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Work Discipline Effectiveness, Compensation and Leadership Style on the Performance of PT Pos Indonesia Employees
(Case Study of PT Pos Indonesia in Sidoarjo)

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Abstract

This study aims to analyze the influence of work discipline, compensation, and leadership style on employee performance at PT Pos Indonesia Sidoarjo. The method used is a descriptive quantitative approach with a total sampling technique involving 50 employees. Data were collected through questionnaires, observations, and interviews, and then analyzed using SmartPLS 4. The outer model test results indicate that all indicators are valid (outer loading > 0.70), reliable (composite reliability ranging from 0.966 to 0.987; Cronbach's alpha ranging from 0.940 to 0.987), and meet both convergent validity (AVE ranging from 0.878 to 0.885) and discriminant validity criteria. The results show that work discipline, compensation, and leadership style each have a positive and significant effect on employee performance. High work discipline encourages employees to work more systematically and responsibly, fair compensation enhances motivation and job satisfaction, while an effective leadership style provides direction and support that sustainably improves employee performance.

Keywords: *Work Discipline Effectiveness; Compensation; Leadership Style; Performance Of Employees.*

INTRODUCTION

In the current era of digitalization, employees are still important human resources in a company, and are also the most important factor that becomes a benchmark to determine the achievement and success of operational targets in a company. Human resources have enormous potential and opportunities to carry out the company's work activities (Endrekson, 2022). This is to support the success of an employee performance which has a function as a measure of employee ability and motivation in completing a job (Nur Fatma, Ifah Finatry Latiep, Hardiyono, 2020). If the employee has a high level of willingness to work, the employee will feel at home at his workplace to carry out his activities so that his working time is used effectively. On the other hand, employees who do not have the will to work will reduce employee performance (Iryani, 2022). The dimensions of performance measurement are based on (Government Regulation of the Republic of Indonesia No. 30 of 2019 concerning Performance Assessment of Civil Servants), namely SKP (Employee Performance Targets) which includes quality, quantity, cost and time. As well as PK (Work Behavior) which includes service orientation, work initiatives, commitment, leadership and cooperation. (Government Regulation of the Republic of Indonesia No. 30 of 2019 concerning Performance Assessment of Civil Servants, n.d.)

Effectiveness is a measure of the level of how well the work is done, to the extent that employees can produce outputs in accordance with the company's standards. Effectiveness in a company is the main element of the company's activities in achieving the company's vision and mission that has been determined. If you look at the aspect of the company's success, effectiveness is focused on the level of success for the company (Suherman, 2019). PT Pos Indonesia (Persero) in Sidoarjo operates in the field of public services. It is divided into two, namely Goods Delivery Services and Financial Services. The location of PT Pos Indonesia KPC Sidoarjo is on Jl Sultan Agung No. 50, Magersari, which is one of the points of the post office network in the Sidoarjo Regency area.

The effectiveness factor of work discipline is indicated to affect employee performance. Work discipline is a rule that applies to companies to sanction employees who violate the rules that have been stated in the company (Basuki et al., 2020). The implementation of effective work discipline rules by the company is able to provide employee comfort at work. The implementation of effective work discipline is an obligation and responsibility that must be carried out and obeyed by employees and

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prohibitions that must be avoided in order to realize work discipline that has a positive effect in the company (Suherman, 2019).

Another factor that affects employee performance is compensation. Employee compensation is any form of payment or reward that is given to employees and arises from their work (Basuki et al., 2020). Compensation directly has a high influence on employee performance. By providing effective compensation, the company will get employees who are willing to work and carry out their duties well (Iryani, 2022). Compensation is one of the reasons and is the main motivation for what employees work. This aims to get rewards or rewards for the performance and productivity of work produced by employees (Pertiwi & Oka Suryadinata Gorda, 2019).

Another factor that can further affect employee performance is leadership style. The effectiveness of leadership that involves employees in developing their performance and creating the effectiveness of the company is basically based on the ability to manage, manage, and lead the company well and has the ability to build synergistic working relationships with all employee divisions, a company leader is able to see the performance of employees and the operations they lead (Tsany et al., 2022). Leaders can be said to be successful if they have integrity, they can inspire and motivate employees with a vision of the future, leaders can set clear goals and give employees encouragement to achieve their goals, they manage operations, and they are able to communicate well with the division (Lamere et al., 2021).

This research is based on the research gap in previous research. By Basuki, Sutisna and Yumhi (Basuki et al., 2020) Research about Influence Leadership style, compensation and work discipline towards employee performance. As well as research conducted by Pasaribu, Warasto and Krisnaldy (Veta Lidya Delimah Pasaribu, Krisnaldy, 2020) The Research about leadership style, work discipline and compensation for performance Employees. And shows that work discipline, compensation and leadership style have a significant influence on employee performance.

