



The Influence of Discipline, Compensation, and Motivation on Employee Performance Mediated by Job Satisfaction at Universitas Mandala Waluya

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ABSTRACT

This study aims to examine the effect of Discipline, Compensation, and Motivation on Employee Performance, with Job Satisfaction acting as a mediating variable at Universitas Mandala Waluya. The research employs a quantitative approach using primary data collected through questionnaires distributed to lecturers and education staff. The total sample consisted of 118 respondents selected using a census (saturated sampling) technique. Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) to evaluate both the measurement model and the structural model. The results indicate that Discipline, Compensation, and Motivation each have a positive and significant effect on Job Satisfaction. Furthermore, Discipline, Compensation, and Motivation each have a positive and significant direct effect on Employee Performance. Job Satisfaction is also found to have a positive and significant effect on Employee Performance. The mediation analysis demonstrates that Job Satisfaction significantly mediates the relationship between Discipline, Compensation, and Motivation on Employee Performance. The R-square values indicate a strong explanatory power of the model in explaining variations in Job Satisfaction and Employee Performance. These findings suggest that improving disciplinary practices, providing fair compensation, and strengthening employee motivation can enhance job satisfaction, which in turn contributes to improved employee performance. This study contributes to human resource management literature by providing empirical evidence on the mediating role of Job Satisfaction in the higher education sector and offers practical implications for institutional management in developing effective performance improvement strategies.

Keywords: *Compensation, Discipline, Employee Performance, Job Satisfaction, Motivation.*

I. INTRODUCTION

The higher education sector plays a strategic role in improving the quality of human resources and supporting institutional performance. Universities are required to maintain high levels of employee performance to ensure academic quality, administrative efficiency, and organizational competitiveness. At Universitas Mandala Waluya, lecturers and education staff are expected to demonstrate strong discipline, adequate motivation, and receive fair compensation in order to achieve optimal performance outcomes. However, variations in employee performance may still occur, indicating the need to examine the factors that influence performance improvement.

According to Motivation Theory, employee performance is strongly influenced by internal and external factors such as motivation, rewards, and work environment. Fair compensation is considered a key extrinsic factor that can enhance employees' attitudes and productivity. Discipline reflects adherence to organizational rules and procedures, which is essential for maintaining work consistency and effectiveness. Meanwhile, Motivation Theory suggests that motivated employees tend to exhibit higher commitment and better performance outcomes. In addition, Job Satisfaction theory emphasizes that employees who feel satisfied with their work environment, compensation, and organizational treatment are more likely to demonstrate improved performance.

However, empirical findings regarding the relationship between discipline, compensation, motivation, job satisfaction, and employee performance remain inconsistent. Some studies indicate that discipline, compensation, and motivation significantly improve performance directly, while others suggest that their effects are stronger when mediated by job satisfaction. These inconsistencies indicate the importance of examining job satisfaction as a mediating variable in understanding how human resource practices influence performance outcomes.

Based on these theoretical considerations and empirical gaps, this study aims to analyze the influence of Discipline, Compensation, and Motivation on Employee Performance, with Job Satisfaction acting as a mediating variable at Universitas Mandala Waluya.

II. LITERATURE REVIEW

2.1 Discipline

Discipline is defined as an individual's willingness and awareness to comply with organizational rules, regulations, and established standards. According to Edy Sutrisno (2019), discipline reflects an employee's readiness to obey the rules and norms that apply within an organization. Similarly, Hasibuan (2019) states that work discipline represents the awareness and willingness of employees to follow company regulations and social norms. In addition, Gary Dessler (2020) explains that discipline is a managerial effort to enforce organizational standards to ensure employees comply with policies and procedures. Furthermore, Stephen P. Robbins (2021) emphasizes that discipline is closely related to adherence to organizational rules and performance standards that contribute to work effectiveness.

