



RESEARCH ARTICLE

The Influence of Leadership and Work Discipline on Employee Performance with Work Motivation as a Mediator

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Abstract

Employee performance is a crucial factor in organizational success, especially in the manufacturing sector. This study aims to analyze the effect of leadership and work discipline on employee performance with work motivation as a mediator variable at PT. Dong Sheng Nusantara, Majalengka Regency. A quantitative approach with an explanatory design was used. A population of 135 employees was studied using a census method. Data were collected through a Likert scale questionnaire and analyzed using PLS-SEM. The results showed that leadership had a positive and significant effect on employee performance ($\beta=0.352$; $t=4.125$; $p<0.01$), work discipline had a positive and significant effect on employee performance ($\beta=0.295$; $t=3.748$; $p<0.01$), leadership has a positive and significant effect on work motivation ($\beta=0.576$; $t=4.171$; $p<0.01$), work discipline does not have a significant effect on work motivation ($\beta=0.258$; $t=1.865$; $p>0.05$), work motivation has a positive and significant effect on employee performance ($\beta=0.258$; $t=2.964$; $p<0.01$). Work motivation significantly mediates the effect of leadership on employee performance ($\beta=0.148$; $t=2.719$; $p<0.01$). Work motivation does not mediate the effect of work discipline on employee performance ($\beta=0.067$; $t=1.580$; $p>0.05$). These findings imply that improving employee performance requires a structural approach through strengthening work discipline as well as a psychological approach through developing leadership that can motivate employees. Management is advised to strengthen leadership capacity, maintain a consistent disciplinary system, and design integrated motivation programs with leadership styles.

Keywords

Leadership; Work Discipline; Work Motivation; Employee Performance.

1 | INTRODUCTION

Human resources constitute a strategic asset for organizations seeking to sustain performance and maintain a competitive position. Organizational success is strongly influenced by employee performance, since employees carry out core operational activities and translate organizational goals into measurable results. Although capital, technology, and work systems remain essential, the quality of employee performance plays an equally decisive role in determining organizational outcomes. Performance refers to the degree of effectiveness and efficiency demonstrated by employees in completing assigned duties in accordance with established standards and responsibilities. High employee performance supports the achievement of organizational objectives, strengthens operational stability, and improves the capacity of the organization to respond to internal and external demands. For that reason, employee performance is widely regarded as one of the main indicators used to assess organizational achievement. Previous studies have linked employee performance with an organization's ability to develop new products, generate profit, increase sales, and expand market share. These findings indicate that performance is not only related to the completion of individual tasks, but also to broader organizational growth and long-term sustainability. Therefore, improving employee performance remains a central priority for organizations that aim to enhance productivity and secure lasting success (Zhang, 2010; Virgiawan *et al.*, 2021).

In the field of human resource management, leadership and work discipline are consistently regarded as key determinants of employee outcomes. Numerous studies indicate that leadership capable of adapting to workforce diversity, including differences across generations, can foster a more harmonious work climate and strengthen productivity (Sulaeman *et al.*, 2025). Leadership effectiveness is therefore not limited to directing tasks or supervising performance. Transformational leadership, in particular, involves the ability to inspire employees, encourage critical thinking, and attend to individual needs within the workplace (Badriyah *et al.*, 2024). Such qualities help employees remain engaged, develop confidence, and perform their responsibilities more effectively. Support for this view is provided by the international study of Messmann and Kreijns (2022), which found that transformational leadership does not influence innovative work behavior (IWB) solely through direct managerial action. Instead, its effect emerges through the fulfillment of employees' basic psychological needs, especially the need for competence. Employees who feel capable and valued are more likely to display initiative, creativity, and stronger work performance. These results indicate that leadership should not be understood merely as authority or control, but as a process of creating conditions that encourage internal motivation. As a result, leaders are expected to build a work environment that supports psychological well-being, strengthens employee capability, and improves organizational performance over time and across functions within organizations.

On the other hand, work discipline reflects the extent to which employees comply with organizational rules, procedures, and standards, and it directly affects the consistency of their behavior and the quality of their performance (Sulaeman *et al.*, 2023). Employees with strong work discipline tend to complete duties on time, follow established regulations, and maintain stable performance in carrying out their responsibilities. For that reason, discipline is often regarded as an important aspect in supporting organizational effectiveness. However, findings from international research in the health sector by Melani *et al.* (2025) offer a broader perspective on the role of work discipline. The study found that work discipline functions as a partial mediator in the relationship between leadership style and nurse performance. In other words, leadership style affects performance not only directly but also through the level of discipline shown by employees in their daily work. The study also reported that work experience moderates the relationship, with stronger effects found among nurses who have longer experience. These results indicate that work discipline should not be viewed as an isolated factor. Rather, discipline is closely related to individual characteristics, such as work experience, and is shaped by the leadership approach applied within the organization.

Although leadership and work discipline are theoretically regarded as important determinants of employee performance, empirical findings do not always produce consistent conclusions. Several studies report that both variables have a significant direct effect on performance (Alhempri *et al.*, 2024). However, other studies indicate that their influence may operate indirectly and require mediating factors, such as work motivation (Septyawan *et al.*, 2024). In human resource management, work motivation is understood as an internal drive that encourages individuals to act, persist, and direct their efforts toward organizational goals. For that reason, motivation is often viewed as a psychological mechanism that explains how leadership and work discipline are translated into productive work behavior (Riyanto *et al.*, 2021). Even so, studies examining the mediating role of work motivation in the relationship between leadership, work discipline, and employee performance simultaneously are still relatively few, particularly in the Indonesian manufacturing sector. This condition shows the need for further research to clarify the relationship among those variables and strengthen the empirical basis for managerial practice.

