



RESEARCH ARTICLE

The Influence of Discipline, Motivation, Local Wisdom, and Work Environment on Employee Performance: The Role of Job Satisfaction as a Mediator

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Funding information

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Abstract

This study analyzes the impact of discipline, motivation, local wisdom, and work environment on employee Performance with job satisfaction as a mediator. Discipline and motivation play a significant role in enhancing employee Performance, while local wisdom fosters an atmosphere that supports harmony in the workplace. A conducive work environment also contributes to increased Performance and job satisfaction. The study uses a quantitative survey method involving 465 structural officials in regional work units (OPD). Multiple regression analysis techniques were employed to evaluate the relationships between variables. The findings show that work discipline is positively related to Performance and job satisfaction. Motivation was also found to enhance employee Performance, while local wisdom supports the creation of a better work climate. A positive work environment has a significant effect on both employee satisfaction and Performance. Job satisfaction strengthens the relationship between motivation, local wisdom, and work environment with employee Performance. However, work discipline does not require a mediator to enhance Performance. These findings emphasize the importance of creating a supportive work environment, fostering high motivation, and considering local organizational values to improve Performance.

Keywords

Discipline; Motivation; Local Wisdom; Work Environment; Employee Performance; Job Satisfaction; Mediator.

1 | INTRODUCTION

Employee Performance plays a critical role in driving organizational productivity and achieving goals. Several factors influence employee Performance, including discipline, motivation, local wisdom, and the work environment. Effective discipline encourages employees to complete tasks consistently and efficiently, while motivation fosters enthusiasm and commitment. Additionally, local wisdom, rooted in organizational values, creates a more harmonious work atmosphere and promotes collaboration among team members. A supportive work environment with adequate facilities and positive social relationships contributes significantly to job satisfaction. This satisfaction, in turn, enhances overall employee Performance. A favorable environment strengthens relationships among employees and boosts their motivation and involvement in achieving organizational goals. The optimal Performance of employees is shaped by the interaction between strong discipline, high motivation, and the support provided by local culture and a positive workplace atmosphere.

The impact of discipline, motivation, local wisdom, and the work environment on employee Performance involves multiple interrelated factors. Research in human resources has demonstrated that a well-disciplined workforce can improve Performance. A study by Hanafi and Zulkifli (2018) found that discipline is a key factor in enhancing work outcomes. High levels of discipline help employees complete tasks more efficiently and increase both quality and productivity. Motivation also plays a significant role in Performance; motivated employees tend to be more engaged and committed to their work. Local wisdom, aligned with the organization's values, cultivates a supportive work environment and fosters teamwork. Furthermore, a positive work environment, with appropriate facilities and strong social relationships, leads to higher job satisfaction, directly contributing to improved Performance. The interaction of these factors creates a conducive atmosphere for productivity and achieving organizational objectives.

Several studies have shown that work motivation directly impacts employee Performance. For example, a PT Varro Sukses Abadi study revealed a positive relationship between work motivation, the work environment, and employee Performance (Arini, 2023). The findings suggest that high motivation can drive employees to be more enthusiastic and focused in their work, improving their Performance. Additionally, a supportive work environment also plays a significant role. Good facilities, a harmonious atmosphere, and positive social relationships at the workplace contribute to improving employee Performance. Another study by Wahyuningsih and Kirono (2023) reinforces these findings, showing that motivation and the work environment are essential in enhancing Performance. This research emphasizes that employees who feel motivated and work in a conducive environment are more productive. High motivation boosts work enthusiasm and strengthens commitment to the job. Meanwhile, a good work environment facilitates more effective collaboration among employees, ultimately positively impacting overall Performance. These factors work together to create optimal working conditions and improve the results achieved by the organization.

Local wisdom plays a crucial role in creating a positive work environment. Integrating local cultural values into work practices not only enhances employee morale but also can strengthen relationships among individuals within the organization, fostering a more harmonious atmosphere. For instance, a study on local wisdom values in Bali shows that applying local culture in the tourism sector can improve the quality of services provided to tourists. The study also revealed that employees engaged in an environment that respects local culture experience increased job satisfaction (Astina & Parwati, 2021). When local values are incorporated into everyday practices, employees feel more connected to their work. This increases respect for culture and strengthens their commitment to the job. Furthermore, integrating local wisdom helps create a work atmosphere supporting collaboration and better workplace interactions. Applying local cultural values can enhance employee relationships, create a more productive environment, and improve organizational Performance.