The main objective of discipline is to ensure employee compliance with organizational regulations, create order and consistency in workplace activities, improve efficiency and productivity, strengthen responsibility among employees, and support the achievement of organizational goals. Discipline also provides various benefits for organizations, including improving employee performance, creating a conducive work environment, reducing errors and violations, enhancing professionalism, and increasing overall organizational effectiveness. Based on the concept developed by Edy Sutrisno (2019), work discipline can be measured through indicators such as punctuality in attendance and working hours, compliance with organizational rules, responsibility in completing assigned tasks, adherence to work procedures, and consistency in performing duties even with minimal supervision.

2.2 Compensation

Compensation refers to all forms of rewards provided by an organization to employees as recognition for their contributions, responsibilities, and performance. According to Gary Dessler (2020), compensation is the total remuneration received by employees in both financial and non-financial forms as a return for the work they perform. Compensation includes not only base salary but also additional rewards designed to attract, retain, and motivate employees to perform optimally. An effective compensation system should reflect principles of internal and external equity and be aligned with employees' job responsibilities and contributions to the organization.

The primary objectives of compensation are to provide fair and appropriate rewards, enhance employee motivation, improve work performance, and retain qualified and competent employees. Furthermore, compensation aims to create a balance between employees' contributions and the rewards they receive, thereby increasing job satisfaction and organizational loyalty. Through a well-designed compensation system, organizations can improve productivity, strengthen employee commitment, and support the sustainable achievement of strategic organizational goals.

The indicators of compensation in this study are based on Gary Dessler (2020), which include salary or wages, incentives, bonuses, benefits, and fairness in compensation distribution. These indicators are used to measure the extent to which the compensation system implemented by the organization provides appropriate, competitive, and equitable rewards for employees.

2.3 Motivation

Motivation is defined as the internal and external forces that stimulate individuals to take action, sustain effort, and direct their behavior toward achieving organizational goals. According to Stephen P. Robbins (2021), motivation is the process that accounts for an individual's intensity, direction, and persistence of effort toward attaining a goal. This definition emphasizes that motivation influences how hard employees work, where they direct their efforts, and how long they maintain their performance. In the organizational context, motivation plays a crucial role in improving employee performance, enhancing productivity, and supporting the achievement of institutional objectives.

The objectives of motivation are to encourage employees to perform their tasks effectively, increase work enthusiasm, strengthen commitment to organizational goals, and improve overall performance outcomes. Motivation also aims to create a positive work environment in which employees feel valued and inspired to contribute optimally to the organization. Through proper motivational strategies, organizations can enhance job satisfaction, reduce absenteeism, and foster higher levels of employee engagement.

The indicators of motivation in this study are based on Stephen P. Robbins (2021), which include effort intensity, direction of effort toward organizational goals, and persistence in maintaining work performance. These indicators are used to measure the level of employee motivation in supporting job effectiveness and achieving desired performance outcomes.

2.4 Job Satisfaction

Job satisfaction is defined as an employee's positive emotional state resulting from the appraisal of their job or job experiences. According to Stephen P. Robbins (2021), job satisfaction refers to a positive feeling about one's job that results from the evaluation of its characteristics. It reflects how employees perceive and evaluate various aspects of their work, including responsibilities, compensation, working conditions, relationships with colleagues, and organizational policies. High levels of job satisfaction are associated with improved performance, stronger organizational commitment, and lower turnover intentions. In the context of an organization, job satisfaction plays an essential role in influencing employee attitudes and behaviors that contribute to overall effectiveness.

The objectives of job satisfaction are to create a positive work environment, enhance employee well-being, increase motivation and commitment, and improve organizational performance. When employees feel satisfied with their jobs, they are more likely to demonstrate higher productivity, better cooperation, and stronger loyalty toward the organization. Therefore, job satisfaction serves as an important factor in supporting sustainable organizational success.

