PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

THE EFFECT OF COMPENSATION AND WORK STRESS ON THE PERFORMANCE OF HONORARY EMPLOYEES WITH WORK DISCIPLINE AS A MEDIATION VARIABLE IN THE REGIONAL SECRETARIAT MANOKWARI REGENCY

Volume: 7
Number: 3
Page: 833 - 846

Article History:
Received: 2026-03-09
Revised: 2026-04-13
Accepted: 2026-05-18

Widya Fira Lestari[1], I Made Sara[2], I Wayan Gde Sarmawa[3]
[1,2,3]Universitas Warmadewa, Indonesia
Corresponding author: Widya Fira Lestari
E-mail: lestariwidyafira@gmail.com

Abstract:
This study aims to analyze the effect of compensation and work stress on the performance of honorary employees with work discipline as a mediating variable at the Regional Secretariat of Manokwari Regency. The research employed a quantitative approach using a survey method. The population consisted of all honorary employees at the Regional Secretariat of Manokwari Regency, with sample determination using an appropriate technique and data collection conducted through a closed-ended questionnaire. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The results show that compensation has a positive and significant effect on both work discipline and the performance of honorary employees. Work discipline also has a positive and significant effect on employee performance. In contrast, work stress does not have a significant effect on either work discipline or employee performance. Regarding the mediating role, work discipline is not proven to significantly mediate the relationship between compensation and employee performance (no mediation based on the indirect effect), nor does it mediate the relationship between work stress and employee performance. These findings emphasize that improving the performance of honorary employees is more effectively achieved by strengthening compensation systems and work discipline rather than solely managing work stress. Civil servants are an important element in the administration of government.

Keywords: Compensation, Work Stress, Work Discipline, Honorary Employee Performance

INTRODUCTION

Human resources (HR) are a vital asset in achieving organizational effectiveness, particularly in public institutions where employee performance directly affects service delivery and governance outcomes. Effective HR management enhances productivity, aligns employee capabilities with organizational goals, and strengthens institutional competitiveness. In the Secretariat of Manokwari Regency, the dominance of honorary employees and challenges in compensation management have created performance concerns that require systematic evaluation. The urgency of this study arises from the need to understand how compensation and work stress influence employee outcomes within a bureaucratic environment (Kafarudin et al., 2023). Employee performance itself reflects measurable work achievements in fulfilling assigned responsibilities and supporting organizational objectives (Robbins & Judge, 2022). Previous research also emphasizes that fair and structured compensation systems significantly shape employee motivation and productivity (Ndruru et al., 2024).

A significant issue identified in this institution is the delay in salary payments affecting 128 honorary employees across nine divisions for eight consecutive months from January to August 2025. Compensation is fundamentally intended to reward employee contributions, maintain

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

fairness, and reduce turnover rates within organizations. However, prolonged delays in financial remuneration can weaken morale, increase dissatisfaction, and reduce commitment to organizational goals. Such conditions create an imbalance between effort and reward, which may negatively influence performance levels (Sangkaen et al., 2019). Empirical findings indicate that compensation has a direct and significant impact on employee performance in many organizational contexts (Maria & Pujianto, 2024). Nevertheless, contradictory evidence suggests that compensation effects may vary depending on organizational conditions and management practices (Sinaga & Sihombing, 2022).

Work stress further intensifies organizational challenges, particularly when job demands exceed available resources and rewards. Attendance data from January to August 2025 reveals an average attendance rate of only 35.4%, with the lowest rate at 33.8% in the Social Welfare Division and the highest at 37.1% in the Protocol Division. These figures suggest declining discipline and potential stress-related disengagement among honorary employees. Work stress is commonly triggered by excessive workload, financial instability, and role ambiguity within the workplace (Handoko, 2011). When unmanaged, stress can disrupt emotional stability and reduce overall performance effectiveness (Ivancevich et al., 2006). Recent studies also highlight that work stress significantly influences employee performance outcomes in public institutions (Illu et al., 2023).

Organizational performance indicators further demonstrate the urgency of addressing HR-related problems in the Secretariat of Manokwari Regency. In 2024, the SAKIP score reached only 59.60 (category CC), below the target of 70.00 (category BB), while the Religious Tolerance Index achieved 77.50 against a target above 83. Additionally, the Public Satisfaction Index reached 84.93%, which remains below the 100% target. These unmet targets indicate that employee performance has not optimally supported strategic government objectives. Performance gaps in public organizations are often linked to internal HR management issues, including compensation and stress (Robbins & Judge, 2022). Studies confirm that improved HR practices contribute significantly to better accountability and institutional outcomes (Ndruru et al., 2024). Therefore, strengthening HR management is critical for achieving government performance targets (Kafarudin et al., 2023).