Previous studies conducted by Alhempri *et al.* (2024) and Aeni and Kuswanto (2021) examined the relationship among related variables. Their findings, however, were not fully consistent, indicating that the relationship between work discipline, leadership, motivation, and employee performance still requires further verification. Differences in research results also suggest that the effect of those variables may vary across organizational settings and employee

characteristics. For that reason, further research is needed to assess both the direct and indirect effects of work discipline and leadership on employee performance. In this study, work motivation is positioned as a mediating variable because it is expected to explain how leadership and work discipline influence employee behavior and performance outcomes. Through that approach, the study is expected to provide a clearer explanation of the relationship among the variables and strengthen the empirical basis for managerial decision-making, especially in efforts to improve employee performance within organizations and support more effective human resource management practices in various work environments.

Based on initial observations at PT. Dong Sheng Nusantara in Majalengka Regency, a footwear (shoe) manufacturing company, there are signs of fluctuations in production results. Specifically, the problem faced by the company is inconsistency in achieving monthly production targets. This is strongly suspected to be caused by two main factors. First, the leadership style applied by first-line management, which tends to be instructive and does not provide appreciation, so that employees feel unappreciated. Second, there is a high rate of employee tardiness, which indicates a lack of work discipline. However, to date, there has been no empirical research that neatly analyzes the factors that influence employee performance in this company, especially with regard to the role of work motivation as a mediating variable. Therefore, this study is the first to test this model in the context of a medium-scale manufacturing company in Majalengka Regency. Based on this description, this study aims to analyze the influence of leadership and work discipline on employee performance with work motivation as a mediator at PT. Dong Sheng Nusantara in Majalengka Regency. This study is expected to provide empirical contributions to the development of human resource management theory, particularly regarding the role of work motivation, and to provide practical input for company management in designing more effective strategies for improving employee performance.

2 | BACKGROUND THEORY

Leadership (X1)

This study uses leadership theory, and the book used refers to the leadership theory proposed by (Northouse, 2021). This theory states that leadership is the process of encouraging individuals or groups to achieve organizational goals. The roles, behaviors, and interactions of leaders with their subordinates are part of this process. In manufacturing companies such as PT. Dong Sheng Nusantara, effective leadership is essential for supervising production lines, ensuring quality standards, and making quick decisions. In order for work instructions to be understood and implemented correctly, leaders at the middle management and supervisor levels must not only give orders but also be able to communicate well with production workers, most of whom are secondary school educated. According to (Zainudin *et al.*, 2021) leadership is encouraging an individual or group to achieve organizational goals. Effective leadership increases trust, clarifies roles, and improves the work environment. Leadership measurement according to shows that there are three important roles in leadership: human roles, information roles, and decision-making roles.

Work Discipline (X2)

According to (Syardiensah & Rahman, 2022) work discipline is a tool used by managers to communicate with their employees so that they are willing to change their behavior and to increase their awareness and willingness to comply with company regulations and social standards. Work discipline is the key to employee compliance, order, and obedience to norms, rules, and procedures in the work environment (Utari *et al.*, 2025). According to (Septyawan *et al.*, 2024). Work discipline is defined as the controlled attitude and behavior of a person or group of people who, for a specific purpose, follow all rules with awareness and freedom. Meanwhile, according to (Siswanto, 2010; Zuhaena & Cahyo, 2022), work discipline is the ability to respect, obey, and comply with company rules, both written and unwritten. They must also have the ability to carry out the tasks and responsibilities assigned to them, and if they fail to do so, they may be punished. According to experts, work discipline is a concept that has many aspects and encompasses not only compliance but also communicative relationships between management and employees. The theory that can be concluded explains that work discipline functions as a management tool used by leaders to communicate with their employees, with the main objective of increasing awareness and readiness to face challenges.

Work Motivation (M)

The theory used in this study is the *hierarchy of needs theory* proposed by . This theory states that the fulfillment of physiological, safety, social, esteem, and self-actualization needs affects a person's work motivation. At PT. Dong Sheng Nusantara, this theory is still very relevant even though it is quite old. Before employees can be motivated by social needs (relationships with coworkers and superiors) and esteem (recognition for work achievements), they must first satisfy their physiological needs, such as fair wages and workplace safety guarantees. Factors like income satisfaction, a sense of security at work, and feeling valued for their work indicate employee motivation in production. (Ekhsan *et al.*, 2019; Suwandana, 2024) states that motivation comes from the word "motif," which means "drive." Therefore, motivation can

be defined as a situation that drives a person to act with a specific purpose. Meanwhile, according to (Siagian, 2013; Emela *et al.*, 2024), work discipline is a type of training that aims to improve and build employees' knowledge, behavior, and attitudes. Thus, employees voluntarily strive to work together with their colleagues and increase work productivity. In this study, work motivation is identified as a mediating variable that explains how leadership and work discipline can affect employee performance. Indicators that show physical needs, security, social interaction, appreciation, and self-actualization in the context of work are used to measure work motivation.