The indicators of job satisfaction in this study are based on Stephen P. Robbins (2021), which include satisfaction with the work itself, satisfaction with compensation, satisfaction with supervision, satisfaction with coworkers, and satisfaction with working conditions. These indicators are used to measure the overall level of employees' positive feelings and evaluations toward their jobs.

2.5 Employee Performance

Employee performance refers to the level of achievement attained by employees in completing their duties and responsibilities in accordance with organizational standards. According to Aguinis (2019), performance is the behavior or actions of employees that are relevant to organizational goals and can be evaluated in terms of results and contributions. In addition, Armstrong (2020) defines performance as the output and outcomes achieved by individuals in performing their roles, which contribute to the effectiveness of the organization. These definitions emphasize that employee performance reflects both the quality of work behavior and the results achieved in line with organizational expectations.

The objectives of employee performance assessment are to measure the extent to which employees achieve predetermined targets, improve work effectiveness, provide constructive feedback, and support managerial decisions related to rewards, training, and career development. Performance evaluation also aims to align individual contributions with organizational strategic goals to enhance overall institutional success.

The indicators of employee performance in this study are based on the more recent concept proposed by Aguinis (2019), which include task performance quality, task completion quantity, timeliness, efficiency in work execution, and responsibility in carrying out duties. These indicators are used to assess how well employees perform their roles in terms of accuracy, productivity, accountability, and alignment with organizational standards.

2.6 Conceptual Framework and Research Hypotheses

The conceptual framework of this study examines the relationships among Discipline, Compensation, Motivation, Job Satisfaction, and Employee Performance. This framework is based on the assumption that employee performance in higher education institutions is influenced by human resource practices, including discipline, compensation, and motivation, both directly and indirectly. Discipline, Compensation, and Motivation are positioned as independent variables that affect Employee Performance either directly or through the mediating role of Job Satisfaction. Job Satisfaction serves as a mediating variable that explains how employees' perceptions of their work environment, rewards, and motivational factors contribute to improved performance outcomes. Through this framework, the study aims to analyze the extent to which Job Satisfaction strengthens the relationship between Discipline, Compensation, and Motivation in enhancing Employee Performance at Universitas Mandala Waluya.

