Building Performance Through Work Discipline Influenced By Leadership and Compensation

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Abstract: This research aims to examine and analyze the influence of work discipline, leadership, and compensation in Jakarta. The research design adopts a quantitative approach. The sample selection method involves professionals working in the Jakarta area, utilizing purposive sampling technique with 100 respondents, to be analyzed using the Structural Equation Modeling—Partial Least Squares (SEM-PLS) method. The research topic has been aligned with RIP UMB 2021-2024, and the current study refers to several previous research findings, incorporating relevant topics and literature. The research implementation begins with the measurement of the Technology Readiness Level, which is at level 3 with the criteria of proof-of-concept, demonstrating the analytical functionality and/or essential characteristics. The significance of conducting this research is grounded in various relevant references, indicating that the performance level across all sectors, both public and private, especially in the business sector, experiences fluctuations. Therefore, the researcher proposes factors that are considered crucial for employees in terms of performance. These factors are indicated to be work discipline, leadership, and compensation.

Keywords: Performance, Work Discipline, Leadership, Compensation

INTRODUCTION

Companies need to develop appropriate strategies in human resource management (HRM), such as enhancing employee engagement, reinforcing a positive work culture, and providing continuous training and development to improve employee skills and knowledge. The implementation of digital technology is also crucial in HRM, such as utilizing Human Resource Information System (HRIS) platforms to streamline personnel administration and analyze employee data (Gomez & Bernet, 2019). Fair and performance-related compensation is also a crucial factor in HRM. Companies need to adopt transparent and clear payroll systems, as well as provide incentives and rewards for high-performing employees to boost motivation and loyalty, positively impacting overall productivity and company performance (Frazier & Jacezko, 2021).

Employee performance is a vital factor in a company's success. Research indicates that employees with high performance can enhance company productivity, reduce operational costs, and improve customer satisfaction (Aminu, 2020). Employee performance can also be
influenced by factors such as motivation, competence, and a positive work environment (Huang & Wu, 2020).

Measuring employee performance can be done through various methods, including performance appraisals, target achievement, and output measurement. However, it is essential to note that performance measurement should not focus solely on end results but should also consider work processes and employees' soft skills, such as teamwork, creativity, and innovation (Kuswati, 2020). Human resource management plays a crucial role in developing, evaluating, and assessing the quality of workers. HRM is responsible for leadership and setting operational standards related to work discipline and employee performance (Aydiner et al., 2019).

Work discipline programs are crucial in management, requiring disciplined leaders to enforce discipline among workers in other lines (Idris, 2018). Each job should be periodically evaluated by leaders, typically every 6 months to a year, to assess the quality of other workers. Work discipline can be defined as an individual's awareness and willingness to adhere to all company rules and applicable social norms. The factors considered important for good employee performance are work discipline, leadership, and compensation (Listiani et al., 2020).

Discipline can be interpreted as an attitude, behavior, and actions of each employee with the job output produced by the employee (Putri et al., 2019). Each employee must adhere to the regulations governing work discipline. Enforcing work discipline should not prioritize threats or violence but rather the firmness of leaders and management. Firmness in upholding rules is the main capital and an absolute requirement for realizing work discipline (Permana et al., 2019).

Employee discipline is a crucial factor in HRM. Good employee discipline can enhance productivity, work quality, and overall company performance (Tang, 2020). Conversely, a lack of employee discipline can lead to decreased productivity, additional costs, and legal risks.

To achieve good employee discipline, companies need clear rules and policies and must supervise and enforce discipline consistently and fairly. Proper supervision and enforcement of discipline can reduce the likelihood of violations and have a deterrent effect on employees who break the rules.

However, companies also need to consider other factors that can influence employee discipline, such as a positive work environment, motivation, and skill development. A positive work environment can create conditions that support employees in working well and minimize the chances of disciplinary violations (Liu & Lee, 2019).

In leading HRM, companies need to have a clear vision and mission in HRM and consider factors such as justice, transparency, and diversity in the work environment. Leadership also needs to motivate employees to achieve and improve their abilities through continuous training and development.