Employee Performance (Y)

The theory used in this study is *employee performance theory*, namely that employee performance is the result of work done by a person based on their position and responsibilities in the company effectively and efficiently to achieve the company's goals (Robbins, 2006; Yuniarti *et al.*, 2021). In the manufacturing context, employee performance can be measured more clearly through quantity (number of units produced), quality (damage rate), and timeliness of task completion. Employees with good performance are those who are consistently able to meet daily targets, produce products with the specified quality standards, and are able to work together to achieve overall production targets. According to (S. Lestari *et al.*, 2024) Performance is a measure of an individual's effectiveness and efficiency in carrying out assigned work. Meanwhile, according to (Rini *et al.*, 2022), it is defined as the work results achieved by an employee based on the quality and quantity of work they do while carrying out the tasks and responsibilities assigned to them. Based on the above theoretical study, an understanding of the relationship between variables can be developed. Good leadership helps create a work atmosphere that supports the psychological needs of employees, such as a sense of freedom, competence, and belonging, which ultimately makes them more motivated to work (Messmann & Kreijns, 2022). Leaders who provide individual attention, intellectual stimulation, and encouragement to achieve goals will make employees feel valued and competent, thereby increasing their work motivation. Meanwhile, work discipline serves as a strong foundation, ensuring that everyone complies with applicable procedures and rules. Maintaining discipline helps create order and ease in the work process, thereby directly supporting the achievement of performance goals. Discipline in a production environment often ensures a smooth process without the need for additional motivation, as clear and structured procedures already ensure appropriate performance. Work motivation, as a mediating variable, is expected to explain the psychological mechanisms that transform the influence of leadership and possibly discipline into sustained performance improvement.

3 | METHOD

A quantitative method was used in this study, which was designed as explanatory research. The purpose of this study was to explain the causal relationship between variables through hypothesis testing. This study was conducted at PT. Dong Sheng Nusantara, a manufacturing company in Majalengka Regency, West Java. This manufacturing company produces footwear (shoes).

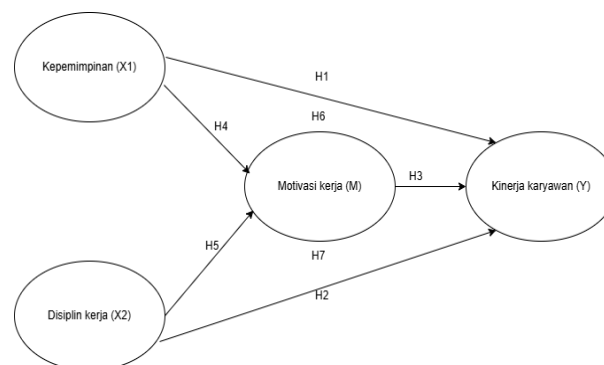


Figure 1. Research model: source draw.io.

The research hypotheses were formulated as follows based on the developed conceptual framework.

- 1) H1: Leadership (X1) is hypothesized to have a positive effect on employee performance (Y).
- 2) H2: Work discipline (X2) is hypothesized to have a positive effect on employee performance (Y).
- 3) H3: Work motivation (M) is hypothesized to have a positive effect on employee performance (Y).
- 4) H4: Leadership (X1) is hypothesized to have a positive effect on work motivation (M).
- 5) H5: Work discipline (X2) is hypothesized to have a positive effect on work motivation (M).
- 6) H6: Leadership (X1) is hypothesized to have a positive effect on employee performance (Y) through work motivation (M) as a mediating variable.

- 7) H7: Work discipline (X2) is hypothesized to have a positive effect on employee performance (Y) through work motivation (M) as a mediating variable.

This study involved all employees of the company, totaling 135 individuals. The sampling technique applied was saturated sampling, also known as a census, in which every member of the population was included as a respondent. As a result, the number of samples used in the study was equal to the total population, namely 135 respondents. This approach was selected because the population was relatively small and accessible to the researcher. In addition, the use of saturated sampling was expected to reduce sampling error and provide a more accurate representation of actual employee conditions within the company.

Utilizing Google Forms as the main platform, the data collection process was conducted online. This platform was chosen because it was easily accessible to respondents and allowed for automatic data recording. Field coordinators in the production and administration departments distributed the questionnaire link to all employees, with technical assistance from the research team to ensure detailed understanding of the statements. Data was collected from November 1, 2025 to January 31, 2026. This period was chosen based on employee availability and the stability of company operations. Researchers communicated regularly with management during the data collection process to monitor participation and remind respondents who had not yet completed the questionnaire. The study used a five-point Likert scale, with a value of 1 meaning strongly disagree and 5 meaning strongly agree. Four research variables were measured through a questionnaire: leadership (X1), work discipline (X2), work motivation (M), and employee performance (Y). The indicators for each variable were adjusted according to relevant theories and previous studies and underwent content validation.

To evaluate the predictive relationships between constructs, the Partial Least Squares Structural Equation Modeling (PLS-SEM) method was chosen for the research data analysis. This study chose PLS-SEM because of its explanatory and theory development nature, as well as its fairly complex model with mediating variables. PLS-SEM is also more suitable for handling data that is not normally distributed and has a smaller sample (135 respondents), but can still provide strong estimation results. Therefore, the research model has the ability to explain and predict well. According to , external loadings, average variance extracted (AVE), and composite reliability were used to evaluate the convergent validity of the study. The analysis results show a strong relationship between the indicators and the constructs they measure, with each indicator having a minimum external loading value of 0.70. In addition, each structure must have an AVE value of more than 0.50, indicating that the structure is capable of explaining more than 50% of the variance of its indicators. Furthermore, good internal consistency was demonstrated by the composite reliability value of the entire structure being greater than 0.70. The Heterotrait–Monotrait Ratio (HTMT), cross loadings, and Fornell Larcker criteria were used to evaluate the discriminant validity in this study. Based on the guidelines, according to (Hair *et al.*, 2021) , the reliability of the PLS-SEM construct is assessed using composite reliability and Cronbach's Alpha, with a recommended threshold value of at least 0.70. Values that meet these criteria indicate that the construct indicators have good consistency and are capable of providing stable measurement results. However, the researchers acknowledge that this study has several limitations. Data were collected only at one point in time, so the causal relationships between variables cannot be determined with certainty. The use of self-reported questionnaires may cause bias in the answers provided by participants. Unmeasured factors may also affect employee performance, such as corporate culture, compensation systems, work environment, and work experience. The results of this study are only valid in the context of PT Dong Sheng Nusantara, so caution is needed in generalizing the findings to other companies or industries.