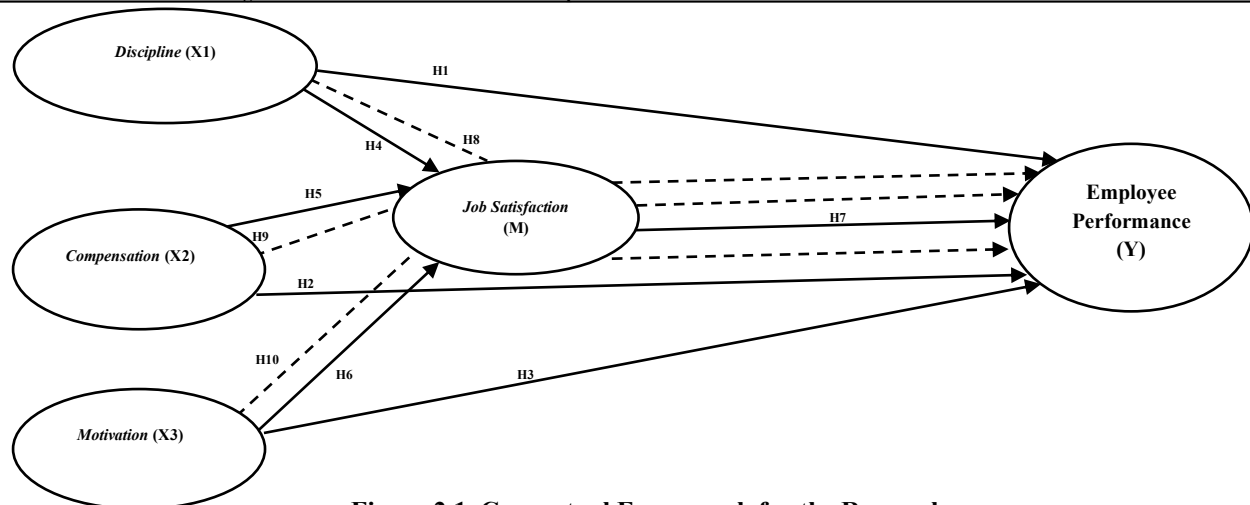


Figure 2.1. Conceptual Framework for the Research

2.7 Research Hypothesis

- H1: Discipline has a positive and significant effect on Employee Performance.
- H2: Compensation has a positive and significant effect on Employee Performance.
- H3: Motivation has a positive and significant effect on Employee Performance.
- H4: Discipline has a positive and significant effect on Job Satisfaction.
- H5: Compensation has a positive and significant effect on Job Satisfaction.
- H6: Motivation has a positive and significant effect on Job Satisfaction.
- H7: Job Satisfaction has a positive and significant effect on Employee Performance.
- H8: Job Satisfaction mediates the positive and significant effect of Discipline on Employee Performance.
- H9: Job Satisfaction mediates the positive and significant effect of Compensation on Employee Performance.
- H10: Job Satisfaction mediates the positive and significant effect of Motivation on Employee Performance.

III. RESEARCH METHOD

This study was conducted to examine the relationships among Discipline, Compensation, Motivation, and Employee Performance, with Job Satisfaction as a mediating variable at Universitas Mandala Waluya. The research employed a quantitative approach using a survey method and was conducted among lecturers and education staff. The population consisted of all lecturers and education personnel at Universitas Mandala Waluya, and 118 respondents were selected as the sample using a census (saturated sampling) technique.

The study includes three independent variables (Discipline, Compensation, and Motivation), one mediating variable (Job Satisfaction), and one dependent variable (Employee Performance). Data were collected using a structured questionnaire based on validated measurement indicators relevant to each variable.

Data analysis was carried out using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS software. The analysis evaluated both the measurement model (outer model) and the structural model (inner model), including the direct and indirect effects among variables. Model evaluation was conducted using R-square and Q-square values to assess explanatory power and predictive relevance. Hypothesis testing was performed through the bootstrapping technique at a 5 percent significance level to determine the relationships among variables and to examine the mediating role of Job Satisfaction.

IV. RESEARCH RESULT AND DISCUSSION

4.1 Research Result

Table 4.1. Direct Effect

Relationship Between Variables	Path Coefficient (β)	T-Statistic	P-Value	Description
Discipline → Employee Performance	0,623	6,41	0,000	Significant
Compensation → Employee Performance	0,58	5,98	0,000	Significant

Relationship Between Variables	Path Coefficient (β)	T-Statistic	P-Value	Description
Motivation \rightarrow Employee Performance	0,651	7,12	0,000	Significant
Discipline \rightarrow Job Satisfaction	0,704	8,03	0,000	Significant
Compensation \rightarrow Job Satisfaction	0,668	7,45	0,000	Significant
Motivation \rightarrow Job Satisfaction	0,719	8,27	0,000	Significant
Job Satisfaction \rightarrow Employee Performance	0,602	6,88	0,000	Significant

Based on the results of the structural model analysis presented in Table 4.1, all proposed relationships show positive and significant effects. The findings indicate that Discipline has a positive and significant effect on Employee Performance, with a path coefficient (β) of 0.623, a T-statistic value of 6.41, and a p-value of 0.000. This result confirms that higher levels of discipline among employees contribute to improved performance.

Compensation also demonstrates a positive and significant effect on Employee Performance, with a coefficient of 0.580, a T-statistic of 5.98, and a p-value of 0.000. This indicates that fair and adequate compensation enhances employees' performance outcomes. Similarly, Motivation shows a positive and significant influence on Employee Performance, with a coefficient of 0.651, a T-statistic of 7.12, and a p-value of 0.000, suggesting that increased motivation leads to better employee performance.