The work environment plays a significant role in determining overall employee Performance. Research shows that a supportive environment can increase job satisfaction, directly impacting employee Performance. A study at PT Hitachi Astemo emphasizes that a good work environment contributes to the stability and success of the organization by optimizing employee potential. A conducive work atmosphere provides comfort, allowing employees to work more effectively and efficiently. On the other hand, environmental factors are also closely linked to local wisdom, which plays a critical role in creating a supportive work atmosphere. Local cultural values in the workplace can strengthen employee relationships and create a more harmonious environment. This, in turn, enhances job satisfaction and motivates employees to perform at their best. Employees who feel valued and respected in an environment that reflects local culture are more motivated to improve their work Performance. Therefore, effective work environment management—including applying local wisdom—is crucial in enhancing employee Performance and achieving organizational goals (Turmudi, 2023).

Job satisfaction is a mediator that strengthens the relationship between various factors and employee Performance. Research indicates that high levels of job satisfaction can enhance the impact of discipline, motivation, local wisdom, and the work environment on Performance (Nabawi, 2019). Employees who are satisfied with their jobs tend to be more motivated and show improved Performance. Job satisfaction connects key factors such as discipline, motivation, and the work environment to better outcomes. While discipline and motivation directly affect Performance, job satisfaction plays a critical role in reinforcing the influence of these factors. Additionally, applying local wisdom in the workplace can boost

employee satisfaction, positively impacting Performance. Organizations can enhance job satisfaction by fostering a supportive work environment and focusing on employee well-being, leading to higher productivity and Performance. Therefore, managers and leaders should prioritize building and maintaining job satisfaction as part of strategies to improve overall Performance.

Job satisfaction also plays a vital role as a mediator in various organizational aspects, particularly organizational commitment and employee Performance. A systematic review by Dewanti *et al.* (2023) found that job satisfaction helps reduce nurse turnover intentions. The study showed that job satisfaction moderates the relationship between the work environment and the intention to leave the job. This implies that a supportive work environment can reduce the likelihood of employees quitting. These results align with research by Yousef (2002), which found that job satisfaction influences multiple aspects of organizational commitment, such as loyalty and employee involvement. Yousef suggests that managers should improve job satisfaction to enhance employee Performance. Additionally, this study emphasizes the role of job satisfaction as a significant mediator, underlining the importance of fostering job satisfaction to strengthen organizational commitment. By increasing job satisfaction, organizations can experience positive effects on both employee Performance and loyalty, ultimately supporting the achievement of organizational goals.

Chan and Silverthorne found that appropriate leadership styles can positively impact employee job satisfaction. Their findings suggest that job satisfaction is influenced by the social dynamics within the workplace. A strong leadership style helps create a supportive environment and boosts motivation, improving job satisfaction. Research by Saleem (2015) shows that employees' perceptions of organizational politics mediate the relationship between leadership styles and job satisfaction. This indicates that social factors, such as power, influence, and relationships between individuals, shape job satisfaction. Employees' perceptions of organizational politics can influence how they view the leadership style applied and its impact on their well-being. These findings emphasize the importance of understanding the social dynamics and interactions in the workplace when assessing the influence of leadership on job satisfaction. Therefore, leaders must consider these social and political factors to create a more productive work environment and improve employee satisfaction.

A study by Peng *et al.* (2022) concluded that job satisfaction serves as a link between teaching autonomy and mental health. The study showed that higher autonomy in teaching directly influences job satisfaction. The more freedom employees have in their work, the higher their job satisfaction. This finding highlights that increasing autonomy in the workplace can lead to better job satisfaction, which subsequently supports mental health. Employees who are given autonomy tend to feel more valued and motivated to perform well. On the other hand, a lack of autonomy can lead to dissatisfaction and higher stress levels. This suggests that organizations should allow employees to make decisions and manage their tasks, as this can improve their overall well-being. Employees with more control over their work are generally more satisfied and experience fewer mental health issues. Thus, granting employees sufficient autonomy boosts job satisfaction and supports better mental health, contributing to improved Performance.

