant effect on employee performance.

Koopmans et al., (2024) showed that work environment factors, such as leadership and communication, can influence employee mindfulness, which ultimately impacts performance. (Wijayanti & Sari, 2023) asserted that high employee competence can improve organizational performance.

Another study by Olivia et al., (2024) and Kumala, (2023) concluded that compensation and a good work environment can improve employee performance. (Ramli & Novariani, 2020) added that management can provide clear tasks and in accordance with employee competencies to improve performance.

In addition, Shaari et al., (2022) and Mushtaq, (2022) found that physical and mental work environments play an important role in determining job satisfaction and employee performance. Kurnianingsih et al., (2024) confirmed that a good physical work environment can improve employee performance.

Thus, it can be concluded that the physical work environment and soft skills have a significant influence on employee performance, where 53.4% of variations in employee performance can be explained by these two variables.

# F test Table 3. F Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1294.151	2	647.075	35.477	.000 <sup>b</sup>
Residuals	1130.834	62	18.239		
Total	2424.985	64			

Source: Data obtained by researchers, 2025

Based on the test results with the IBM SPSS 22.0 program for Windows, the calculated F value obtained is 35.477 and the p-value is 0.000. This shows that F count> F table or the p-value is smaller than the significance level ( $\alpha$ ) of 0.05.

ANOVA (Analysis of Variance) is a statistical method used to analyze mean differences between two or more groups. In ANOVA, the calculated F value indicates whether there is a significant difference between the groups being compared. If the p-value is less than the set significance level (usually 0.05), it can be concluded that there is a significant difference between the groups.

Based on the results of the ANOVA analysis conducted, the calculated F value was 35.477 with a p-value of 0.000. This indicates that there is a significant difference between the groups being compared. In other words, it can be concluded that the factors tested have a significant influence on the dependent variable.

### Test t

To see the partial effect of each independent variable on the dependent variable can be explained using the t test. The t test results are presented in table 3:

		Unstanda Coefficients	rdized	Standardized Coefficients	t	Sig.
Model		В	Std. Error	Beta		
(Constant)		8.516	3.308		2.575	.012
Physical Environment	Work	.258	.108	.282	2.393	.020
Soft Skills		.506	.117	.509	4.313	.000

# Table 4. Partial Test Results (t Test) Organizational Commitment Variable

Source: Data obtained by researchers, 2025

The results of testing the physical work environment variable (X1) on the performance of employees of the Regional Inspectorate of Musi Rawas Regency show that the t value = 2.393 is greater than the t table value of 2.000 with a significant level = 0.020 <0.05. This shows that partially, the physical work environment variable has a significant influence on the performance of employees of the Regional Inspectorate of Musi Rawas Regency. This shows that partially, the physical work environment variable has a significant influence of employees of the Regional Inspectorate of Musi Rawas Regency. This shows that partially, the physical work environment variable has a significant influence on the performance of employees of the Regional Inspectorate of Musi Rawas Regency.

Furthermore, the soft skills variable (X2) on the performance of employees of the Regional Inspectorate of Musi Rawas Regency shows the t value = 4.313 which is greater than the t table value of 2.000 with a significant level = 0.020 < 0.05. This indicates that partially, the soft skills variable also has a significant influence on the performance of employees of the Regional Inspectorate of Musi Rawas Regency.

This finding is in line with several previous studies that show that the physical work environment and soft skills have a significant influence on employee performance, especially in the banking sector. A conducive work environment and the development of employee soft skills can improve employee motivation, productivity and performance. However, the references used do not fully support these claims; references related to the physical work environment do not reflect sector-specific results from the Inspectorate or mention their impact on performance. Therefore, the support for this finding from the existing references cannot be fully accepted.

# **Moderation Test Results**

a. Interaction Test Results between *Soft Skill* Variables with Work Motivation Moderation Variables on Employee Performance Variables

			Standardized Coefficients	t	Sig.
Model	В	Std. Error	Beta		
(Constant)	20.951	1.921		10.904	.000
Soft Skill*Work Motivation	.011	.001	.716	8.149	.000

### Table 5. Soft Skill Moderation Test Results on Employee Performance

Source: Data obtained by researchers, 2025

Based on Table 4.59, it is known that the significance value of the interaction variable between soft skills (X2) and work motivation (Z) is 0.000 <0.05. This shows that the work motivation variable (Z) can moderate the effect of the soft skills variable (X2) on employee performance (Y) at the Regional Inspectorate of Musi Rawas Regency.