4 | RESULTS AND DISCUSSION

4.1 Results

The following section describes the characteristics of respondents in this study, which include age, gender, highest educational attainment, and length of employment at PT Dong Sheng Nusantara, Majalengka Regency. The respondent profile was prepared based on data collected through the questionnaires that were distributed to all participants. Presenting respondent characteristics is important because it helps explain the general composition of the research subjects and provides an overview of the workforce involved in the study. Through that information, readers can better understand the background of the respondents who contributed data. A summary of respondent identities is presented in Table 1 below.

Table 1. Description of Respondents

Measure	Description	Frequency (people)	Percentage (%)
Age	< 20 years	21	15.56

	20 - 30 years	109	80.74%
	>30 years	5	3.70
	Total	135	100%
Gender	Male	45	33.33
	Female	90	66.67
	Total	135	100
Education	Junior High School	2	1.48
	High School/Vocational School	114	84.44
	Bachelor	19	14.07
	Total	135	100
Length of service	< 1 year	49	36.30
	1-3 years	55	40.74%
	>3 years	31	22.96%
	Total	135	100

This study applies Partial Least Squares (PLS) analysis, which consists of two main stages: evaluation of the measurement model (outer model) and evaluation of the structural model (inner model). Each stage was conducted to assess the quality of the indicators and the relationships among variables. The results of both evaluations are described in the following section for further statistical interpretation.

4.1.1 Measurement Model Analysis (outer model)

Measurement model analysis (outer model) was conducted to examine the validity and reliability of the indicators used to measure each research variable. The data were processed using the PLS algorithm, and the output provides an overview of the relationship between indicators and their respective constructs. Through the results obtained, the suitability of each indicator can be assessed before proceeding to structural model analysis. The results are presented in the figure below.

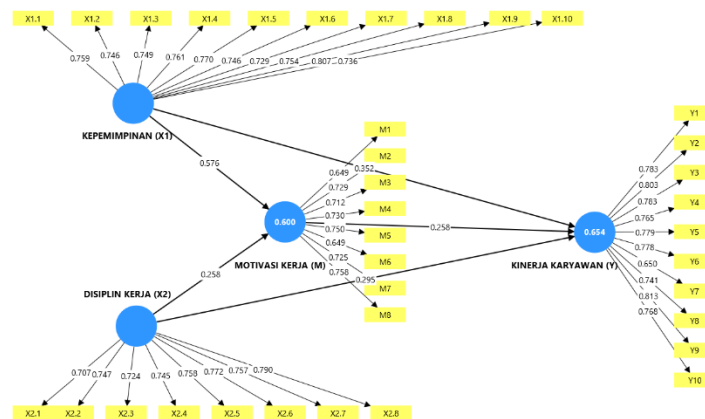


Figure 2. Research outer model results: SmartPLS Data Processing Results, 2026

According to the results of the structural model analysis shown in Figure 2, it is known that leadership (X1) has a path coefficient value of 0.576 for Work Motivation (M) and a path coefficient value of 0.352 for Employee Performance (Y). Work Discipline (X2) has a path coefficient value of 0.258 for Work Motivation (M) and a path coefficient value of 0.295 for Employee Performance (Y). Leadership, Work Discipline, and Work Motivation influence Employee Performance with an R Square value of 0.654, indicating that these three factors are able to explain 65.4% of the variation in employee performance.

4.1.2 Convergent Validity Test

The convergent validity test through outer loading was conducted to assess the extent to which each indicator represents its latent construct. An indicator is considered acceptable when it shows a sufficiently high loading value on the variable being measured. Higher outer loading values indicate a stronger relationship between indicators and constructs. The results of the outer loading test are presented below and used to determine the adequacy of each indicator.

Table 2. Outer Loading Values for Leadership, Work Discipline, Work Motivation, & Performance