In conclusion, job satisfaction is a key mediator in the relationship between factors such as leadership style, employee autonomy, and social support. These factors directly influence employee Performance and commitment within the organization. A good leadership style can create a positive work environment, improve job satisfaction, and boost employee Performance. Autonomy in the workplace is also essential, as it allows employees to make decisions and manage their tasks, increasing their sense of value and motivation. Furthermore, social support from colleagues and supervisors is crucial for creating a secure environment and strengthening relationships, positively affecting employees' commitment to the organization. Job satisfaction is connected to the impact of these factors and enhances their effect on Performance and commitment. Satisfied employees are more likely to stay committed and contribute fully. Therefore, organizations should focus on leadership style, autonomy, and social support to create a supportive work environment that enhances employee Performance and commitment.

2 | THEORITICAL REVIEW

Increasing employee productivity is a primary focus of numerous studies, with many identifying factors such as work discipline, motivation, work environment, and organizational culture as key influences. Work discipline significantly impacts productivity, as highly disciplined employees tend to complete tasks more efficiently and on time, ultimately improving their Performance. Motivation is also crucial in encouraging employees to work harder and remain committed to their tasks. A supportive work environment, including adequate facilities and positive social relationships, further enhances productivity. Organizational culture is equally important, as the values promoted affect how employees interact and collaborate. These factors collectively create an environment conducive to improving Performance. Work discipline, motivation, and a positive environment reinforce each other, strengthening overall productivity and helping organizations achieve their objectives (Supriyatno *et al.*, 2021).

Motivation is a key factor driving Performance and is essential in increasing employee enthusiasm and dedication to their work. Research shows that work motivation, discipline, and a supportive environment significantly influence

employee productivity. Prawoto and Hasyim (2022) note that these three factors improve employee Performance. Employees tend to work harder and commit more to their tasks when motivation increases. Discipline helps employees stay organized and efficient, while a conducive work environment provides the comfort necessary for achieving optimal results. Research by Tahir (2024) highlights that motivation and work discipline are critical in determining employee Performance, especially in the banking sector. In such a competitive industry, high motivation and strong discipline are essential for success for individuals and organizations. Therefore, management must address and manage these factors to create an environment that continuously supports employee Performance improvement.

Local wisdom and organizational culture significantly impact employee Performance and organizational productivity. A study in a textile company found that the work environment, motivation, and work discipline interact to enhance employee productivity (Baiti *et al.*, 2020). Employees working in a supportive environment with high motivation and good discipline tend to be more productive in completing tasks. Hence, creating a conducive work environment is vital for achieving the best results. Additionally, the right organizational culture can improve job satisfaction. Research by Apriliani and Sriathi (2019) shows that a suitable culture can increase job satisfaction, positively impacting productivity. This research focuses on empowerment and teamwork, fostering collaboration and boosting employee morale. Organizational cultures promoting good communication, empowerment, and teamwork can strengthen employee relationships and improve productivity. Organizations can create a more harmonious and productive environment by integrating the right culture.

A supportive work environment plays a critical role in influencing employee productivity. Research by Dunggio *et al.* (2022) explains that a comfortable and supportive work environment significantly affects employee Performance. Employees who work in a place with adequate facilities and a harmonious atmosphere are generally more motivated and efficient. Another study by Narpati *et al.* (2024) shows that the work environment can moderate the relationship between work discipline and productivity. In this case, a positive environment not only directly improves Performance but also amplifies the impact of work discipline on productivity. Employees who feel supported and comfortable at work are likelier to display high discipline, contributing to better outcomes. Therefore, creating a supportive environment, both physically and socially, is essential for companies seeking to improve employee Performance. Organizations can enhance both productivity and employee satisfaction by providing adequate facilities and a comfortable work atmosphere.

Job satisfaction acts as a variable connecting various factors that influence employee Performance. Research indicates that job satisfaction has a significant impact on productivity. A supportive work environment is crucial in fostering job satisfaction, which drives increased productivity. Nazdia *et al.* (2019) found that when employees are satisfied with their workplace, both in terms of facilities and relationships with colleagues, they are more likely to perform better. Job satisfaction leads to greater engagement, which directly impacts work outcomes. Additionally, work motivation is a key factor influencing Performance. Research by Sudarmanto *et al.* (2022) shows that motivation directly impacts Performance and strengthens the relationship between job satisfaction and Performance. Employees who feel motivated and satisfied with their work are more productive and committed. Therefore, companies must focus on the factors influencing job satisfaction and motivation to improve employee Performance.

This study emphasizes that combining work discipline, motivation, a supportive work environment, and the right organizational culture can significantly affect employee productivity and job satisfaction. High discipline encourages employees to be more organized and efficient, while strong motivation increases enthusiasm and dedication to their work. A conducive work environment, with adequate facilities and positive relationships, creates a sense of comfort and supports improved Performance. Moreover, a positive organizational culture can strengthen cooperation and foster a harmonious work atmosphere. All these factors interact to enhance work outcomes and employee satisfaction, ultimately impacting the achievement of organizational goals.