Soft skills are non-technical abilities important for employee performance (Fithriyana et al., 2022). Work motivation also plays an important role in improving employee performance.

Previous research has shown that work motivation can moderate the effect of soft skills on employee performance (Al-kharabsheh et al., 2023).

Good soft skills, such as communication, leadership, and teamwork, can improve employee performance. However, the effect of soft skills on employee performance will be more substantial if supported by high work motivation. Employees with high work motivation will be more encouraged to use their soft skills effectively, thus improving their performance.

Thus, it can be concluded that the work motivation variable (Z) can moderate the effect of the soft skills variable (X2) on employee performance (Y) at the Regional Inspectorate of Musi Rawas Regency. Good soft skills, when supported by high work motivation, will result in more optimal employee performance.

#### Table 6. R Square Value *Soft Skill* to Performance Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of Estimate	the
1	.700 <sup>a</sup>	.491	.483		4.428	

Source: Data obtained by researchers, 2025

# Table 7.R Square Value of Interaction Results between Soft Skill Variables on Employee Performance moderated by Work Motivation

#### Model Summary

				Std. Error	of	the
Model	R	R Square	Adjusted R Square	Estimate		
1	.716ª	.513	.505	4.329		

Source: Data obtained by researchers, 2025

Based on Table 6, it can be seen that the R square value before the moderation variable is 0.491 or 49.1%. While in Table 7, it is known that the R square value is 0.513, which means that the contribution of the influence of the soft skills variable on performance after the moderating variable of work motivation is 51.3%. This shows that after the moderating variable of work motivation of the influence of soft skill variables on performance increases by 2.2%. In other words, work motivation variables strengthen the influence of soft skill variables on performance.

This finding is in line with previous research which shows that work motivation can strengthen the relationship between soft skills and employee performance. High work motivation can encourage employees to further optimize the use of their soft skills in completing work, thus having an impact on improving performance.

In addition, other studies have also revealed that soft skills such as communication, cooperation, and adaptability do have a significant influence on employee performance. However, this influence can be even more substantial when supported by high work motivation from within the employee.

Thus, it can be concluded that work motivation variables act as moderating variables that strengthen the relationship between soft skills and employee performance. These findings provide important implications for organizations to not only focus on developing employee soft skills, but also pay attention to aspects of work motivation so that employee performance can be optimal.

b. Interaction between Physical Work Environment Variables and Work Motivation Moderation Variables on Employee Performance Variables

Table 8. Test Results of Physical Work Environment Variables with Work Motivation
Moderation Variables on Employee Performance Variables

	Unstandardize	d Coefficients	Standardize d Coefficients	t	Sig.
Model	В	Std. Error	Beta		
(Constant)	21.740	1.878		11.576	.000
Physical Work Environment* Work Motivation	.011	.001	.707	7.925	.000

Source: Data obtained by researchers, 2025

Based on Table 8. it is known that the significance value of the interaction variable between the physical work environment (X1) and work motivation (Z) is 0.000 <0.05; it concludes that the work motivation variable (Z) can moderate the influence of the physical work environment variable (X1) on employee performance (Y) at the Regional Inspectorate of Musi Rawas Regency.

# Table 8. R Square Value of Physical Work Environment to Performance

				Std. Error of the
Model	R	R Square	Adjusted R Square	Estimate
1	.627ª	.394	.384	4.831

Source: Data obtained by researchers, 2025

# Table 9 R Square Value of Interaction Results between Physical Work EnvironmentVariablesEmployee Performance Moderated by Work Motivation

				Std. Error of the
Model	R	R Square	Adjusted R Square	Estimate
1	.707 <sup>a</sup>	.499	.491	4.390

Source: Data obtained by researchers, 2025

Based on the analysis conducted in Table 9 and Table 9, there is a significant increase in the value, which shows the effect of the physical work environment variable (X1) on performance (Y) when there is a moderating variable of work motivation (Z). The previous value was 39.4% and increased to 49.9% after adding the moderating variable. This increase shows that moderating variables not only magnifies the effect of the work environment on performance but also indicates that work motivation plays a crucial role in strengthening the relationship between the two variables. This aligns with research showing that moderating variables can strengthen the interaction between relevant factors in the organizational context.

From the analysis, it can be seen that moderating variables such as work motivation can significantly strengthen the effect of the physical work environment on individual performance. The increase in R2 value from 39.4% to 49.9% not only shows that more than half of the variation in performance can be explained by the combination of the two variables but also confirms that a work environment that supports and motivates employees is very important in achieving the

desired results. This suggests that to improve performance, improvements need to be made in the physical aspects of the work environment and strengthening motivation.