Research shows that transformational and authoritative leadership styles can have a positive impact on employee performance (Ali & Hossain, 2019). Transformational leadership can enhance employee motivation and performance through influence and inspiration, while authoritative leadership can provide effective guidance and problem-solving.

Employee compensation is a critical element in HRM aimed at motivating employees, improving performance, and maintaining job satisfaction. According to Milkovich and Newman (2017), employee compensation consists of three main elements: salary and wages, benefits, and facilities. Salary and wages are the most common form of compensation given to employees and are usually determined based on education level, experience, and competence.

Based on the identified research gap, it is necessary to conduct more in-depth research to examine the role of work discipline as a mediator in the relationship between compensation and leadership with employee performance. By deepening the understanding of factors
influencing employee performance, companies can design more effective strategies to improve employee performance and overall business outcomes.

**LITERATURE REVIEW**

**Performance**

Performance is a focus for companies and is a crucial variable for the advancement of a company. In organizations or institutions, employee performance plays a significant role. Good performance positively affects the company, and poor performance has negative effects on employees (Paais & Pattiruhu, 2020). Employee performance is the actual behavior produced by each individual employee. Good performance has a positive effect on the company, just as poor performance has a very negative effect on employees (Ridwan et al., 2020). Performance is a factor in the success or failure of a business. It can be individual or team-based, and managing both is crucial for sustainable organizations (Suganthi, 2019).

There are various factors influencing employee performance in the workplace, whether internal or external to the organization, originating from individual employees or external to individual employees. Good performance makes it easier to achieve company targets. Employee performance can be objectively and accurately evaluated through performance metrics. Wibowo (2017:85) identifies several performance indicators, including goals, standards, feedback, tools or facilities, competence, motivation, and opportunities.

**Discipline**

Discipline is a behavior/attitude expected by every educator to ensure that learning activities, both inside and outside the classroom, proceed as expected (Putri et al., 2019). Discipline is adherence to regulations, teamwork, compliance with procedures, and more. Discipline is the willingness to follow rules or regulations driven by awareness without external coercion. Positive discipline is an attitude and organizational climate where every member voluntarily complies with organizational regulations because they understand, believe, and support them. They do it willingly, not out of fear of the consequences of non-compliance (Simbolon, 2021).

Discipline is the awareness and willingness of an individual to obey all company rules and social norms. Discipline in work is the willingness and willingness of an individual to comply with both written and unwritten regulations and to be able to carry them out without hesitation, accepting sanctions if they violate their duties and authorities. The goal of discipline, both in groups and individually, is to direct one's behavior towards a harmonious reality, and to create this condition, harmony between the rights and obligations of employees must first be realized.

**Leadership**

The leader's role in an organization often has specifications different from other work areas or organizations. This difference is caused by various factors, including the type of organization, the social situation within the organization, and the number of group members (Paais & Pattiruhu, 2020). A leader must know the functions of leadership and the elements of leadership as activities that influence, direct, invite, create, and provide new ideas. One criterion for assessing leadership effectiveness is the leader's ability to make decisions (Abasilim et al., 2019). In addition, criteria that must be met include the leader's ability to perform various leadership functions.

A leader in an organization plays a very important role, not only internally for the organization in question but also in dealing with various external parties. A good leader is one who succeeds in facing various problems in any situation (Farahnak et al., 2020). A leader must be able to make decisions correctly, develop accurate information, provide encouragement and
motivation to subordinates, be accountable for all organizational activities, reward successful and high-performing employees, and supervise the implementation of tasks assigned to each employee.

Compensation

Compensation programs reflect an organization's efforts to maintain human resources. Compensation serves as motivation to work optimally because it is crucial for both employees and employers (VIZANO et al., 2021). Compensation is also a reflection of social status for both employees and employers. Income levels significantly influence the standard of living. For employers, compensation is a primary factor in personnel management.