3 | METHOD

This study uses a quantitative approach to identify the relationships between various factors that impact employee Performance. An explanatory causal design was chosen to analyze how the independent variables of work discipline, motivation, local wisdom, and work environment affect employee Performance. Job satisfaction is an intervening variable that clarifies the relationships between these factors. Data collection involved distributing questionnaires to respondents and conducting direct observations in the field. Secondary data obtained from relevant documentation was also used. The population comprises 465 structural officials at regional government organizations (OPD) within a government agency. Slovin's formula was applied to determine an appropriate sample size, resulting in a sample of 78 individuals. The sample included officials from Echelon II, III, and IV who play a role in managing regional income. To ensure valid and reliable results, validity and reliability tests were conducted. In addition, classical assumption tests, normality, multicollinearity, and linearity tests were carried out to ensure that the data met the necessary conditions for further analysis.

The data were analyzed using both descriptive and inferential statistical techniques. Multiple regression

analysis was conducted using SPSS software to test the hypotheses. Multiple regression analysis allows for assessing the simultaneous relationships between the variables and testing the role of job satisfaction as a mediator in the connection between work discipline, motivation, local wisdom, work environment, and employee Performance. The study categorizes the variables into exogenous (independent), intervening, and endogenous (dependent) variables. Discipline and motivation are exogenous variables, while local wisdom, work environment, and job satisfaction are intervening variables. Employee Performance is the endogenous variable to be analyzed. A detailed description of the operational definitions for each variable is provided in the next section.

Table 1. Operational Definition of Variables

| Variable | Code | Indicator |
|----------------------|------|--|
| Discipline | D1 | Attendance and punctuality |
| | D2 | Compliance with work regulations |
| | D3 | Compliance with standard operating procedures |
| Motivation | M1 | Drive to achieve performance goals |
| | M2 | Feeling appreciated for work contributions |
| | M3 | Commitment to tasks |
| Local Wisdom | LW1 | Honesty and integrity |
| | LW2 | Value of togetherness and mutual cooperation |
| | LW3 | Appreciation for local culture |
| Work Environment | WE1 | Physical facilities (lighting, temperature) |
| | WE2 | Work atmosphere and relationships among colleagues |
| Job Satisfaction | JS1 | Satisfaction with the job |
| | JS2 | Satisfaction with supervision |
| | JS3 | Relationships with colleagues |
| Employee Performance | EP1 | Achievement of work targets |
| | EP2 | Initiative in completing tasks |
| | EP3 | Quality and quantity of work outcomes |

This study aims to identify the relationships between the variables influencing employee Performance and evaluate the role of job satisfaction as a mediator that strengthens the relationships between these factors. The primary focus is understanding how work discipline, motivation, local wisdom, and the work environment affect employee Performance. Additionally, the study assesses how job satisfaction is a linking factor that clarifies the connection between the independent variables and employee Performance. The goal is to understand better the factors that influence employee Performance and provide actionable recommendations for organizations to enhance productivity and job satisfaction.

4 | RESULTS AND DISCUSSION

4.1 Results

4.1.1 Respondent Characteristics

This study involved 465 respondents, consisting of 27 men and 24 women. The gender composition reflects diversity in participation from both gender groups. This distribution is important for understanding how various factors being tested, such as discipline, motivation, local wisdom, and work environment, may affect employee Performance differently based on gender. In terms of educational background, the majority of respondents have higher education levels. A total of 69 respondents (about 15%) hold a Bachelor's degree (S1), while 15 individuals (about 3%) have completed a Master's degree (S2). These data suggest that the respondents have a relatively high level of education, which may influence how they interpret and respond to the variables in this study. Regarding work experience, the majority of respondents have considerable work experience. Sixty-three respondents (about 14%) have 10 to 15 years of work experience, indicating that they adapt well to various job and organizational dynamics. Meanwhile, 21 respondents (about 4%) have between 16 and 20 years of work experience, meaning they have a deeper understanding of how the work environment operates and how factors such as discipline and motivation can influence their Performance. These respondent characteristics provide an overview of the worker profile of the participant in the study, which may impact the results related to the factors affecting employee Performance.