# DISCUSSION

# The Effect of Physical Work Environment and Soft Skills on Employee Performance of the Regional Inspectorate of Musi Rawas Regency

Based on the data processing results with the IBM SPSS 22.0 for Windows program, the multiple regression equation is obtained: Y = 8.516 + 0.258X1 + 0.506X2 + e. The regression equation shows that all regression coefficients are positive, which means that the independent variables (physical work environment and soft skills) have a unidirectional influence on the dependent variable (employee performance).

The constant value of 8.516 indicates that if the physical work environment variable (X1) and soft skills (X2) do not exist or the value is zero, then the employee performance value is 8.516. The regression coefficient of the physical work environment variable is 0.258 units. If the value of the physical work environment variable increases by one unit, employee performance will increase by 0.258 units. Conversely, if the regression value of the physical work environment decreases by one unit, then employee performance is also predicted to decrease by 0.258 units.

Based the magnitude of the influence between the physical work environment variable on the performance of an auditor can be seen from the results of the coefficient of determination (R-square / R2) obtained of 0.534, indicating that 53.4% of employee performance variables can be explained by physical work environment variables and soft skills, while the remaining 46.6% is explained by other variables not examined in this study.

Based on observations in the field, employee performance (Y) at the Regional Inspectorate of Musi Rawas Regency is influenced by two main factors, namely the physical work environment (X1) and soft skills (X2). These results indicate that employee performance will improve significantly if supported by an adequate physical work environment and good soft skills, both from leaders and fellow employees at the Inspectorate of Musi Rawas Regency.

# The Effect of *Soft Skills* on Employee Performance of the Regional Inspectorate of Musi Rawas Regency with Work Motivation as a Moderating Variable.

Based on the moderation test results, the R square value is 0.513 or 51.3%. This shows that the moderating variable (work motivation) strengthens the effect of soft skills on employee performance, where the R square value before the moderating variable is 0.491 or 49.1%. Thus, the moderating variable is able to increase the effect of soft skills on employee performance by 2.2%.

Soft skills are defined as non-technical abilities that include aspects of communication, teamwork, adaptability, and emotional management. Soft skills play an important role in improving individual performance, as they involve interaction and good relationships with others in the context of work and professional life as a whole.

Research results that show the importance of soft skills such as communication and adaptability in improving performance effectiveness, as well as the role of motivation as a link between these skills and performance, need to be supported by relevant and quality references. However, the references listed do not support these claims. Thus, it can be concluded that the moderating variable (work motivation) can strengthen the effect of soft skills on employee performance. However, the details need to be supported by appropriate and relevant references. At the moment, we do not have references that support these claims.

# CONCLUSION

Based on the results of the research that has been conducted, it can be concluded that; there is a significant influence of the Physical Work Environment on the Performance of Employees of the Regional Inspectorate of Musi Rawas Regency with Work Motivation as a Moderating Variable. A conducive physical work environment can improve employee performance, and work motivation can strengthen the relationship between the physical work environment and employee performance. This aligns with previous research, which shows that a good physical work environment can increase productivity and job satisfaction. Furthermore, there is a significant influence of Soft Skills on Employee Performance of the Regional Inspectorate of Musi Rawas Regency with Work Motivation as a Moderating Variable. Good soft skills, such as communication, leadership, and teamwork, can improve employee performance. Work motivation can strengthen the relationship between soft skills and employee performance. Previous research also shows that soft skills are important in improving performance. Then there is a significant influence of the Physical Work Environment and Soft Skill variables on the Regional Inspectorate Employees of Musi Rawas Regency. A conducive physical work environment and good soft skills can improve employee performance. Previous research also shows that the work environment and soft skills have a significant influence on employee performance.

# LIMITATION

This research has several limitations including; First, the quantitative approach used with the survey method limits in-depth understanding of the dynamics of employee behavior and a more complex organizational context. Data obtained through questionnaires is self-reported, so it has the potential to contain respondent subjectivity bias, such as social bias or different interpretations of question items.

Second, this research was conducted in only one government agency, namely the Regional Inspectorate of Musi Rawas Regency, so the results have limitations in generalizing to other government agencies that have different organizational characteristics, work cultures, or structures.

Third, the moderating variable, namely work motivation, is only measured quantitatively and does not describe in depth the dimensions of motivation that may be more complex, including intrinsic and extrinsic motivation. In addition, this study did not consider other factors affecting employee performance, such as leadership style, workload, or reward system.

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