According to Wirawan in the journal Fuizi Usman (2014:176), "compensation is one aspect that means a lot to employees because the amount of compensation reflects the value of their employees among other employees, family, and society." According to Wibowo (2016:289), "compensation is a counter-performance for the use of labor or services provided by labor." According to Moekijat (2016:49), "compensation is a reward for services paid to employees, workers, hours, or employees who are not supervisory and administrative." Furthermore, according to Hasibuan (2012:118), "compensation is all income in the form of money, direct or indirect goods received by employees as a reward for the services provided to the company." Compensation in the form of money means compensation paid with a certain amount of cash to the employee. Compensation in the form of goods means compensation paid with goods.

In conclusion, this section provides an in-depth overview of the problem background and the relevant literature on performance, discipline, leadership, and compensation. It establishes a foundation for the research and highlights the interconnectedness of these factors in influencing employee performance.

Framework

![Framework Diagram](https://example.com/framework.png)

Gambar 1. Framework

H1: Leadership influences work discipline.
H2: Compensation influences work discipline.
H3: Leadership influences performance.
H4: Compensation influences performance.
H5: Work discipline influences performance.
H6: Leadership influences performance.
H7: Compensation influences performance.
RESEARCH METHODS
Based on the characteristics, assumptions, preferences, and limitations of the structural modeling approach SEM, the choice of approach using SEM-PLS is grounded in: a) The use of SEM-PLS has been widely employed in management and organizational research (Henseler et al., 2014); b) SEM-PLS can be used to explain the variance of main target constructs (e.g., strategic success of the company) (Hair et al., 2013; Reinartz et al., 2009); c) The sample size in this study is relatively small but generally still reaches a high level of statistical power (Hair et al., 2014; Sarstedt et al., 2019); and d) The research model has relatively large indicators that can handle complex models with many structural model relationships and a large number of indicators (Hair et al., 2014).

FINDINGS AND DISCUSSION
Research result
Results of Convergent Validity Testing
The Convergent Validity testing of the model with reflective indicators is evaluated based on the correlation between item scores or component scores with the construct scores calculated with PLS. Individual indicators are considered valid if they have correlation values above 0.70. However, in scale development research, factor loadings between 0.60 and 0.70 are still acceptable. By examining the output results of the correlation between indicators and their constructs, as seen in the table and structural diagram below.
Convergent validity is used to determine the items of the instrument that can be used as indicators of the overall latent variables. The results of this test are measured based on the magnitude of the loading factor values (outer loading) of the construct indicators. The results of the convergent validity testing are presented in the table.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Outer Loading</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership (X1)</td>
<td>X1.1</td>
<td>0.842</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>0.818</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>0.745</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.751</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.5</td>
<td>0.798</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.6</td>
<td>0.858</td>
<td>Valid</td>
</tr>
<tr>
<td>Compensation (X2)</td>
<td>X2.1</td>
<td>0.798</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.2</td>
<td>0.778</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.3</td>
<td>0.912</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.4</td>
<td>0.706</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.5</td>
<td>0.792</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.6</td>
<td>0.704</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.7</td>
<td>0.910</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X2.8</td>
<td>0.761</td>
<td>Valid</td>
</tr>
<tr>
<td>Work discipline (Y1)</td>
<td>Y1.1</td>
<td>0.867</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.2</td>
<td>0.875</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.3</td>
<td>0.809</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.4</td>
<td>0.736</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.5</td>
<td>0.739</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.6</td>
<td>0.890</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.7</td>
<td>0.774</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.8</td>
<td>0.728</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.9</td>
<td>0.801</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y1.10</td>
<td>0.756</td>
<td>Valid</td>
</tr>
</tbody>
</table>
Based on the table results, it is shown that all outer factor loadings have values greater than 0.5. This indicates that the measurement meets the requirements for convergent validity. Convergent validity refers to the extent to which the scores of reflective indicators correlate with the scores of the measured latent variables. Factor loadings greater than 0.5 indicate that these indicators significantly influence the measured latent variables.

In this study, there are 5 constructs with the number of indicators ranging from 3 to 10 indicators. The rating scale used ranges from 1 to 5. Referring to the criteria described by Sugiyono (2006), a correlation coefficient of 0.3 or higher is considered a valid indicator. In this context, considering factor loadings above 0.5, it can be concluded that constructs with dominant factor loadings meet the requirements of good convergent validity.