Work discipline emerges as a crucial mediating variable that potentially links compensation and stress to employee performance. Discipline reflects adherence to organizational rules, responsibility in completing tasks, and commitment to institutional values. Low attendance rates and fluctuating compliance levels among honorary employees indicate weakened discipline within the Secretariat. Strong discipline fosters efficiency, accountability, and consistent task completion (Ashari et al., 2024). Empirical evidence shows that discipline significantly enhances employee performance in various institutional contexts (Susanto et al., 2024). Moreover, an organizational culture that promotes voluntary compliance strengthens long-term productivity and stability (Chitralekha & Rajuskar, 2023).

Equity Theory. Equity Theory, developed by J. Stacy Adams, explains that employees evaluate fairness by comparing the ratio between their inputs (such as effort, skills, time, and loyalty) and outcomes (such as salary, benefits, and recognition) with those of others (Adams, 1963). When employees perceive balance or equity, they feel satisfied and motivated; however, perceived inequality generates dissatisfaction, psychological tension, and reduced performance. In the context of the Manokwari Regency Secretariat, 128 honorary employees experienced salary delays for several consecutive months, creating a perceived imbalance between their contributions and the compensation received. According to Equity Theory, such inequity can lead employees to restore balance by lowering effort, reducing discipline, or disengaging from organizational responsibilities. This perception of injustice not only increases work stress but also weakens discipline, which

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

ultimately affects employee performance outcomes (Robbins & Judge, 2022). Therefore, fairness in both the amount and timeliness of compensation becomes essential in maintaining motivation, emotional stability, and organizational effectiveness (Ndruru et al., 2024).

The Effect of Compensation on Work Discipline. Compensation is a critical element in ensuring organizational sustainability and success, as it reflects the value of employees' contributions and dedication. Fair and competitive compensation strengthens employees' emotional and contractual attachment to the organization and encourages compliance with organizational rules. Compensation indicators include salary, incentives, allowances, facilities, and bonuses, while the factors influencing compensation include labor market conditions, organizational capability, employee productivity, cost of living, and national economic conditions (Hasibuan, 2020). When employees perceive compensation as equitable, they are more likely to demonstrate higher levels of work discipline, as supported by Ivano & Susanti (2023), Sugiarti et al. (2022), and Aryani & Subiyanto (2021).

H1: Compensation has a positive and significant effect on work discipline.

The Effect of Compensation on Employee Performance. Compensation serves as a strategic instrument to enhance employee productivity and overall performance. Appropriate financial and non-financial rewards motivate employees to work more enthusiastically and maintain optimal performance levels. Compensation not only fulfills economic needs but also serves as a form of recognition that can enhance employee motivation, satisfaction, and productivity (Ludin et al., 2023). Fair and appropriate compensation is a crucial strategy for maintaining optimal performance, as perceptions of inequity may reduce morale and work achievement (Ndruru et al., 2024). Empirical findings indicate that compensation has a positive and significant influence on employee performance (Ndruru et al., 2024; Maria & Pujianto, 2024; Fathia & Adji, 2023).

H2: Compensation has a positive and significant effect on employee performance.

The Effects of Work Stress on Work. Discipline Work stress occurs when job demands exceed an individual's adaptive capacity, leading to physical and psychological tension that can influence workplace behavior. Work stress refers to a psychological and physical tension experienced by employees when job demands exceed their ability to cope, creating emotional imbalance and affecting thinking processes and overall well-being (Aryani et al., 2022). It is an unpleasant condition arising from pressures, excessive workload, time constraints, or inappropriate job standards that may hinder task completion and reduce employee performance as well as organizational effectiveness (Buulolo, 2021). A manageable level of stress may encourage employees to become more focused and responsible, thus improving their discipline. Previous studies confirm that work stress positively and significantly affects work discipline (Yaqin et al., 2023; Fahmi et al., 2022; Triwibowo, 2024).

H3: Work stress has a positive and significant effect on work discipline.

The Effect of Work Stress on Employee Performance. Work stress plays an important role in shaping employee performance. While excessive stress can be detrimental, controlled stress may stimulate employees to work more effectively and productively. Prolonged stress can negatively impact mental and physical health, ultimately decreasing productivity and performance outcomes (Alayoubi et al., 2022). Indicators of work stress include work conflict, workload, working time, task characteristics, group support, and leadership influence (Yasin et al., 2023). The main factors influencing work stress consist of environmental factors (economic, political, and technological uncertainty), organizational factors (workload, structure, and job design), and personal factors such as family and financial leadership problems (Adhisty et al., 2023). Several studies demonstrate that

PUBLISHING
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by :

work stress has a positive and significant impact on employee performance (Illu et al., 2023; Nurmartiani & Ryanto, 2024; Sari et al., 2021).

H4: Work stress has a positive and significant effect on employee performance.