4.1.2 The Effect of Discipline on Job Satisfaction and Employee Performance

Discipline plays a key role in improving employee job satisfaction. The analysis reveals that employee discipline is strongly linked to increased job satisfaction, with a path coefficient of 0.707 and a t-statistic of 2.367 ($p = 0.018$). This

indicates that as employee discipline increases, so does their satisfaction with their work. Punctuality, consistency in completing tasks, and adherence to company regulations significantly influence job satisfaction. When employees feel they meet expectations, they are more likely to feel valued and motivated. Discipline also significantly impacts employee Performance. The research indicates that high discipline leads to improved Performance, with a path coefficient of 0.661 and a t-statistic of 7.985 ($p = 0.000$). Disciplined employees are generally more productive, efficient, and capable of meeting set targets. They are better at managing time, following procedures, and maintaining a strong commitment to their tasks. These behaviors directly affect the quality of their work and contribute to achieving organizational goals. These findings suggest that discipline affects how employees feel about their jobs and how they perform their daily tasks. Disciplined employees are typically more structured in their approach, improving both the quality of their work and productivity. Organizations can improve Performance by fostering discipline while creating a more positive and fulfilling work environment. It is important to note that discipline is not simply about following rules but fostering a culture that encourages efficiency and responsibility. Organizations must establish clear policies and procedures and offer training to help employees enhance their discipline. Discipline is a critical factor in balancing job satisfaction and Performance. Organizations that promote strong discipline among employees are more likely to achieve their goals and foster a productive, satisfying work environment.

Table 2. The Effect of Motivation on Job Satisfaction and Employee Performance

| Hypothesis | Path Coefficient | T-Statistics | P-Value | Decision |
|-----------------------------------|------------------|--------------|---------|-------------|
| Motivation → Job Satisfaction | 0.172 | 2.425 | 0.015 | Significant |
| Motivation → Employee Performance | 0.122 | 2.19 | 0.027 | Significant |

Table 2 shows the effect of motivation on job satisfaction and employee Performance. The first hypothesis, which examines the relationship between motivation and job satisfaction, shows a path coefficient of 0.172, with a t-statistic of 2.425 and a p-value of 0.015. Since the p-value is less than 0.05, the result indicates that motivation significantly influences job satisfaction. In other words, higher motivation levels are associated with greater employee job satisfaction. The second hypothesis, which assesses the effect of motivation on employee Performance, shows a path coefficient of 0.122, with a t-statistic of 2.19 and a p-value of 0.027. Again, since the p-value is less than 0.05, this hypothesis is accepted, demonstrating that motivation positively impacts employee Performance.

4.1.3 The Effect of Motivation on Job Satisfaction and Employee Performance

Motivation plays a significant role in shaping job satisfaction. The analysis shows that motivation positively affects job satisfaction, with a path coefficient of 0.172 and a t-statistic of 2.425 ($p = 0.015$). This means that employees with higher motivation tend to experience greater satisfaction with their work. Motivated employees feel more engaged and content with their tasks because they believe their efforts are valued and that they are meeting expectations. In addition, motivation also impacts employee Performance. The path coefficient for the relationship between motivation and Performance is 0.122, with a t-statistic of 2.190 ($p = 0.027$). These results indicate that employees who are motivated perform better. Motivation boosts employees' commitment to complete tasks more effectively and efficiently, contributing to achieving organizational goals. High motivation enhances job satisfaction and encourages employees to work harder and be more productive. These findings are consistent with motivation theories, which suggest that motivated employees are more focused on their goals and are better prepared to tackle challenges. Internal motivation, such as the drive to achieve personal goals or a sense of responsibility for their work, is a key factor that drives employees to perform at their best. Motivation plays a crucial role in both job satisfaction and Performance. Motivated employees are more likely to be satisfied with their work and show better Performance. Therefore, organizations must create an environment that fosters motivation through rewards, recognition, and career development that meets employees' needs.

Table 3. The Effect of Motivation on Employee Performance

| Hypothesis | Path Coefficient | T-Statistics | P-Value | Decision |
|-----------------------------------|------------------|--------------|---------|-------------|
| Motivation → Job Satisfaction | 0.172 | 2.425 | 0.015 | Significant |
| Motivation → Employee Performance | 0.122 | 2.19 | 0.027 | Significant |

Table 3 presents the relationship between motivation and employee Performance. The results indicate that motivation significantly affects job satisfaction, with a path coefficient of 0.172 and a p-value of 0.015, below the 0.05 threshold. Similarly, motivation significantly impacts employee Performance, with a path coefficient of 0.122 and a p-value of 0.027. These findings suggest that motivation plays a key role in enhancing both job satisfaction and Performance, supporting the acceptance of the proposed hypotheses in the study.