Variable	Indicator	Value	Condition	Description
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	X1.1	0.759	> 0.7	Valid
	X1.2	0.736	> 0.7	Valid
	X1.3	0.746	> 0.7	Valid
	X1.4	0.749	> 0.7	Valid
Leadership (X1)	X1.5	0.761	> 0.7	Valid
	X1.6	0.770	> 0.7	Valid
	X1.7	0.746	> 0.7	Valid
	X1.8	0.729	> 0.7	Valid
	X1.9	0.754	> 0.7	Valid
	X1.10	0.807	> 0.7	Valid
	X2.1	0.707	> 0.7	Valid
	X2.2	0.747	> 0.7	Valid
	X2.3	0.724	> 0.7	Valid
Work discipline (X2)	X2.4	0.745	> 0.7	Valid
	X2.5	0.758	> 0.7	Valid
	X2.6	0.772	> 0.7	Valid
	X2.7	0.757	> 0.7	Valid
	X2.8	0.790	> 0.7	Valid
	M1	0.649	> 0.7	Sufficiently Valid
	M2	0.729	> 0.7	Valid
	M3	0.712	> 0.7	Valid
Work motivation (M)	M4	0.730	> 0.7	Valid
	M5	0.750	> 0.7	Valid
	M6	0.649	> 0.7	Sufficiently Valid
	M7	0.725	> 0.7	Valid
	M8	0.758	> 0.7	Valid
	Y1	0.783	> 0.7	Valid
	Y2	0.803	> 0.7	Valid
	Y3	0.783	> 0.7	Valid
	Y4	0.765	> 0.7	Valid
Employee performance (Y)	Y5	0.779	> 0.7	Valid
	Y6	0.778	> 0.7	Valid
	Y7	0.650	> 0.7	Sufficiently Valid
	Y8	0.741	> 0.7	Valid
	Y9	0.813	> 0.7	Valid
	Y10	0.768	> 0.7	Valid

Source: SmartPLS Data Processing Results, 2026

The outer loading test results for the variables of Leadership (X1) and Work Discipline (X2) show that all indicators have a factor loading value above 0.70, indicating that all indicators are valid in measuring their constructs. For the Work Motivation (M) variable, most indicators have values above 0.70, except for M1 (0.649) and M6 (0.649), which are still above 0.60 and are considered sufficiently valid. For the Employee Performance (Y) variable, most indicators have values above 0.70, except for Y7 (0.650), which is still above 0.60 and is considered sufficiently valid. Because this research is exploratory in nature, these indicators are conceptually important, and if the AVE value is above the minimum limit of 0.50, then the indicator is retained.

Table 3. AVE (Average Variance Extracted) Research Results

Variable	Average variance extracted (AVE)
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LEADERSHIP (X1)	0.563
WORK DISCIPLINE (X2)	0.571
EMPLOYEE PERFORMANCE (Y)	0.589
WORK MOTIVATION (M)	0.510

Source: SmartPLS Data Processing Results, 2026

All research variables meet the covariance validity criteria with AVE values above the minimum threshold of 0.50, according to the AVE test results. The AVE value for the Leadership variable (X1) is 0.563, the Work Discipline variable (X2) is 0.571, the Employee Performance variable (Y) is 0.589, and the Work Motivation variable (M) is 0.510. AVE values above the minimum threshold of 0.50 indicate that each construct is able to explain more than 50% of its indicator variance. Although in Outer Loading there are several indicators with values below 0.70 but still above 0.60, the AVE values above 0.50 for the Outer Loading indicators below can still be maintained.

4.1.3 Discriminant Validity Tes

Discriminant validity was assessed using the Fornell-Larcker criterion to determine whether each construct was empirically distinct from the others. This test compares the square root of the Average Variance Extracted for each variable with the correlations between variables. A construct meets the discriminant validity requirement when the square root of its Average Variance Extracted is greater than its correlation with other constructs. The Fornell-Larcker test results used in this study are presented in Table 4 for interpretation in the discussion.

Table 4. Fornell Larcker Results

	WORK DISCIPLINE (X2)	LEADERSHIP (X1)	EMPLOYEE PERFORMANCE (Y)	WORK MOTIVATION (M)
WORK DISCIPLINE (X2)	0.750			
LEADERSHIP (X1)	0.679	0.756		
EMPLOYEE PERFORMANCE (Y)	0.702	0.746	0.767	
WORK MOTIVATION (M)	0.649	0.751	0.714	0.714

Source: SmartPLS Data Processing Results, 2026

Based on the results of the discriminant validity test using the Fornell-Larcker criteria, the square root of the Average Variance Extracted (AVE) for each construct shown on the diagonal of the table is greater than the correlation value between constructs shown in the cells outside the diagonal. The square root of AVE for the Work Discipline variable (X2) is 0.750, which is greater than its correlation with Leadership (X1) of 0.679, with Employee Performance (Y) of 0.702, and with Work Motivation (M) of 0.649. As with other constructs, for example, Leadership ($0.756 > 0.679; 0.746; 0.751$), Employee Performance ($0.767 > 0.702; 0.746; 0.714$), and Work Motivation ($0.714 > 0.649; 0.751; 0.714$). Thus, all latent variables in this study have met the requirements for discriminant validity, meaning that each construct successfully measures a distinct concept and there is no overlap between variables.

Table 5. HTMT (Heterotrait Monotrait Ratio) Results

	WORK DISCIPLINE (X2)	LEADERSHIP (X1)	EMPLOYEE PERFORMANCE (Y)	WORK MOTIVATION (M)
WORK DISCIPLINE (X2)				
LEADERSHIP (X1)	0.753			
EMPLOYEE PERFORMANCE (Y)	0.767	0.802		
WORK MOTIVATION (M)	0.736	0.838	0.788	

Source: SmartPLS Data Processing Results, 2026

Based on the results of the discriminant validity test using the Heterotrait-Monotrait Ratio (HTMT) approach, all correlation values between constructs are below the recommended maximum threshold of 0.90. The HTMT value for the relationship between Work Discipline (X2) and Leadership (X1) is 0.753, the relationship between Work Discipline (X2) and Employee Performance (Y) is 0.767, and the relationship between Work Discipline (X2) and Work Motivation (M) is 0.736. Meanwhile, the HTMT value between Leadership (X1) and Employee Performance (Y) is 0.802, between Leadership (X1) and Work Motivation (M) is 0.838, and between Employee Performance (Y) and Work Motivation (M) is 0.788. All of these values are still below the 0.90 limit, so it can be concluded that all constructs in this study have fairly good discriminant validity. In other words, each latent variable is proven to be distinctly different and there is no overlap in the

measurement between constructs, which further strengthens the results of the previous Fornell-Larcker test.