Furthermore, Discipline, Compensation, and Motivation each have a positive and significant effect on Job Satisfaction. Discipline shows a coefficient of 0.704 (T-statistic = 8.03; p-value = 0.000), Compensation has a coefficient of 0.668 (T-statistic = 7.45; p-value = 0.000), and Motivation records the highest coefficient of 0.719 (T-statistic = 8.27; p-value = 0.000). These results indicate that improvements in discipline, compensation, and motivation significantly enhance employees' job satisfaction.

Finally, Job Satisfaction has a positive and significant effect on Employee Performance, with a path coefficient of 0.602, a T-statistic of 6.88, and a p-value of 0.000. This finding implies that employees who experience higher job satisfaction tend to demonstrate better performance. Overall, all direct effects in this study are statistically significant at the 5% significance level, confirming that Discipline, Compensation, and Motivation play important roles in influencing both Job Satisfaction and Employee Performance at Universitas Mandala Waluya.

Table 4.2. Indirect Effect

Construct	Indirect Effect	P-Value	Direct Effect	Mediation Effect	Type of Mediation
Discipline \rightarrow Job Satisfaction \rightarrow Employee Performance	0,421	0,000	0,623	4,85	Partial Mediation
Compensation \rightarrow Job Satisfaction \rightarrow Employee Performance	0,402	0,001	0,580	4,62	Partial Mediation
Motivation \rightarrow Job Satisfaction \rightarrow Employee Performance	0,447	0,000	0,65	5,10	Partial Mediation

The results of the mediation analysis presented in Table 4.2 indicate that Job Satisfaction plays a significant mediating role in the relationship between Discipline, Compensation, Motivation, and Employee Performance. The indirect effect of Discipline on Employee Performance through Job Satisfaction is 0.421 with a p-value of 0.000, which is statistically significant. This finding demonstrates that Job Satisfaction partially mediates the relationship between Discipline and Employee Performance. In addition, the direct effect remains significant ($\beta = 0.623$; $T = 4.85$), confirming the presence of partial mediation.

Similarly, Compensation shows a significant indirect effect on Employee Performance through Job Satisfaction, with an indirect coefficient of 0.402 and a p-value of 0.001. The direct effect of Compensation on Employee Performance is also significant ($\beta = 0.580$; $T = 4.62$). These results indicate that Job Satisfaction partially mediates the influence of Compensation on Employee Performance.

Furthermore, Motivation has a significant indirect effect on Employee Performance through Job Satisfaction, with an indirect coefficient of 0.447 and a p-value of 0.000. The direct effect of Motivation remains significant ($\beta = 0.650$; $T = 5.10$), confirming that Job Satisfaction also partially mediates this relationship.

Overall, the findings suggest that Job Satisfaction serves as a partial mediator in the relationships between Discipline, Compensation, Motivation, and Employee Performance. This means that these variables influence Employee Performance both directly and indirectly through Job Satisfaction at Universitas Mandala Waluya.

4.2 Discussion

The findings indicate that Discipline has a positive and significant relationship with Employee Performance. This suggests that higher levels of employee discipline contribute directly to improved performance in completing

assigned tasks and responsibilities at Universitas Mandala Waluya. In addition, Discipline also has a positive and significant effect on Job Satisfaction, indicating that employees who demonstrate better work discipline tend to experience higher levels of satisfaction in their jobs.

Compensation shows a positive and significant effect on Employee Performance, both directly and indirectly through Job Satisfaction. This finding implies that fair and adequate compensation enhances employees' performance and simultaneously increases their job satisfaction. Similarly, Compensation has a positive and significant influence on Job Satisfaction, demonstrating that appropriate financial and non-financial rewards play an important role in shaping positive employee attitudes toward their work.