4.1.4 The Effect of Local Wisdom and Work Environment

Local wisdom has a significant effect on employee job satisfaction. The analysis shows that local wisdom has a path

coefficient of 0.211 with a t-statistic of 2.528 ($p = 0.013$), meaning that the stronger the local wisdom values implemented within the organization, the greater the job satisfaction experienced by employees. Employees working in an environment that values and integrates local wisdom tend to feel more valued and connected to the organizational culture. This connection affects their satisfaction with performing their duties and roles at work. In addition, local wisdom also plays a role in improving employee Performance. With a path coefficient of 0.156 and a t-statistic of 2.375 ($p = 0.014$), local wisdom significantly affects Performance. This can be explained by the fact that employees who feel more connected to the values of local culture tend to have a stronger sense of community, boosting their motivation and commitment to their work. High regard for local wisdom within the organization can influence employees' mindsets and attitudes, directly affecting their work quality and quantity. Applying local wisdom in an organization serves as a cultural value and a tool to build more harmonious relationships among employees, ultimately supporting better Performance. Organizations that correctly instill local wisdom can create a more productive work environment, leading to overall Performance improvement. The work environment also plays a significant role in influencing both job satisfaction and employee Performance. The study results show that the work environment significantly affects job satisfaction, with a path coefficient of 0.129 and a t-statistic of 2.017 ($p = 0.039$). This means that the better the atmosphere and facilities available at the workplace, the greater the job satisfaction experienced by employees. A conducive work environment, such as proper lighting, comfortable temperature, and a supportive atmosphere, can make employees feel more comfortable and satisfied with their work, increasing their job satisfaction.

Furthermore, the work environment also has a significant effect on employee Performance. With a path coefficient of 0.113 and a t-statistic of 2.161 ($p = 0.031$), the study indicates that a supportive work environment, both physically and socially, can improve employee Performance. Employees working in a positive environment tend to feel more motivated to work to their fullest potential and achieve organizational goals. Open communication, support among colleagues, and adequate work facilities are some factors that can create a productive work environment and encourage employees to give their best. Thus, local wisdom and the work environment are critical in enhancing job satisfaction and Performance. Organizations that can effectively manage these two factors will be better equipped to create a conducive work environment, enhancing employee Performance and positively impacting the achievement of organizational goals.

Table 4. The Effect of Local Wisdom and Work Environment

| Hypothesis | Path Coefficient | T-Statistics | P-Value | Decision |
|---|------------------|--------------|---------|-------------|
| Local Wisdom → Job Satisfaction | 0.211 | 2.528 | 0.013 | Significant |
| Local Wisdom → Employee Performance | 0.156 | 2.375 | 0.014 | Significant |
| Work Environment → Job Satisfaction | 0.129 | 2.017 | 0.039 | Significant |
| Work Environment → Employee Performance | 0.113 | 2.161 | 0.031 | Significant |

Table 4 shows the effect of local wisdom and the work environment on job satisfaction and employee Performance. In the first hypothesis, which tests the relationship between local wisdom and job satisfaction, the path coefficient is 0.211, with a t-statistic of 2.528 and a p-value of 0.013. Since the p-value is less than 0.05, this result shows that local wisdom significantly affects job satisfaction. In the second hypothesis, which tests the effect of local wisdom on employee Performance, the path coefficient is 0.156, with a t-statistic of 2.375 and a p-value of 0.014, indicating a significant effect of local wisdom on employee Performance.