Based on the analysis of factor loadings, it can be confirmed that this measurement has adequate convergent validity. However, it is important to note that convergent validity is just one aspect that needs to be evaluated in the development of a measurement scale. Discriminant validity and composite reliability also need to be examined to ensure the overall quality and reliability of the measurement.

**AVE, Composite Reliability dan Cronbach’s Alpha**

The validity test was also conducted using a method that compares the square root of the average variance extracted (AVE) for each construct with the correlations between other constructs present in the model.

<table>
<thead>
<tr>
<th>Performance (Y2)</th>
<th>Y1.11</th>
<th>0.751</th>
<th>Valid</th>
<th>Y1.12</th>
<th>0.870</th>
<th>Valid</th>
<th>Y1.13</th>
<th>0.697</th>
<th>Valid</th>
<th>Y1.14</th>
<th>0.647</th>
<th>Valid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Y2.1</td>
<td>0.769</td>
<td>Valid</td>
<td>Y2.2</td>
<td>0.826</td>
<td>Valid</td>
<td>Y2.3</td>
<td>0.845</td>
<td>Valid</td>
<td>Y2.4</td>
<td>0.777</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y2.6</td>
<td>0.768</td>
<td>Valid</td>
<td>Y2.7</td>
<td>0.735</td>
<td>Valid</td>
<td>Y2.8</td>
<td>0.866</td>
<td>Valid</td>
<td>Y2.9</td>
<td>0.838</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y2.11</td>
<td>0.776</td>
<td>Valid</td>
<td>Y2.12</td>
<td>0.754</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data 2023

Composite reliability is used to measure the degree of internal consistency of a block of indicators measuring a construct. A composite reliability value above 0.70 indicates that the indicators together reliably indicate the same latent variable. In addition, the testing also
involves Cronbach's alpha, which is another measure of internal reliability. A Cronbach's alpha value above 0.60 is considered adequate, although it is not an absolute standard.

**Discriminant Validity**

Discriminant validity testing is performed by examining Fornell Larcker Critical values. An indicator is considered to meet discriminant validity if the cross-loading value of the indicator on its own variable is greater than on other variables.

**Tabel 3. Fornell Larcker Critical Variabel Penelitian**

<table>
<thead>
<tr>
<th>Variabel Penelitian</th>
<th>X1</th>
<th>X2</th>
<th>Y1</th>
<th>Y2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kepemimpinan</td>
<td>0.803</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kompensasi</td>
<td>0.650</td>
<td>0.799</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disiplin kerja</td>
<td>0.645</td>
<td>0.581</td>
<td>0.785</td>
<td></td>
</tr>
<tr>
<td>Kinerja</td>
<td>0.773</td>
<td>0.746</td>
<td>0.713</td>
<td>0.801</td>
</tr>
</tbody>
</table>

Source: Data 2023

Discriminant validity testing is a crucial step to ensure that the indicators forming the variables in the study have the ability to discriminatively distinguish one variable from another. In discriminant validity testing, we examine the cross-loading values of indicators on the formed variables.

Regarding the measurement model for validity and reliability testing, the coefficients of determination for the model and the path coefficients for the equation model can be observed in the following figure.

**PLS Algorithm**

Source: Data 2023

**Pengujuan Struktural**

**Pengujuan Model Struktural (Inner Model)**

The structural model in Partial Least Squares (PLS) is evaluated using R2 for dependent variables and the path coefficient values for independent variables, which are then assessed for
significance based on the t-statistic values for each path. The structural model for this research can be viewed in the following figure:

**PLS Bootstrapping**
Source: data 2023

Table 4. R-square

<table>
<thead>
<tr>
<th>Variabel</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Discipline</td>
<td>0.462</td>
<td>0.451</td>
</tr>
<tr>
<td>Performance</td>
<td>0.739</td>
<td>0.732</td>
</tr>
</tbody>
</table>

Source: data 2023

The R Square value of 0.462 for work discipline indicates a dual correlation between leadership and compensation. This suggests that the provided leadership and compensation contribute to influencing the level of work discipline. These variables explain approximately 46.2% of the variation in work discipline.