The Effect of Work Discipline on Employee Performance. Work discipline reflects employees' responsibility, punctuality, and adherence to organizational standards. Employees who maintain high discipline tend to complete tasks effectively and efficiently, which contributes to improved performance outcomes. It represents an employee's awareness and willingness to respect and adhere to institutional regulations to ensure tasks are completed in an orderly and structured manner (Ashari et al., 2024). Effective work discipline fosters efficiency, punctuality, and accountability, thus supporting the achievement of organizational goals (Fadilla & Nasution, 2022). Indicators of work discipline include attendance level, adherence to work procedures, obedience to supervisors, punctuality, and responsibility. Empirical evidence shows that work discipline has a positive and significant influence on employee performance (Susanto et al., 2024; Agusria et al., 2022; Abid & Savikri, 2025).

H5: Work discipline has a positive and significant effect on employee performance.

The Effect of Compensation on Employee Performance with Work Discipline as a Mediating Variable. Compensation not only directly affects performance but also indirectly influences it through work discipline. Factors influencing performance include intrinsic factors such as ability, personality, and motivation; internal organizational factors such as leadership, compensation, work culture, and work systems; as well as external factors such as government policies and economic conditions (Ashari et al., 2024). Performance indicators include quality, quantity, timeliness, effectiveness in resource utilization, and independence in completing tasks (Buulolo, 2021). Fair and adequate compensation fosters satisfaction and loyalty, which strengthens employees' adherence to organizational rules and ultimately enhances performance. Research findings reveal that work discipline significantly mediates the relationship between compensation and performance (Wahyuni et al., 2025; Tarzani et al., 2024; Sugiharjo et al., 2024).

H6: Work discipline positively and significantly mediates the effect of compensation on honorary employee performance.

The Effect of Work Stress on Employee Performance with Work Discipline as a Mediating Variable. Work stress may also influence performance indirectly through work discipline. Employees who are able to manage stress effectively tend to maintain higher discipline, which subsequently improves their performance. Prior studies confirm that work discipline significantly mediates the relationship between work stress and employee performance (Yaqin et al., 2023; Hanan, 2020; Muchiri, 2022).

H7: Work discipline positively and significantly mediates the effect of work stress on honorary employee performance.

The novelty of this research lies in examining compensation and work stress simultaneously while positioning work discipline as a mediating variable within a local government bureaucracy. Previous studies frequently analyzed these variables separately, limiting a comprehensive understanding of their combined effects (Maria & Pujianto, 2024). By focusing specifically on honorary employees experiencing prolonged salary delays, this study introduces contextual depth rarely addressed in prior research. Integrating mediation analysis offers a broader explanation of indirect relationships influencing performance outcomes. Research on stress-performance relationships in public organizations highlights the importance of contextualized empirical analysis (Illu et al., 2023). Therefore, this study contributes both theoretically and practically to human resource management literature in regional government settings (Ndruru et al., 2024).

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

This study aims to analyze the direct and indirect effects of compensation and work stress on the performance of honorary employees, with work discipline serving as a mediating variable in the Secretariat of Manokwari Regency. Specifically, it examines the influence of compensation and stress on discipline, the impact of discipline on performance, and the mediating role of discipline in strengthening or weakening these relationships. Using 2025 attendance and compensation data, the research seeks to provide empirical evidence for policy improvement. Enhancing compensation accuracy and stress management strategies is expected to improve employee performance and institutional accountability (Kafarudin et al., 2023). Strengthening performance measurement systems is essential to achieving government targets and improving public trust (Robbins & Judge, 2022). Ultimately, effective HR management ensures sustainable organizational development in public administration (Ashari et al., 2024).

METHODS

This study employed a quantitative explanatory survey design to examine the causal relationships among compensation (X1), work stress (X2), work discipline (Z), and honorary employee performance (Y) at the Regional Secretariat of Manokwari Regency, involving a saturated sample of 128 honorary employees. Primary data were collected through closed-ended questionnaires using a 7-point Likert scale, while secondary data included attendance records and salary payment recapitulations. Instrument validity and reliability were tested using Pearson correlation and Cronbach's Alpha (≥ 0.70) with IBM SPSS 31.0, following the guidelines of Sugiyono (2017) and Machali (2018). The data were analyzed using descriptive statistics and inferential analysis through Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS, evaluating the outer model (convergent validity, discriminant validity, composite reliability, AVE) and inner model (R^2, Q^2, F^2 effect size, and path coefficients) as recommended by Hair et al. (2019). Hypothesis testing was conducted using bootstrapping with a significance level of 0.05 ($t > 1.96$), and mediation effects were assessed based on the procedures of Baron and Kenny as cited in Martínez-Cañas et al. (2023).