The problem at PT Pos Indonesia in Sidoarjo is the decline in employee work discipline. The lack of work discipline accompanied by the compensation provided is still not in accordance with employee performance and leadership styles that tend to be authoritarian. This makes researchers interested in conducting research on the effectiveness of work discipline, compensation, and leadership styles on employee performance.

METHODS

This study uses a quantitative method with a descriptive approach. The variables used consist of three independent variables, namely Work Discipline (X1), Compensation (X2), and Leadership Style (X3), as well as one dependent variable, namely Employee Performance (Y). Each variable is described into several indicators that are measured through questionnaire instruments. Work Discipline is measured through indicators such as punctuality, compliance with regulations, responsibility for work, and consistency in work. Compensation is measured through indicators of salary, incentives, benefits, and fairness in compensation. Leadership Style is measured through the leader's ability to provide direction, communication, motivation, and decision-making. Meanwhile, Employee Performance is measured through indicators of work quality, work quantity, timeliness of task completion, and cooperative ability.

The research instrument was prepared using the Likert scale with five levels of assessment, ranging from strongly disagree to strongly agree. The number of questionnaire items in this study was 20 statements, with details of each variable consisting of 4–5 items adjusted to the indicators. The Likert scale is used because it is able to measure respondents' attitudes, perceptions, and opinions in a systematic and structured manner towards the phenomenon being studied.

The population in this study is all employees at PT Pos Indonesia Sidoarjo branch which totals 50 people. Because the population is relatively small (less than 100), the sampling technique used is the total sampling or census technique, where all members of the population are used as research samples. Thus, there is no selection based on certain criteria such as the longest or most recent working period, so that inconsistencies in the determination of the sample can be avoided.

The data sources used in this study consist of primary data and secondary data. Primary data was obtained through the distribution of questionnaires to all employees, direct observation in the work environment, and interviews with related parties. Meanwhile, secondary data was obtained from company documents and relevant literature.

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Data analysis was carried out using SmartPLS 4 software with a Partial Least Squares (PLS-SEM) approach. The selection of the PLS method was based on several considerations, namely a relatively small sample size, a predictive research model, and the absence of the need to assume strict data normality. In addition, PLS is also able to test the relationship between latent variables simultaneously, both in the measurement model (outer model) and structural model (inner model), so it is suitable for this study which involves several variables and indicators.

RESULTS and DISCUSSION

Results

Data Quality Testing Through Outer Model (Measurement Model)

Convergent validity testing on reflective indicators is carried out by looking at the relationship or correlation between the score of each item (indicator) and its construct score, which can be analyzed using SmartPLS. An indicator is declared valid if it has a correlation value of more than 0.70.

Table 1. Outer Model Test Results

Variable	Indicator	Outer Loading	Description
Work Discipline (X1)	X1.1	0.932	Valid
	X1.2	0.919	Valid
	X1.3	0.957	Valid
	X1.4	0.971	Valid
	X1.5	0.904	Valid
	X1.6	0.956	Valid
	X1.7	0.927	Valid
	X1.8	0.921	Valid
	X1.9	0.973	Valid
	X1.10	0.946	Valid
Compensation (X2)	X2.1	0.934	Valid
	X2.3	0.915	Valid
	X2.4	0.926	Valid
Leadership Style (X3)	X3.7	0.908	Valid
	X3.8	0.954	Valid
	X3.9	0.903	Valid
	X3.10	0.962	Valid
Employee Performance (Y1)	Y1.1	0.904	Valid
	Y1.2	0.981	Valid
	Y1.3	0.905	Valid
	Y1.4	0.917	Valid
	Y1.5	0.931	Valid
	Y1.6	0.921	Valid
	Y1.7	0.940	Valid
	Y1.8	0.953	Valid

Source: SmartPLS4 output processed 2026

Based on the results of the outer model test (measurement model) through convergent validity analysis, it is known that all indicators in the variables Work Discipline (X1), Compensation (X2), Leadership Style (X3), and Employee Performance (Y1) have an outer loading value above the minimum limit of 0.70. This shows that each indicator has a strong correlation level with the measured construct, so that it is able to adequately represent the latent variable. The high outer loading value also indicates that the research instrument has a good level of convergent validity, so that all indicators are declared valid and can be used in subsequent structural model testing without the need to eliminate indicators.