Meanwhile, the R Square value of 0.739 for performance indicates a dual correlation between leadership, compensation, and work discipline. This indicates that leadership, compensation, and work discipline collectively affect the performance level. These variables explain approximately 73.9% of the variation in repurchase intention.

**Goodness of Fit**

The next stage will involve model evaluation through goodness of fit. The assessment of goodness of fit is determined by the Q-Square value. The Q-Square value has a similar interpretation to the coefficient of determination (R-Square) in regression analysis, where a higher Q-Square value indicates a better fit of the model to the data. The results of the Q-Square values calculation are as follows:

\[
Q\text{-Square} = 1 - [(1-0.462) \times (1-0.739)]
\]
\[
= 1 - (0.517 \times 0.261)
\]
\[
= 1 - 0.1349
\]
\[
= 0.865
\]
Based on the calculated results above, the Q-Square value obtained is 0.865. This indicates that the proportion of variability in the research data explained by the research model is 86.5%, while the remaining 13.5% is explained by other factors outside of this research model. With these results, the model in this study can be considered to have a very good goodness of fit.

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Original Sample (O)</th>
<th>T Statistics</th>
<th>P Values</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership -&gt; work discipline</td>
<td>0.463</td>
<td>4.122</td>
<td>0.000</td>
<td>&lt;0.05</td>
</tr>
<tr>
<td>Compensation -&gt; work discipline</td>
<td>0.280</td>
<td>2.294</td>
<td>0.022</td>
<td>&lt;0.05</td>
</tr>
<tr>
<td>Leadership -&gt; Performance</td>
<td>0.372</td>
<td>4.539</td>
<td>0.000</td>
<td>&lt;0.05</td>
</tr>
<tr>
<td>Compensation -&gt; Performance</td>
<td>0.346</td>
<td>5.452</td>
<td>0.000</td>
<td>&lt;0.05</td>
</tr>
<tr>
<td>Work discipline -&gt; Performance</td>
<td>0.273</td>
<td>4.194</td>
<td>0.000</td>
<td>&lt;0.05</td>
</tr>
<tr>
<td>Leadership -&gt; Work Discipline -&gt; Performance</td>
<td>0.126</td>
<td>3.146</td>
<td>0.002</td>
<td>&lt;0.05</td>
</tr>
<tr>
<td>Compensation -&gt; Work Discipline -&gt; Performance</td>
<td>0.076</td>
<td>2.005</td>
<td>0.045</td>
<td>&lt;0.05</td>
</tr>
</tbody>
</table>

Source: Data 2023

Based on the table above, it can be determined that the formed measurement model is an Equation Model as follows:

Y1 = 0.463X1 + 0.280X2
Y2 = 0.372X1 + 0.346X2 + 0.273Y1

X1 = Leadership
X2 = Compensation
Y1 = Work Discipline
Y2 = Performance

Hypothesis test

a) The first hypothesis stating that leadership has an effect on work discipline can be proven true. This is evident from the t-statistic value of 4.122, which is greater than the t-table value of 1.96, and the probability value of 0.000, which is smaller than the critical value set at 0.05. Thus, it is stated that leadership has a significant and meaningful influence on work discipline. The research aligns with the findings in the article by Rosalina & Wati (2020), stating that effective leadership can shape a work culture supportive of discipline. Clear, fair, and positive leadership sets an example that inspires employees to uphold values such as diligence, responsibility, and professionalism. Leadership focused on providing support and recognition to employees can motivate them to work with more dedication and discipline. Feeling valued and acknowledged forms a positive emotional bond between employees and the organization, enhancing the desire to demonstrate discipline in their work (Kamal, 2015).