4.1.4 Reliability Test

Reliability testing was conducted to determine the consistency and stability of the measurement instruments used for each research variable. In the study, reliability was evaluated through Cronbach's alpha and Composite Reliability (ρ_c). A construct is considered reliable when both values meet the required threshold, indicating that the indicators consistently measure the same concept. The results of Cronbach's alpha and Composite Reliability (ρ_c) are presented in Table 6 for further interpretation.

Table 6. Results of Cronbach's alpha and Composite reliability (ρ_c)

	Cronbach's alpha	Composite reliability (ρ_c)
WORK DISCIPLINE (X2)	0.889	0.911
LEADERSHIP (X1)	0.917	0.930
EMPLOYEE PERFORMANCE (Y)	0.922	0.935
WORK MOTIVATION (M)	0.862	0.892

Source: SmartPLS Data Processing Results, 2026

All Cronbach's alpha values for these variables are above the recommended minimum threshold of 0.70. The work discipline value (X2) is 0.889, the leadership value (X1) is 0.917, the employee performance value (Y) is 0.922, and the work motivation value (M) is 0.862. These values indicate that the research instrument as a whole has high internal consistency, meaning that each item in each variable can reliably measure the same construct. In addition, the composite reliability values (ρ_c) show satisfactory results, with Work Discipline (X2) at 0.911, Leadership (X1) at 0.930, Employee Performance (Y) at 0.935, and Work Motivation (M) at 0.892. All of these values exceed the threshold of 0.70. This high composite reliability indicates that the indicators used have strong accuracy in measuring each latent construct. Thus, it can be concluded that all variables in this study have excellent reliability, both based on Cronbach's alpha and composite reliability. The research instrument is declared reliable and consistent, making it suitable for further analysis.

4.1.5 Structural Model Results (inner model)

Structural model analysis was carried out to examine the relationships among latent variables and to evaluate the explanatory power of the model. The assessment of the inner model focused on the R-square and adjusted R-square values. These values indicate how the independent variables are able to explain variation in the dependent variables. Higher values reflect predictive ability of the model. The results of the R-square and adjusted R-square tests are presented in Table 7.

Table 7. R-square and adjusted R-square results

	R-square	Adjusted R-square
EMPLOYEE PERFORMANCE (Y)	0.654	0.646
WORK MOTIVATION (M)	0.600	0.594

Source: SmartPLS Data Processing Results, 2026

Based on the R-square analysis results shown in Table 7, the R-square value for the Work Motivation (M) variable is 0.600 and the adjusted R-square is 0.594. This indicates that the variables outside the model, namely Leadership (X1) and Work Discipline (X2), together explain 60% of the variation in Work Motivation, while the remaining 40% is influenced by other factors not observed in this study. Meanwhile, the Employee Performance (Y) variable has an R-square value of 0.654 and an adjusted R-square of 0.646. This value indicates that Leadership (X1), Work Discipline (X2), and Work Motivation (M) together can explain 65.4% of the variation in Employee Performance, while the remaining 34.6% is influenced by factors outside the scope of this study. According to the criteria of , an R-square value of 0.67 is considered strong, 0.33 is considered moderate, and 0.19 is considered weak. Thus, the influence of external variables on Work Motivation is moderate to strong, at 0.600, while its influence on Employee Performance is strong, at 0.654. This indicates that the research model has good predictive power.

4.1.6 Hypothesis Testing (Bootstrapping)

Bootstrapping, or hypothesis testing, is a method used to measure the significance of the influence between variables by resampling the entire original sample. This approach uses resampling to produce a more accurate sample distribution, thereby ensuring the reliability of the analysis results. In this statistical analysis, the significance value used as a reference is 1.96, equivalent to a significance level of 5% ($\alpha = 0.05$).

Table 8. Direct effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
WORK DISCIPLINE (X2) -> EMPLOYEE PERFORMANCE (Y)	0.295	0.301	0.079	3.748	0.000
WORK DISCIPLINE (X2) -> WORK MOTIVATION (M)	0.258	0.262	0.139	1.865	0.062
LEADERSHIP (X1) -> EMPLOYEE PERFORMANCE (Y)	0.352	0.364	0.085	4.125	0.00
LEADERSHIP (X1) -> WORK MOTIVATION (M)	0.576	0.571	0.138	4.17	0.000
WORK MOTIVATION (M) -> EMPLOYEE PERFORMANCE (Y)	0.258	0.242	0.087	2.96	0.003

Source: SmartPLS Data Processing Results, 2026

The results of the direct effect test show that, in general, exogenous variables have varying effects on endogenous variables. The t-statistic values range from 1.865 to 4.171, and the significance level is indicated by a p-value of less than 0.05. Leadership (X1) has a significant effect on Employee Performance (Y) ($\beta = 0.352$; $t = 4.125$; $p = 0.000$) and Work Motivation (M) ($\beta = 0.576$; $t = 4.171$; $p = 0.000$). Work Discipline (X2) greatly affects Employee Performance (Y) ($\beta = 0.295$; $t = 3.748$; $p = 0.000$), but does not significantly affect Work Motivation (M) ($\beta = 0.258$; $t = 1.865$; $p = 0.062$). Meanwhile, Work Motivation (M) significantly affects Employee Performance (Y) ($\beta = 0.258$; $t = 2.964$; $p = 0.003$). The variable or path marked in red, namely "Work Discipline (X2) -> Work Motivation (M)," is highlighted because it is the only insignificant relationship among all the paths tested. Based on statistical provisions, a relationship is considered significant if the P-value is < 0.05 . In this path, the P-value obtained is 0.062, which is greater than the tolerance limit of 0.05. Thus, although Work Discipline is proven to directly influence Employee Performance, there is insufficient evidence to state that Work Discipline affects Work Motivation.