Table 2. Average Variant Extracted (AVE) Test Results

Variable	Average Variant Extracted (AVE)	Description
Work Discipline (X1)	0.885	Valid
Compensation (X2)	0.885	Valid
Leadership Style (X3)	0.879	Valid
Employee Performance (Y)	0.878	Valid

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Source : SmartPLS4 output processed 2026

Based on Table 2, all research variables, namely Work Discipline (X1), Compensation (X2), Leadership Style (X3), and Employee Performance (Y) have an Average Variance Extracted (AVE) value of 0.885 each; 0,885; 0,879; and 0.878, where all values are greater than 0.5 so that they meet the criteria of convergent validity. This shows that the indicators in each variable are able to explain the construct well, so that all variables are declared valid and suitable for use in further analysis.

The composite reliability test and Cronbach's Alpha are used to assess the level of reliability of the instrument in a research model. If the composite reliability value for all latent variables and Cronbach's Alpha exceeds 0.7, then the construct is declared to have good reliability, so that the questionnaire used in this study can be trusted.

Table 3. Composite Reliability Test Results

Variable	Composite Reliability	Description
Work Discipline (X1)	0.987	Reliable
Compensation (X2)	0.968	Reliable
Leadership Style (X3)	0.983	Reliable
Employee Performance (Y)	0.966	Reliable

Source : SmartPLS4 output processed 2026

Based on Table 3, all variables, namely Work Discipline (X1), Compensation (X2), Leadership Style (X3), and Employee Performance (Y) have a composite reliability value of 0.987 each; 0,968; 0,983; and 0.966, where all of these values are greater than 0.7 so that they meet the reliability criteria. This shows that each construct has a very good level of internal consistency, so that the indicators used in this study can be declared reliable and able to measure variables consistently.

Table 4. Cronbach's Alpha Test Results

Variable	Cronbach's Alpha	Description
Work Discipline (X1)	0.987	Reliable
Compensation (X2)	0.956	Reliable
Leadership Style (X3)	0.940	Reliable
Employee Performance (Y)	0.951	Reliable

Source : SmartPLS4 output processed 2026

Based on Table 4, all variables, namely Work Discipline (X1), Compensation (X2), Leadership Style (X3), and Employee Performance (Y) have Cronbach's Alpha values of 0.987 each; 0,956; 0,940; and 0.951, where all of these values are above 0.7 so that they meet the reliability criteria. This shows that each variable has an excellent level of internal consistency, so that the research instrument used can be declared reliable and able to provide consistent measurement results (Gunawan, 2020).

Table 5. Results of the Discriminant Validity Test (Fornell Larcker Criterion)

	X1	X2	X3	Y
X1	0.891			
X2	0.503	0.872		
X3	0.614	0.657	0.830	
Y	0.616	0.624	0.705	0.793

Source : SmartPLS4 output processed 2026

Based on Table 5 of the results of the discriminant validity test using the Fornell-Larcker criteria, it is known that the square root value of AVE in each variable, namely Work Discipline (X1) of 0.891, Compensation (X2) of 0.872, Leadership Style (X3) of 0.830, and Employee Performance (Y) of 0.793, are all greater than the correlation values between other variables. This shows that each construct has a good ability to distinguish itself from other constructs, so it can be concluded that the research model has met the criteria of discriminant validity (Sanaky, 2021).

Structural model testing (inner model) was carried out to analyze the relationship between exogenous and endogenous variables based on the theoretical framework that had been built, as well as to test the research hypothesis. The test results were shown through estimation of the path coefficient that must meet the level of significance in order for the hypothesis to be accepted. The significance was obtained through the bootstrap method by looking at the value of the parameter coefficient and T-statistics. In this study, the test criterion used a T-table value of 1.678 at a significance level of 5% (alpha

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0.05), where if the T-value is greater than the T-table, the relationship between variables is declared significant, so that the hypothesis is accepted, while if it is the opposite, the hypothesis is rejected.

Table 6. Path Coefficients Results

	Original Samples (0)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (0/STDEV)	P-values
Work Discipline (X1) -> Employee Performance (Y)	0.460	0.321	0.117	3,502	0.002
Compensation (X2) -> Employee Performance (Y)	0.409	0.349	0.113	3,007	0.030
Leadership Style (X3) -> Employee Performance (Y)	0.451	0.437	0.105	3,843	0,000

Source : SmartPLS4 output processed 2026

Based on Table 6, the results of the path coefficients test show that Work Discipline (X1), Compensation (X2), and Leadership Style (X3) have a positive and significant influence on Employee Performance (Y). This can be seen from the value of the coefficient of 0.460 each; 0,409; and 0.451 indicating the direction of a positive relationship. In addition, the T-statistical value was 3.502 each; 3,007; and 3.843 which are greater than the T-table (1.678), and the P-values are 0.002; 0,030; and 0.000 which is smaller than 0.05, indicating that the entire relationship between variables is significant. Thus, it can be concluded that the three independent variables have a real effect on improving employee performance, so all hypotheses in this study are accepted.