Motivation also has a positive and significant effect on Employee Performance. Employees with higher levels of motivation tend to demonstrate better work outcomes, greater productivity, and stronger commitment to organizational goals. Furthermore, Motivation significantly influences Job Satisfaction, indicating that motivated employees are more likely to feel satisfied with their work environment and responsibilities. The mediation analysis reveals that Job Satisfaction partially mediates the relationships between Discipline, Compensation, and Motivation on Employee Performance. This means that the influence of these three variables on performance occurs both directly and indirectly through Job Satisfaction. Job Satisfaction serves as an important mechanism that strengthens the impact of human resource factors on employee performance.

Overall, the results emphasize that improving Discipline, providing fair Compensation, and enhancing Motivation are essential strategies for increasing Job Satisfaction and ultimately improving Employee Performance at Universitas Mandala Waluya. These findings highlight the importance of integrated human resource management practices in supporting sustainable organizational performance.

V. CONCLUSION AND SUGGESTIONS

5.1 Conclusion

Based on the results and discussion, the study concludes that Discipline has a positive and significant effect on Employee Performance. This indicates that higher levels of discipline among lecturers and education staff contribute directly to improved work performance at Universitas Mandala Waluya. Discipline also has a positive and significant influence on Job Satisfaction, showing that employees who comply with organizational rules and responsibilities tend to experience greater satisfaction in their jobs.

Compensation has a positive and significant impact on Employee Performance, demonstrating that fair and adequate financial and non-financial rewards directly enhance employee productivity and work outcomes. Compensation also positively and significantly affects Job Satisfaction, indicating that appropriate reward systems play an important role in increasing employees' positive attitudes toward their work environment. Motivation shows a positive and significant relationship with Employee Performance, meaning that employees with higher levels of motivation tend to demonstrate better performance. In addition, Motivation significantly influences Job Satisfaction, reflecting that motivated employees are more likely to feel satisfied and engaged in their work.

The mediation analysis reveals that Job Satisfaction partially mediates the relationships between Discipline, Compensation, and Motivation on Employee Performance. This indicates that the influence of these variables on performance occurs both directly and indirectly through Job Satisfaction. Therefore, Job Satisfaction serves as an important mechanism in strengthening the impact of human resource practices on employee performance. Overall, the findings emphasize that improving Discipline, providing fair Compensation, and enhancing Motivation are essential strategies for increasing Job Satisfaction and ultimately improving Employee Performance at Universitas Mandala Waluya.

5.2 Suggestions

The study recommends strengthening the implementation of Discipline within the organization by ensuring consistent enforcement of work rules, punctuality, responsibility, and adherence to established procedures. Effective disciplinary practices should be supported by clear regulations and fair supervisory systems to optimize their contribution to Employee Performance. Compensation systems should be managed fairly and transparently to ensure that salaries, incentives, bonuses, and benefits are aligned with employee responsibilities and performance outcomes, thereby enhancing both Job Satisfaction and Employee Performance. Motivation should also be continuously improved through recognition programs, career development opportunities, supportive leadership, and a positive work environment to encourage higher levels of engagement and productivity.

Since Job Satisfaction plays a significant mediating role, organizational policies should focus on improving employee well-being, creating a supportive work atmosphere, and ensuring fairness in reward distribution. Strengthening internal communication, performance evaluation systems, and employee engagement programs is essential to maximize the impact of Discipline, Compensation, and Motivation on performance outcomes.

In addition, achieving optimal employee performance requires integrated human resource management strategies supported by effective leadership practices, regular performance monitoring, and continuous professional development for lecturers and education staff. Periodic evaluation of disciplinary systems, compensation policies, and motivational programs is necessary to ensure that organizational strategies remain effective and responsive to institutional needs.

Future research is encouraged to involve larger samples and expand the study to other higher education institutions to improve generalizability. Researchers may also consider adding other relevant variables such as leadership style, organizational commitment, work environment, or employee engagement to better explain the mechanisms influencing Job Satisfaction and Employee Performance. Longitudinal or mixed-method approaches are recommended to provide deeper insights into the long-term relationships among these variables.

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