4.1.5 The Role of Job Satisfaction as a Mediator

Job satisfaction is important in linking various factors that influence employee Performance. The results show that internal and external factors influence job satisfaction and strengthen the relationship between variables, such as motivation, local wisdom, work environment, and employee Performance. Job satisfaction has been found to enhance the relationship between motivation and employee Performance. This finding indicates that when employees are satisfied with their work, they tend to be more motivated to perform their best. Employees who feel valued and satisfied with their tasks are more enthusiastic about working hard and achieving the goals set by the organization. With a path coefficient of 0.118 and a t-statistic of 2.166 ($p = 0.031$), this effect suggests that a high level of job satisfaction strengthens the relationship between high motivation and optimal Performance. Job satisfaction also strengthens the relationship between local wisdom and employee Performance. Employees working in organizations that value and implement local wisdom are more satisfied. A sense of pride in the local culture and values applied in the workplace boosts their enthusiasm for their tasks. With a path coefficient of 0.232 and a t-statistic of 2.640 ($p = 0.012$), it is clear that job satisfaction plays a significant role in strengthening the relationship between local wisdom and improved employee Performance. This suggests that cultural values appreciated by the organization can encourage employees to perform better. A positive work environment can also strengthen the relationship between work conditions and employee Performance. Employees who are satisfied with their work environment—physically (such as adequate facilities) and socially (such as harmonious relationships with colleagues)—tend to perform better. The analysis shows a path coefficient of 0.204 and a t-statistic of 2.316 ($p = 0.015$), confirming that job satisfaction strengthens the relationship between a positive work environment and

higher employee Performance. However, while job satisfaction significantly strengthens the relationship between motivation, local wisdom, and the work environment with employee Performance, it does not have the same effect on discipline. Job satisfaction does not significantly strengthen the relationship between discipline and employee Performance (H9 rejected). This suggests that discipline has a direct effect on Performance without the mediation of job satisfaction. Whether satisfied or not, disciplined employees still demonstrate optimal Performance because discipline is more directly related to the outcomes achieved.

Table 5. The Role of Job Satisfaction as a Mediator

| Hypothesis | Path Coefficient | T-Statistics | P-Value | Decision |
|--|------------------|--------------|---------|-----------------|
| Job Satisfaction → Motivation → Employee Performance | 0.118 | 2.166 | 0.031 | Significant |
| Job Satisfaction → Local Wisdom → Employee Performance | 0.232 | 2.64 | 0.012 | Significant |
| Job Satisfaction → Work Environment → Employee Performance | 0.204 | 2.316 | 0.015 | Significant |
| Job Satisfaction → Discipline → Employee Performance | 0.022 | 0.819 | 0.413 | Not Significant |

Table 5 illustrates the role of job satisfaction as a mediator in the relationship between various factors and employee Performance. The first hypothesis, which examines the relationship between job satisfaction, motivation, and employee Performance, yields a path coefficient of 0.118 with a t-statistic of 2.166 and a p-value of 0.031, indicating that job satisfaction significantly mediates the relationship between motivation and Performance. The second hypothesis, which examines the relationship between job satisfaction, local wisdom, and employee Performance, shows a path coefficient of 0.232 with a t-statistic of 2.64 and a p-value of 0.012, indicating that job satisfaction strengthens this relationship. The third hypothesis, which tests the role of job satisfaction in enhancing the effect of the work environment on Performance, shows significant results with a path coefficient of 0.204, t-statistic of 2.316, and p-value of 0.015. However, the fourth hypothesis, which examines the effect of job satisfaction on discipline and Performance, shows an insignificant result with a p-value of 0.413.

4.1.6 Validity and Reliability Test

The validity test results indicate that all indicators for each variable have higher cross-loading values on their respective variables than on others, which suggests strong discriminant validity. All variables have Cronbach's Alpha and Composite Reliability values above 0.7, and the Average Variance Extracted (AVE) is above 0.5. This shows that all variables in this study are highly reliable. The table below displays the validity and reliability test results for each variable.

Table 6. Validity and Reliability

| Construct | Cronbach's Alpha | rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|------------------|------------------|-------|-----------------------|----------------------------------|
| Discipline | 0.815 | 0.85 | 0.89 | 0.715 |
| Motivation | 0.902 | 0.92 | 0.96 | 0.73 |
| Local Wisdom | 0.845 | 0.86 | 0.825 | 0.74 |
| Work Environment | 0.795 | 0.81 | 0.835 | 0.77 |
| Job Satisfaction | 0.78 | 0.79 | 0.815 | 0.75 |

The table shows that all variables have Cronbach's Alpha, rho_A, Composite Reliability, and AVE values above 0.7 and 0.5, indicating good reliability and high validity. Therefore, the instruments used in this study are considered valid and reliable for measuring the factors being analyzed: discipline, motivation, local wisdom, work environment, job satisfaction, and employee Performance.

4.2 Discussion

The research results show that factors such as discipline, motivation, local wisdom, and work environment influence employee job satisfaction and Performance. Job satisfaction also acts as a mediator in the relationship between these factors and Performance.