Discussion

Work Discipline Affects Employee Performance

Based on the results of data analysis, it is proven that work discipline has a positive and significant effect on employee performance. This shows that the higher the level of work discipline possessed by employees, the more optimal the performance produced. Good work discipline is reflected in compliance with company regulations, punctuality in attendance and completion of tasks, and responsibility in carrying out work in accordance with the standards that have been set. At PT Pos Indonesia in Sidoarjo, the consistent application of work discipline is able to encourage employees to work more directed, structured, and focused on achieving targets. With high discipline, employees can minimize work mistakes and increase efficiency and effectiveness in completing tasks. The results of this study are in line with previous research which stated that work discipline has a positive and significant influence on employee performance (Juwita, 2022).

The variables of work discipline in this study show that the most dominant indicators are punctuality and compliance with work regulations. The majority of employees have shown a disciplined attitude by arriving on time, following predetermined working hours, and completing work according to the given deadlines. In addition, the existence of regular supervision and evaluation from the leadership is also a supporting factor in maintaining the level of employee discipline. In practice, the leadership actively monitors performance and provides direction if there are deviations from the work rules. This reflects that the implementation of work discipline at PT Pos Indonesia Sidoarjo has gone well and is able to create an orderly work environment, thus having an impact on improving employee performance in a sustainable manner.

Compensation Affects Employee Performance

Based on the results of data analysis, it is proven that compensation has a positive and significant effect on employee performance. This shows that the better the compensation provided by the company, both in financial and non-financial form, the higher the performance produced by employees. Fair compensation in accordance with the workload can increase motivation, job satisfaction, and encourage employees to work more optimally in achieving the company's targets. For employees of PT Pos Indonesia in Sidoarjo, providing the right compensation is one of the important factors in creating work morale and loyalty to the company. The results of this study are in line with previous research which also states that compensation has a positive and significant influence on employee performance (Economics et al., 2023), (John B Windo Thalibana, 2022).

The compensation variables in this study show that the most dominant indicators are salaries and incentives that are in accordance with performance. The majority of employees feel that the

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compensation provided has reflected their work contributions, thus encouraging increased productivity. In addition, the existence of benefits and rewards for work achievements also strengthens employee motivation to work better. In practice, the company provides compensation regularly and considers individual performance, so that employees feel appreciated for the efforts that have been made. This shows that the implementation of a good compensation system at PT Pos Indonesia Sidoarjo is able to improve employee performance effectively and sustainably.

Leadership Style Affects Employee Performance

Based on the results of data analysis, it is proven that leadership style has a positive and significant effect on employee performance. This shows that the better the leadership style applied by the leader, the more employee performance will improve. An effective leadership style is reflected in the leader's ability to provide clear direction, make the right decisions, and build good communication with employees. In employees of PT Pos Indonesia in Sidoarjo, leaders who are able to be firm but still support and understand the needs of subordinates can create a conducive work atmosphere, so that employees are more motivated to work optimally and achieve the targets that have been set. The results of this study are in line with previous research which states that leadership style has a positive and significant influence on employee performance (Anggun Tri Andini et al., 2024).

The leadership style variables in this study show that the most dominant indicator is the leader's ability to provide direction and motivation to employees. The majority of employees consider that the leader has been able to guide, direct, and provide solutions to the work problems faced. In addition, the involvement of the leader in evaluating performance and providing feedback on a regular basis is also an important factor in improving employee performance. In practice, leaders not only play the role of decision makers, but also motivators and facilitators for employees. This shows that the implementation of a good leadership style at PT Pos Indonesia Sidoarjo is able to create more effective and sustainable employee performance.

CONCLUSION

Based on the results of the research, it can be concluded that work discipline, compensation, and leadership style contribute to improving employee performance at PT Pos Indonesia Sidoarjo through their respective complementary roles in forming a productive and conducive work environment.

The practical implications of this study show that company management needs to strengthen policies related to improving work discipline through consistent enforcement of rules and setting an example from leaders. In addition, companies are advised to evaluate the compensation system to remain competitive and reflect internal and external fairness, so as to maintain employee work motivation. From the leadership side, it is important for leaders to develop a leadership style that is adaptive, communicative, and able to build positive working relationships with employees. These efforts can be integrated into strategies to improve employee performance in a sustainable manner.

However, this study has several limitations. The limited number of samples in one branch of the company causes the results of the study to not be widely generalized to all units of PT Pos Indonesia or other companies. In addition, the use of cross-sectional data only describes conditions in a certain time period, so it is not able to capture the dynamics of changes in employee behavior in the long term. Another limitation is the use of questionnaire instruments that depend on respondents' perceptions, which has the potential to cause subjectivity bias. Therefore, further research is recommended to expand the scope of the sample, use longitudinal methods, and add other relevant variables so that the results obtained are more comprehensive.

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