RESULT AND DISCUSSION

Research Instrument Validity Test. Validity testing is carried out by correlating each indicator score with the total construct score through Bivariate Correlation. This validity test was applied to 30 respondents, and this number is considered sufficient to meet the validity testing requirements. To determine whether each questionnaire item is valid or not, it is necessary to compare the calculated r with the table r. A questionnaire is declared valid if the calculated r value is greater than the table r (0.361) with $\alpha = 0.05$ and is statistically significant (Sugiyono, 2017:128). The test results can be seen in the following table:

Table 2. Validity Test Results

Variables	Item	r count	r table	Conclusion
X1	X1.1	0.810	0.361	Valid
	X1.2	0.862	0.361	Valid
	X1.3	0.846	0.361	Valid
	X1.4	0.779	0.361	Valid
	X1.5	0.753	0.361	Valid
X2	X2.1	0.764	0.361	Valid
	X2.2	0.848	0.361	Valid
	X2.3	0.767	0.361	Valid

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

	X2.4	0.885	0.361	Valid
	X2.5	0.852	0.361	Valid
	Z.1	0.875	0.361	Valid
	Z.2	0.827	0.361	Valid
Z	Z.3	0.914	0.361	Valid
	Z.4	0.883	0.361	Valid
	Z.5	0.876	0.361	Valid
	Y.1	0.864	0.361	Valid
	Y.2	0.790	0.361	Valid
Y	Y.3	0.863	0.361	Valid
	Y.4	0.664	0.361	Valid
	Y.5	0.861	0.361	Valid

Source: Data Processed by IBM SPSS

The results of the validity test above show that all questionnaire items in the instrument used to measure variables X1, X2, Z and Y are declared valid, as indicated by the calculated r value > r table.

Research Instrument Reliability Test. Reliability testing is conducted to ensure that the research instrument is truly consistent and reliable when used to measure the variables being studied. In determining whether data is reliable or not, the Cronbach's Alpha coefficient value is used as a reference. Generally, data is considered reliable if the Cronbach's Alpha value is > 0.70. In other words, the higher the value above the 0.70 limit, the more reliable the data used (Amrudin et al., 2022:88). The results of the reliability test can be seen in Table 6 as follows:

Table 3. Reliability Test Results

Variables	*Cronbach's Alpha*	Information
X1	0.860	Reliable
X2	0.879	Reliable
Z	0.917	Reliable
Y	0.864	Reliable

Source: Data Processed by IBM SPSS Statistics

Based on Table 3, all Cronbach's Alpha values are >0.7; it can be concluded that all instruments or questionnaire items for each variable have met reliability requirements. In other words, these instruments are consistent and reliable in measuring the intended construct.

Descriptive Analysis of Research Variables. Descriptive analysis in this study aims to provide a comprehensive overview of respondents' answers to each research variable measured using a 1–7 Likert scale, where higher mean scores indicate a stronger contribution in explaining the variable. The results show that employee performance (Y) is categorized as high, with an average score of 6.037, although effectiveness in using work facilities and time management still needs improvement. Compensation (X1) is generally in the moderate category with an average score of 4.819; financial components such as salary, incentives, and allowances are perceived as adequate, while facilities and bonuses receive higher evaluations. Work stress (X2) is classified as moderately low with an average score of 3.325, indicating that although work pressure and role demand exist, overall stress levels remain manageable. Meanwhile, work discipline (Z) is in the high category with an average score of 6.004, reflecting strong attendance, compliance with procedures, punctuality, and responsibility among honorary employees at the Regional Secretariat of Manokwari Regency.

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

Evaluation of the Measurement Model (Measurement Model/Outer Model). Evaluation of the measurement model in this study refers to the applicable standards for latent constructs with reflective indicators.

Table 4. Outer Loading Estimation Results

OUTER LOADING- BOOTSTRAPPING	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
X11 <- Transformational Leadership	**0.915**	0.912	0.027	34,294	**0.000**
X1.1 <- Compensation	**0.824**	0.821	0.038	21,417	0,000
X1.2 <- Compensation	**0.840**	0.837	0.036	23,216	0,000
X1.3 <- Compensation	**0.852**	0.851	0.029	29,050	0,000
X1.4 <- Compensation	**0.792**	0.792	0.036	22,074	0,000
X1.5 <- Compensation	**0.758**	0.749	0.054	13,973	0,000
X2.1 <- Job Stress	**0.798**	0.790	0.093	8,543	0,000
X2.2 <- Job Stress	**0.826**	0.813	0.080	10,308	0,000
X2.3 <- Job Stress	**0.782**	0.765	0.079	9,948	0,000
X2.4 <- Job Stress	**0.880**	0.865	0.090	9,731	0,000
X2.5 <- Job Stress	**0.852**	0.842	0.082	10,327	0,000
Y1 <- Performance	**0.931**	0.924	0.028	32,764	0,000
Y2 <- Performance	**0.930**	0.925	0.025	36,547	0,000
Y3 <- Performance	**0.884**	0.878	0.036	24,462	0,000
Y4 <- Performance	**0.862**	0.855	0.042	20,399	0,000
Y5 <- Performance	**0.865**	0.857	0.047	18,363	0,000
Z1 <- Work Discipline	**0.827**	0.821	0.048	17,190	0,000
Z2 <- Work Discipline	**0.899**	0.895	0.042	21,230	0,000
Z3 <- Work Discipline	**0.849**	0.843	0.045	18,914	0,000
Z4 <- Work Discipline	**0.883**	0.874	0.051	17,328	0,000
Z5 <- Work Discipline	**0.899**	0.894	0.037	24,344	0,000