Table 9. Results of Indirect Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
WORK DISCIPLINE (X2) -> WORK MOTIVATION (M) -> EMPLOYEE PERFORMANCE (Y)	0.067	0.066	0.042	1.580	0.114
LEADERSHIP (X1) -> WORK MOTIVATION (M) -> EMPLOYEE PERFORMANCE (Y)	0.148	0.135	0.055	2.719	0.007

Source: SmartPLS Data Processing Results, 2026

The results of the indirect effect (mediation) test show that the mediating variable of Work Motivation (M) plays a varying role in connecting the exogenous variable with Employee Performance (Y). The t-statistic values range from 1.580 to 2.719. Leadership (X1) has a significant indirect effect on Employee Performance (Y) through Work Motivation (M) with a coefficient of 0.148, t-statistic of 2.719, and p-value of 0.007. This means that Work Motivation is able to mediate part of the effect of Leadership on Employee Performance. Conversely, the indirect effect of Work Discipline (X2) on Employee Performance (Y) through Work Motivation (M) is not significant ($\beta = 0.067$; $t = 1.580$; $p = 0.114$). Thus, Work Motivation is not proven to be a mediator in the relationship between Work Discipline and Employee Performance. The mediation path of Work Discipline (X2) → Work Motivation (M) → Employee Performance (Y) is marked in red because it has a p-value of 0.114, which is greater than the significance threshold of 0.05. This indicates that statistically, there is insufficient evidence to state that there is a significant mediating role.

4.2 Discussion

4.2.1 The influence of leadership on employee performance (H1)

The results of the first hypothesis test (H1) show that leadership style has a positive and significant effect on employee performance. This is evident from the path coefficient value of 0.352, the t-statistic value of 4.125, which is greater than 1.96, and the p-value of 0.000, which is less than 0.05. Thus, H1 is accepted. These findings indicate that the more positively employees view the leadership style used at PT Dong Sheng Nusantara Majalengka, the better the results. Leaders who can perform their duties well, whether as directors, information providers, or decision makers, will create a

comfortable working atmosphere and encourage employees to work to their full potential. The results of this study are in line with the leadership theory written by (Northouse, 2021) and supported by the research (Alhempri *et al.*, 2024) and (Zainudin *et al.*, 2021). In manufacturing companies, effective leaders, also known as supervisors, play an important role in providing clear work instructions, supportive supervision, and feedback on work results. By doing this, supervisors help production employees understand targets and quality standards so that they can work better and more efficiently.

4.2.2 The effect of work discipline on employee performance (H2)

The results of the second hypothesis test (H2) show that a disciplined attitude toward work has a positive and significant effect on employee performance. The path coefficient value of 0.295 indicates this, the t-statistic value of 3.748 is greater than 1.96, and the p-value of 0.000 is less than 0.05. Thus, H2 is accepted. This finding is closely related to the conditions in the production department of PT. Dong Sheng Nusantara. Disciplined employees, such as those who arrive on time and comply with work protocols, will ensure that the production process runs smoothly without obstacles. An operator's tardiness or absence can cause a work station to stop and interfere with the achievement of daily production targets. Work discipline is the main foundation for increasing productivity in a manufacturing environment. Employees who obey the rules, arrive on time, and carry out their duties responsibly usually show better work results. These results are in line with the research (Rini *et al.*, 2022) and (Zuhaena & Cahyo, 2022) which shows that work discipline has a significant impact on employee performance.

4.2.3 The influence of leadership on work motivation (H3)

The third hypothesis test (H3) indicates that leadership style has a positive and significant effect on employee work motivation. This result is shown by the path coefficient value of 0.576, the t-statistic value of 4.171, which is higher than 1.96, and the p-value of 0.000, which is lower than 0.05. Based on those results, H3 is accepted. Leaders at PT Dong Sheng Nusantara are able to provide appreciation, create a comfortable work environment, and pay attention to employee complaints, which can increase employee motivation. Employees who feel valued by their superiors tend to be more encouraged to give their best performance, not only to achieve work targets but also because they develop a positive emotional attachment to their job. In addition, leaders who provide attention, clear direction, and support can strengthen employees' enthusiasm in carrying out their duties. These findings indicate that the leadership role is important in encouraging employee motivation through recognition, support, and a positive work atmosphere. The results are also in line with Maslow's hierarchy of needs theory and supported by the findings of Badriyah *et al.* (2024).

4.2.4 The effect of work discipline on employee performance (H4)

The results of the fourth hypothesis test (H4) show that work discipline does not significantly affect work motivation. The path coefficient value of 0.258 indicates this. The t-statistic value of 1.865 is smaller than 1.96, and the p-value of 0.062 is greater than 0.05. Thus, H4 is rejected. This interesting finding indicates that at PT. Dong Sheng Nusantara, employees view work discipline as a formal obligation or routine requirement, rather than as a factor that can increase their work enthusiasm. The strict application of rules without being balanced by an explanation of their benefits to employees is usually considered a form of pressure. This is reinforced by the characteristics of the respondents, who are predominantly young people (80.74% aged 20-30 years) who may be more responsive to a more humanistic and flexible approach than simply rigid rules. These results differ from the findings of .