b) The second hypothesis stating that compensation has an effect on work discipline can be proven true. This is evident from the t-statistic value of 2.294, which is greater than the t-table value of 1.96, and the probability value of 0.022, which is smaller than the critical value set at 0.05. Thus, it is stated that compensation has a significant influence on work discipline. The research findings align with the study by Reza Nurul Ichsan (2021), stating that compensation can influence employee motivation both intrinsically and extrinsically. Employees who perceive their compensation as commensurate with their effort and results feel valued and motivated to work more disciplined. Adequate compensation allows employees to
achieve their personal financial goals, creating financial security and reducing distractions that may arise if employees feel financially strained (Fariska et al., 2022).

c) The third hypothesis stating that leadership has an effect on performance can be proven true. This is evident from the t-statistic value of 4.539, which is greater than the t-table value of 1.96, and the probability value of 0.000, which is smaller than the critical value set at 0.05. Thus, it is stated that leadership has a significant and meaningful influence on performance. Leadership that can inspire team members with the organization's vision and goals helps direct energy and effort in the right direction. The ability to provide guidance and direction to employees also plays a crucial role in enhancing their performance. Effective leadership in providing feedback can help employees understand where they can improve their performance. Constructive feedback encourages better improvement and development (Marjaya & Pasaribu, 2019).

d) The fourth hypothesis stating that compensation has an effect on performance can be proven true. This is evident from the t-statistic value of 5.452, which is greater than the t-table value of 1.96, and the probability value of 0.000, which is smaller than the critical value set at 0.05. Thus, it is stated that compensation has a significant influence on performance. Compensation serves as a form of extrinsic motivation, meaning employees are driven to perform better through material rewards. Employees who realize that their performance will impact financial rewards tend to work harder and focus on achieving performance targets (Nugroho, 2021). Compensation based on the "pay for performance" principle can encourage employees to increase productivity. Employees will feel that their extra effort will be rewarded with better compensation, motivating them to work more efficiently (Suabdah & Suwitho, 2021).

e) The fifth hypothesis stating that work discipline has an effect on performance can be proven true. This is evident from the t-statistic value of 4.194, which is greater than the t-table value of 1.96, and the probability value of 0.000, which is smaller than the critical value set at 0.05. Thus, it is stated that work discipline has a significant and meaningful influence on performance. Similar research conducted by Kusmiyatun & Sonny (2021) found a positive correlation between the level of work discipline and individual performance. Respondents who consistently demonstrated high discipline, such as adhering to work schedules, completing tasks on time, and committing to high work standards, tended to achieve better results in terms of target achievement, work efficiency, and output quality. The interpretation of these findings is that work discipline is not just a formal rule to be followed but also a mental attitude and fundamental principle that encourages individuals to give their best in every aspect of work. High discipline leads to good time management, effective task management, and a commitment to quality, directly impacting better performance and creating a productive work environment contributing to organizational goal achievement (Jufrizen, 2018).

f) The sixth hypothesis stating that leadership has an effect on performance through work discipline can be proven true. This is evident from the t-statistic value of 3.146, which is greater than the t-table value of 1.96, and the probability value of 0.002, which is smaller than the critical value set at 0.05. Thus, it is stated that leadership has an influence on performance through work discipline. In line with Sunarsi (2018), this research also found that work discipline plays a mediating role in the relationship between leadership and performance. In other words, effective leadership can influence performance through improved work discipline. When individuals feel supported by an inspirational and effective leadership style, they are more likely to adopt a high level of discipline in carrying out their tasks and responsibilities. This, in turn, leads to overall performance improvement.

g) The seventh hypothesis stating that compensation has an effect on performance through work discipline can be proven true. This is evident from the t-statistic value of 2.005, which is greater than the t-table value of 1.96, and the probability value of 0.045, which is
smaller than the critical value set at 0.05. Thus, it is stated that compensation has an influence on performance through work discipline. This is consistent with the findings of Muchzen et al. (2019), where the data analysis showed a correlation between fair and adequate compensation and the level of work discipline applied by individuals or groups. Compensation perceived as commensurate with responsibilities and contributions can encourage individuals to perform at a higher level. They are likely to carry out tasks more seriously and consistently, feeling appreciated and recognized for their efforts.

REFERENCE


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