The outer loadings for all indicators are above the recommended threshold of ≥ 0.70 and consistently rated "Valid." Thus, all indicators and constructs in the model strongly and consistently meet the assumption of convergent validity.

Discriminant validity in PLS-SEM is assessed by ensuring that each construct is truly distinct from the others. First, an indicator must have a higher cross-loading value on the original construct compared to the other constructs, thus indicating that the indicator accurately represents the construct being measured. Second, the Fornell-Lacker value. The criteria must be met, namely, the square root of the AVE of a construct is greater than its correlation with other constructs in the model. Third, the value (Hetorotrait - Monotrait Ratio) of HTMT must be below the recommended limit (<0.85 or <0.90) to ensure empirical differences between constructs (Hair et al., 2019).

Table 5. Cross Loading Estimation Results

	Compensation	Work Stress	Work Discipline	Performance
X1.1	**0.824**	-0.563	0.243	0.354
X1.2	**0.840**	-0.545	0.243	0.358

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

X1.3	**0.852**	-0.499	0.322	0.417
X1.4	**0.792**	-0.363	0.412	0.509
X1.5	**0.758**	-0.162	0.340	0.416
X2.1	-0.421	**0.798**	-0.234	-0.282
X2.2	-0.397	**0.826**	-0.146	-0.186
X2.3	-0.397	**0.782**	-0.161	-0.180
X2.4	-0.468	**0.880**	-0.101	-0.205
X2.5	-0.421	**0.852**	-0.163	-0.266
Y1	0.472	-0.231	0.795	**0.931**
Y2	0.492	-0.275	0.745	**0.930**
Y3	0.505	-0.283	0.712	**0.884**
Y4	0.472	-0.275	0.656	**0.862**
Y5	0.379	-0.198	0.780	**0.865**
Z1	0.407	-0.274	**0.827**	0.691
Z2	0.292	-0.174	**0.899**	0.723
Z3	0.286	-0.197	**0.849**	0.668
Z4	0.379	-0.107	**0.883**	0.725
Z5	0.361	-0.143	**0.899**	0.787

Table 6. Forner Lacker Results

	Work Discipline	Performance	Compensation	Work Stress
Work Discipline	0.872			
Performance	0.826	0.895		
Compensation	0.398	0.518	0.814	
Work Stress	-0.204	-0.281	-0.509	0.828

The results presented in Table 5 and 6 indicate that all indicators met the discriminant validity criteria. This compliance is evident from the consistently higher loading values of each indicator on the construct it measures compared to the indicator's loading values on other latent constructs. Discriminant validity testing was then confirmed using the Fornell-Larcker criteria, the results of which are presented in Table 6.

Based on Table 6, it can be seen that all constructs have met the Fornell-Larcker criteria, as evidenced by the square root of the Average Variance Extracted (AVE) value on the diagonal of the table being greater than the correlation coefficient value between constructs in the same row and column. This condition means that each latent variable in the model has a strong, unique measurement. Furthermore, as a more sensitive validity testing method, the HTMT criterion was also used, and the results are presented in Table 7:

Table 7. HTMT Estimation Results

	Work Discipline	Performance	Compensation	Work Stress
Work Discipline				
Performance	0.885			
Compensation	0.425	0.558		
Work Stress	0.216	0.298	0.593	

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

The results presented in Table 7 show that the HTMT coefficient between all pairs of latent variables is <0.90. It indicates that each construct used in the research model is empirically different and measures a unique phenomenon, so that variable measurement can be continued at the structural testing stage.

Table 8. Composite Reliability Test and Cronbach's Alpha

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Work Discipline	0.921	0.923	0.941	0.760
Performance	0.937	0.940	0.953	0.801
Compensation	0.874	0.883	0.907	0.662
Work Stress	0.887	0.906	0.916	0.686

Based on the test results, all constructs meet the reliability criteria, as indicated by Cronbach's Alpha and Composite Reliability values above 0.70. Work discipline, performance, compensation, and work stress each demonstrate high internal consistency and adequate convergent validity, reflected in strong Composite Reliability and AVE values exceeding the required threshold. These findings confirm that all indicators are consistent and reliable in measuring their respective constructs, indicating that the overall measurement model is robust and dependable.