4.2.5 The influence of work motivation on employee performance (H5)

The results of the fifth hypothesis test show that the higher an individual's work motivation, the better their work performance, and this relationship is quite significant. This indicates that the path coefficient has a value of 0.258, a t-statistic value of 2.964 which is greater than 1.96, and a p-value of 0.003 which is less than 0.05. Thus, H5 is accepted. PT Dong Sheng Nusantara employees who have their physiological needs met (such as wages) and feel safe in the work environment tend to have high work motivation. They are generally more diligent, make fewer mistakes, and are more active in finding solutions in production work, which ultimately makes their work results more numerous and better. Motivated employees are usually more enthusiastic, diligent, and caring in completing their work. These results are in line with the research (Riyanto *et al.*, 2021) and (D. Lestari *et al.*, 2022)

4.2.6 The influence of leadership on employee performance through work motivation (H6)

The test results show that work motivation acts as a link that strengthens the impact of leadership on employee performance in a positive and significant way. This evidence is demonstrated by a path coefficient of 0.148, a t-statistic value of 2.719, which is greater than 1.96, and a p-value of 0.007, which is less than 0.05. Thus, H6 is accepted. This finding shows that work motivation functions as a partial mediator in the relationship between leadership and employee performance. In other words, effective leadership at PT. Dong Sheng Nusantara has a direct impact on company performance and can even increase employee motivation to work. Because supervisors can inspire and support their employees, they become more motivated to work harder and achieve their best performance. This highlights the

importance of leadership "soft skills" in the manufacturing industry. These results align with research conducted by (Alhempri *et al.*, 2024) and (Zainudin *et al.*, 2021)

4.2.7 The effect of work discipline on employee performance through work motivation (H7)

The results of the seventh hypothesis test (H7) show that work motivation does not play a mediating role in the effect of work discipline on employee performance. This is evidenced by an indirect path coefficient value of 0.067, a t-statistic value of 1.580 which is smaller than the significance limit of 1.96, and a p-value of 0.114 which is greater than 0.05. Thus, H7 is rejected. This finding indicates that in the context of PT. Dong Sheng Nusantara, work discipline directly affects employee performance, without the need to increase work motivation first. This means that disciplined employees who comply with working hours, follow standard operating procedures (SOPs), and are responsible for their tasks () will continue to perform well due to procedural and structural demands in the manufacturing environment, regardless of whether they feel motivated or not. These results indicate that work discipline is structural and procedural in nature, not psychological. In highly structured manufacturing industries such as footwear production, compliance with rules is sufficient to maintain smooth production flow and achieve targets, so motivation is not needed as an intermediary.

5 | CONCLUSIONS AND FUTURE WORK

This study aims to analyze the influence of leadership and work discipline on employee performance with work motivation as a mediator at PT. Dong Sheng Nusantara, Majalengka. Based on the results of data analysis from 135 people who participated in the study, using the PLS-SEM method, several important conclusions were obtained. First, leadership was found to have a positive and significant effect on employee performance, both directly and indirectly through work motivation. This confirms that effective leadership not only has a direct impact on work output but also enhances employees' intrinsic motivation, which ultimately drives performance improvement. Practical recommendations for management include strengthening leadership at all levels through training, regular feedback, and solid two-way communication. Second, work discipline has a positive and significant direct effect on employee performance. However, work discipline does not show a significant effect on work motivation, and work motivation does not mediate the relationship between work discipline and performance. This indicates that in the context of manufacturing companies, work discipline plays more of a role as procedural compliance that directly affects work results, without having to go through an increase in motivation first. Practical advice for management is to maintain and strengthen existing disciplinary systems, such as attendance rules, work safety protocols, and consistent sanctions. However, because discipline does not automatically increase worker motivation, other efforts must be made to increase it, such as career development or rewards. Third, work motivation was found to be a partial mediating variable that strengthens the influence of leadership on performance, while also having a direct positive influence on employee performance. These findings contribute theoretically to the development of human resource management, particularly in understanding the mediating role of motivation in the leadership-performance relationship, as well as enriching the discussion on the mechanisms of work discipline influence. Practically, the management of PT. Dong Sheng Nusantara is advised to continue developing leadership capacity and maintaining a well-functioning discipline system, as well as designing motivation improvement programs that are integrated with leadership styles to optimize employee performance. Management should take the initiative to increase motivation in line with their management style. This can be done by recognizing performance, creating a work environment that allows employees to actualize themselves, and ensuring that employees' basic needs are met in accordance with Maslow's hierarchy. Programs such as performance-based promotions, training opportunities, and non-material incentives can be successful strategies.

This study has limitations that open opportunities for further research. The scope of the study, which was only conducted in one manufacturing company in Majalengka, limits the generalization of the findings. Future research can expand the scope to other industrial sectors or regions to compare the results. In addition, the use of a cross-sectional design can only capture the relationship between variables at a specific point in time. Longitudinal studies are recommended to observe the dynamics of the influence between variables in the long term. Further research can also explore other mediating or moderating variables such as job satisfaction, organizational culture, or organizational commitment to gain a more comprehensive understanding of the factors that influence employee performance.

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