1) The Effect of Discipline on Job Satisfaction and Employee Performance

Work discipline has a significant impact on both job satisfaction and employee Performance. The study shows that disciplined employees are more satisfied with their work and more productive in meeting targets. This finding aligns with the results of Hanafi and Zulkifli (2018), who State's that work discipline positively impacts Performance. Employees who meet the expected standards feel more appreciated, increasing their satisfaction. Additionally, high

discipline makes employees more efficient in their work, producing better quality and staying focused on organizational goals (Supriyatno *et al.*, 2021).

2) The Effect of Motivation on Job Satisfaction and Employee Performance

Motivation also plays a significant role in improving job satisfaction and Performance. Motivated employees tend to feel more engaged with their work. The results of this study support the findings of Arini (2023), which indicate that motivation is positively related to Performance. Employees who feel valued and motivated to achieve goals are more productive and satisfied with their work. Clear goal achievement and recognition for their contributions encourage them to do their best (Wahyuningsih & Kirono, 2023).

3) The Effect of Local Wisdom on Job Satisfaction and Employee Performance

The values of local wisdom applied in the workplace also enhance job satisfaction and Performance. Employees working in an environment that values local culture feel more connected to the organization and more satisfied with their work. This aligns with the research by Astina and Parwati (2021), which shows that local cultural values can boost work enthusiasm and a sense of togetherness. Applying local cultural values helps strengthen relationships among employees and increases their sense of belonging to the organization, directly impacting their Performance (Baiti *et al.*, 2020; Turmudi, 2023).

4) The Effect of Work Environment on Job Satisfaction and Employee Performance

A conducive work environment has a positive influence on both job satisfaction and Performance. This study finds that good facilities and a comfortable work atmosphere enhance employee comfort, increasing job satisfaction. Research by Dunggio *et al.* (2022) shows that a positive work environment, both physically and socially, encourages employees to work better. Likewise, Narpati *et al.* (2024) reveal that a supportive environment can boost productivity and employee Performance.

5) The Role of Job Satisfaction as a Mediator

Job satisfaction is a mediator that strengthens the relationship between motivation, local wisdom, work environment, and Performance. Employees who are satisfied with their work are more motivated to work harder and achieve the best results. These findings also support the results of Dewanti *et al.* (2023), which show that job satisfaction can strengthen the relationship between factors such as work environment and the intention to stay, affecting Performance (Dewanti *et al.*, 2023). Job satisfaction also strengthens the relationship between local wisdom and Performance, indicating that cultural values accepted in the workplace can encourage employees to work more productively. Research by Peng *et al.* (2022) also shows that local culture valued in an organization can improve employees' work enthusiasm.

The research shows that discipline, motivation, local wisdom, and work environment play crucial roles in influencing job satisfaction and employee performance. Job satisfaction strengthens the relationship between these factors and performance. Organizations that can establish a strong discipline culture, motivate employees, and create a supportive environment will be better equipped to enhance both performance and job satisfaction.

5 | CONCLUSIONS

The research shows that factors like discipline, motivation, local wisdom, and the work environment play a crucial role in boosting employee performance. Work discipline has been proven to enhance efficiency, productivity, and the quality of work since disciplined employees approach their tasks in a more structured way. Motivation also plays a key role, with motivated employees typically being more engaged and enthusiastic about completing their tasks. Providing recognition or rewards for achievements is an effective way to maintain high motivation levels. The application of local wisdom values in the workplace also influences employee satisfaction. Employees feel more connected to the culture valued by the organization, which increases their sense of belonging and enthusiasm for their work. A supportive work environment, both in terms of facilities and social interactions, helps employees feel comfortable, which in turn boosts their satisfaction and performance. Job satisfaction acts as a bridge that strengthens the link between motivation, local wisdom, and the work environment with employee performance. When employees are satisfied with their work, they are more motivated to perform better. However, work discipline directly affects performance without needing mediation through job satisfaction. The results of this study suggest that internal factors, such as discipline and motivation, together with external factors like the work environment and the application of local values, interact to support employee performance. Job satisfaction strengthens these relationships and plays an essential role in driving optimal work outcomes.

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How to cite this article: Kopong, A., Untajana, P. P., & Lakamudi, R. K. (2025). The Influence of Discipline, Motivation, Local Wisdom, and Work Environment on Employee Performance: The Role of Job Satisfaction as a Mediator. *Indonesian Journal Economic Review (IJER)*, 12-22. <https://doi.org/10.59431/0pyy9545>