Structural Model Evaluation (Structural Model/Inner Model). Structural model evaluation aims to assess how well the relationships among variables explain the research phenomenon and ensure the model's predictive accuracy. According to Hair et al. (2019), this evaluation in PLS-SEM includes key measures such as R-Square, Q-Square, and Goodness of Fit (GoF), along with Path Coefficients, F-Square (effect size), and PLSpredict. R-Square specifically indicates how much variance in the dependent variable is explained by the predictors, where higher values reflect stronger explanatory power.

Table 9. Evaluation of R-Square Structural Model

	R- *Square*	*Adjusted R-Square*
Work Discipline	0.158	0.145
Employee Performance	0.726	0.719

Source: Data processed with SmartPls 3

Table 9 shows that the performance variable has an R-squared value of 0.726 with an Adjusted R- Square of 0.719. These results indicate that approximately 72.6% of the performance variation can be explained by the independent variables included in the research model, while other factors outside the model influence the remaining 27.4%. SmartPls 3

Table 10. Blindfolding Statistical Results

	SSO	SSE	Q^2 (=1-SSE/SSO)
Work Discipline	640	571,006	0.108

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

Employee Performance	640	276,343	0.568
Compensation	640	640	
Work Stress	640	640	

Source: Data processed with SmartPls 3

Based on Table 10, the results of the Q- Square calculation in the table show that the variables that act as endogenous variables in the research model, namely work discipline and performance, have Q- Square values of 0.108 and 0.568, respectively. Both values are above 0 (zero), which means that the research model has adequate predictive relevance for the two endogenous variables.

Table 11. Evaluation of the F-Square Structural Model

	Work Discipline	Performance	Compensation	Work Stress
Work Discipline	0.000	1.668	0.000	0.000
Performance	0.000	0.000	0.000	0.000
Compensation	0.138	0.109	0.000	0.000
Work Stress	0.000	0.001	0.000	0.000

Source: Data processed with SmartPls 3

Based on Table 11, it can be seen that the two variables that act as endogenous variables, namely work discipline and honorary employee performance, receive different magnitudes of influence from their predictor constructs. In the work discipline variable, the performance construct provides an F- Square value of 1.668, which, based on the F -Square interpretation guidelines, is classified as a very large effect. This finding indicates that performance has a very strong contribution in explaining variations in work discipline in the research model. Meanwhile, the effect of compensation on work discipline produces an F- Square value of 0.138, which is included in the small effect category. Meanwhile, the work stress construct does not show any influence on work discipline, indicated by an F-Square value of 0.000, which indicates no effect contribution in the model. Furthermore, in the performance variable, the work stress construct has an F-Square value of 0.001, which is considered very small and can be ignored, while Compensation provides an F-Square value of 0.109, which is also in the small effect category. The work discipline construct shows no effect on performance, with an F- Square value of 0.000.

Table 12. GoF Test Results

	R Square	AVE
Compensation		**0.662**
Work Stress		**0.686**
Work Discipline	0.158	**0.760**
Performance	0.726	**0.801**
Average	**0.442**	**0.727**

Source: Data processed with SmartPls 3

The Goodness of Fit (GoF) value of 0.566 indicates that the research model has a strong (high) level of fit. It means that the model is able to explain a significant proportion of the variance in the constructs studied, thus concluding that the model has good predictive ability.

PUBLISHING KSI
• ISSN 2720 – 9644 (print)
• ISSN 2721 – 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

Table 13. Path Analysis and Hypothesis Testing

Hypothesis	Effect Type	Relationship between variables	Original Sample (O)	T-Statistic (|O/STDEV|)	P Values	Signification
H1	**Immediate Effect**	Compensation -> Work Discipline	0.396	2,098	0.036	**Significant**
H2		Compensation -> Employee Performance	0.214	2,108	0.035	**Significant**
H3		Work Stress -> Work Discipline	-0.002	0.011	0.991	**No Significant**
H4		Work Stress -> Employee Performance	-0.022	0.238	0.812	**No Significant**
H5		Work Discipline -> Employee Performance	0.737	6,195	0	**Significant**
H6	**Indirect Effects**	Compensation -> Work Discipline -> Performance	0.292	1,823	0.068	**No Significant**
H7		Work Stress -> Work Discipline -> Employee Performance	-0.002	0.012	0.991	**No Significant**

The results show that compensation has a positive and significant effect on both work discipline and employee performance, while work discipline also has a strong positive and significant effect on performance. In contrast, work stress does not have a significant effect on either discipline or performance. Additionally, the indirect effects of compensation and work stress on performance through work discipline are not significant, indicating that work discipline does not function as a mediating variable in these relationships.

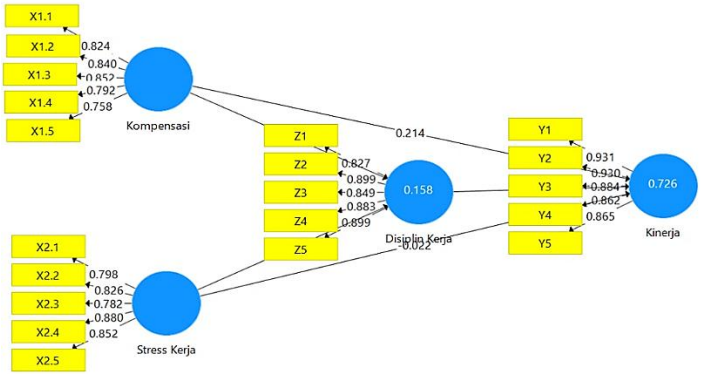

Figure 1. Path Analysis Results Bootstrapping

H1 (Compensation → Work Discipline) is accepted. The results show that compensation has a positive and significant effect on work discipline, meaning that better compensation increases employees' compliance, punctuality, and responsibility. This finding supports previous studies such as Ivano & Susanti (2023) and Sugiarti et al. (2022), which also found a significant positive relationship between compensation and discipline.

H2 (Compensation → Employee Performance) is accepted. Compensation significantly and positively affects performance, indicating that adequate salaries, incentives, and benefits directly improve employee work outcomes. This result is consistent with Ndruru et al. (2024) and Maria & Pujianto (2024), who confirmed that compensation enhances performance.

PUBLISHING OKSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google Scholar

H3 (Work Stress → Work Discipline) is rejected. Work stress does not have a significant effect on discipline, suggesting that the level of stress experienced by employees does not substantially influence their compliance or adherence to organizational rules.

H4 (Work Stress → Employee Performance) is rejected. The findings indicate that work stress has no significant direct effect on performance. It aligns with Arfah & Yuliana (2024) and Aditya & Sianggaran (2023), who reported that stress had a negative but insignificant impact on performance.

H5 (Work Discipline → Employee Performance) is accepted. Work discipline has a strong positive and significant effect on performance, demonstrating that higher levels of attendance, punctuality, and responsibility lead to better employee performance. It is supported by Susanto et al. (2024) and Agusria et al. (2022).

H6 (Compensation → Performance through Work Discipline) is rejected. Although compensation significantly affects both discipline and performance directly, the indirect effect through discipline is not significant. Therefore, discipline does not mediate the relationship between compensation and performance.

H7 (Work Stress → Performance through Work Discipline) is rejected. The indirect effect of work stress on performance through discipline is not significant, indicating that discipline does not mediate this relationship, and stress does not meaningfully influence performance in this model.

CONCLUSION

In conclusion, this study finds that compensation has a positive and significant effect on both work discipline and employee performance, while work discipline also has a strong positive and significant effect on performance; however, work stress does not significantly affect discipline or performance, and work discipline does not mediate the relationship between compensation and performance or between stress and performance. Based on these findings, it is recommended that the Regional Secretariat of Manokwari Regency improve the fairness and timeliness of compensation, optimize workload distribution and conflict management to control stress, and strengthen attendance monitoring and consistent rule enforcement to maintain discipline, as discipline is the strongest driver of performance. Future research is suggested to include additional variables such as workload, burnout, organizational support, and psychological work climate, involve managerial perspectives, and expand the research setting to other public institutions to enhance generalizability.

REFERENCES

Abid, M., & Savikri, H. (2025). The influence of motivation and work discipline on employee performance. *Golden Ratio of Data in Summary, 5*(2), 320–332. https://doi.org/10.52970/grdis.v5i2.1200

Buulolo, F. (2021). The effect of work stress on employee performance at the Aramo sub-district office, South Nias Regency. *South Nias Student Scientific Journal, 4*. https://jurnal.uniraya.ac.id/index.php/jim/article/view/236

Castana and Sri Widodo. (2021). The influence of competence and compensation on employee performance at PT. Angkasa Pura II (Persero) Halim Perdanakusuma Airport, Jakarta. *M-Progress Scientific Journal, 11*(1), 1–12. https://doi.org/10.35968/m-pu.v11i1.597

Dieva, DP, & Swasti, IK (2024). Competence, work discipline, and work facilities contribute to improving employee performance. *AJARCDE (Asian Journal of Applied Research for Community Development and Empowerment), 8*(3), 93–98. https://doi.org/10.29165/ajarcde.v8i3.459

PUBLISHING OKSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

Chitralekha S. Rajuskar, A. K. (2023). Disciplinary action approaches – legal practitioner perspectives. *International Journal for Multidisciplinary Research, 5*(3), 1–19. https://doi.org/10.36948/ijfmr.2023.v05i03.3200

Fathia, E., & Adji, WH (2023). The effect of compensation and career development on employee performance at the Regional Asset Financial Management Agency (BPKAD) of Cimahi City. *JPEK (Journal of Economic Education and Entrepreneurship), 7*(2), 409–422. https://doi.org/10.29408/jpek.v7i2.18925

Firmansyah, S., Mendra, IW, & Verawati, Y. (2021). The influence of compensation, ability, and job satisfaction on employee performance at PT. Coca-Cola Amatil Indonesia Bali in Denpasar. *Jurnal Emas, 2*(2), 209–223

Ivancevich, JM, Robert, K., and Michael, TM (2006). "*Organizational Behavior and Management*". Jakarta: Erlangga

Hasibuan, S. M. (2020). *Human Resource Management (Revised Edition) (20th).* PT. Bumi Aksara.

Hair, J.F., Risher, J.J., Sarstedt, M., & Ringle, C.M. (2019). The results of the PLS-SEM article are informative. *European Business Review, 31*(1), 2–24.

Halim, JB, & Yusianto Yusi. (2023). The influence of leadership, compensation, and work environment on job satisfaction at PT. Polymindo Permata Tanggerang. *Journal of Managerial and Entrepreneurship, Vol 5*. No 3 (03), 668–676.

Hanan, M. (2020). The influence of work stress on work discipline and its impact on employee performance (Case Study of PT. Infomedia Nusantara Agent Tier 1 Complaint Call Center 147 Malang). *Journal of Management Science (JIMMU), 5*(2), 163–174. https://riset.unisma.ac.id/index.php/jimmu/article/view/8900

Handoko, TH (2011). "*Personnel and Human Resource Management", 2nd Edition,* Yogyakarta: Gadjah Mada University.

Katabalo, C.V., & Mwita, K.M. (2024). The role of compensation on job satisfaction, employee performance and organizational performance. *Science Mundi, 4*(1), 137–148. https://doi.org/10.51867/scimundi.4.1.12

Kornelis, K., Zahari, M., & Rozi Yamali, F. (2024). The effect of compensation and competence on discipline and its impact on employee performance in the search and relief office class B Jambi. *Dynasty International Journal of Economics, Finance & Accounting, 5*(5), 4725–4733. https://doi.org/10.38035/DIJEFA.V5I5.3278

Lotu N, Widodo Z, SL (2022). The influence of work stress, work motivation, and work discipline on employee performance at the Sudiroprajan Village Office. 703–70112.

Ludin, I., Mukti, S., & Rohman, I.S. (2023). The effect of compensation and work discipline on employee performance (A case study of village employees in Plered District). *Value: Journal of Management and Business, 8(*1), 11–26. https://doi.org/10.35706/value.v8i1.10045

M. Aryani, E. Subiyanto, ES (2021). The influence of leadership, work motivation, and compensation on employee work discipline. *Journal of Human Resource Management, Administration, and Public Service, VIII* (2), 215–229.

Muna, N., & Isnowati, S. (2022). The influence of work discipline, work motivation, and career development on employee performance (Study at PT LKM Demak Sejahtera). *Jesya, 5*(2), 1119–1130. https://doi.org/10.36778/jesya.v5i2.652

PUBLISHING KSI
• ISSN 2720 - 9644 (print)
• ISSN 2721 - 0877 (online)
IJESSS
INTERNATIONAL JOURNAL OF ENVIRONMENTAL, SUSTAINABILITY AND SOCIAL SCIENCE
Indexed by : sinta 3 Crossref GARUDA Google scholar

Ndruru, B., Hulu, F., Baene, E., & Harefa, I. (2024). The effect of compensation on employee performance at the Public Housing and Settlement Areas Service of Nias Regency. *EMT KITA Journal, 9*(1), 134–143. https://doi.org/10.35870/emt.v9i1.3493

Sinaga, SPHS, & Sihombing, NS (2022). Analysis of the influence of competence, compensation, and workload on employee performance with work motivation as an intervening variable at PT. Pln (Persero) UIP Sumbagut. *Journal of Integrity, 6*(1), 182–202. https://doi.org/10.46930/jurnalprointegrita.v6i1.1502

Sugiarti, E., Mukrodi, M., & Marayasa, IN (2022). The effect of compensation and job promotion on employee work discipline. *Scientific journal of reflection: Economic, Accounting, Management and Business, 5*(4), 1187–1194. https://doi.org/10.37481/sjr.v5i4.594

Sugiharjo, RJ, Purbasari, RN, Rahmat, A., & Paijan, P. (2024). The effect of compensation on the performance of automotive company sales division employees: The role of work discipline as a mediator. *Dynasty International Journal of Management Science, 5*(6), 1126–1137. https://doi.org/10.38035/dijms.v5i6.2891

Sugiyono. (2017). *Quantitative & Qualitative Research Methods, and R & D.* CV Alfabeta

Sugiyono. (2013). *Statistics for Research.* CV Alfabeta.