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How Leadership Discipline, Compensation, and Motivation Enhance Employee Performance in the Event Organizer Industry: Evidence from Indonesia's Emerging Economy

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ABSTRACT

Managing human resources is critical for service firms operating in Indonesia's dynamic emerging economy. This study examines the partial and simultaneous effects of compensation, work motivation, and leadership discipline on employee performance at PT Duanama Integra, an Indonesian event organizer facing project delivery challenges. Utilizing a quantitative survey method with a saturated census sampling approach, primary data were collected using a structured questionnaire distributed to all 25 cross-functional employees. Data was executed using multiple linear regression analysis to evaluate the relationships between variables. The findings reveal that compensation, work motivation, and leadership discipline all exert positive and statistically significant effects on employee performance, both partially and simultaneously. Notably, leadership discipline holds the highest relative predictive weight, demonstrating that structured managerial accountability and supervisor-led compliance are absolute operational foundations for time-sensitive projects. Practically, these findings underscore that corporate leaders must implement an integrated human resource strategy ensuring payroll timeliness, clear career paths, and strict supervisory oversight to secure long-term organizational resilience.

Keywords:

Human Resource Management, Compensation, Work Motivation, Leadership Discipline, Emerging Economies

JEL Classification: M52; O15; J28

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Introduction

The role of human resources is critical in achieving the goals of an organization, particularly in service-oriented companies like Event Organizers (EOs). Employee performance is closely tied to the quality of services provided and the overall effectiveness of company operations. PT Duanama Integra, operating in the Event Organizer sector, exemplifies how employee performance is pivotal for meeting client expectations, maintaining service quality, and fulfilling project objectives. Effective human resource management becomes essential to sustain the company's performance.

The phenomena observed at PT Duanama Integra reflect broader human resource management challenges within Indonesia as a leading emerging economy in Southeast Asia.

As a prominent emerging market experiencing robust macroeconomic growth, with a national Gross Domestic Product (GDP) expanding steadily and the dynamic creative economy sector contributing approximately 7.28 percent to the total national GDP, the service and experiential marketing industries have evolved into vital growth engines. This massive economic expansion is heavily backed by Indonesia's expansive workforce, where recent statistics note that the creative and service industries absorb more than 24 million workers, dominated heavily by agile professionals under the age of forty. In such a fast-paced macro-environment, workforce productivity and operational efficiency are critical to sustaining national and firm-level competitiveness (Putra & Santoso, 2024).

However, service enterprises operating in emerging markets like Indonesia often grapple with institutional fragmentation and structural capacity constraints, which directly disrupt internal governance, leading to sharp inconsistencies in compensation distribution, motivation management, and leadership discipline (Suryadi, 2024). Market volatility inherent in emerging markets forces local service firms to remain highly adaptive; consequently, any failure to sustain worker motivation and strict top-down regulatory compliance can severely jeopardize overall organizational performance. Therefore, examining the interplay of compensation, motivation, and leadership discipline within the Indonesian business ecosystem is critical to developing sustainable HR strategies that can withstand macroeconomic pressures.

Nevertheless, PT Duanama Integra encounters significant micro-level operational challenges that contradict these macroeconomic opportunities, severely affecting employee performance. Notably, despite the booming demand within the Indonesian event sector, the company lost multiple opportunities for project pitching between March and October 2025, resulting in missed potential contracts and direct revenue losses. Additionally, severe issues with compensation have arisen, including chronic delays in monthly salary payments and wide disparities in financial distributions between permanent and non-permanent employees. These transactional bottlenecks directly mirror the broader economic friction faced by local enterprises adapting to fluid emerging market cycles (Nguyen & Nguyen, 2023).

Other concerns relate to work motivation, highlighted by highly unclear career progression paths, limited training opportunities, and minimal avenues for personal development, which fail to meet the modern socio-economic aspirations of Indonesia's younger workforce. Furthermore, instances of weak administrative oversight and poor executive control, characterized by rampant unexcused absences, persistent employee tardiness, and a lack of executive enforcement, indicate a pressing need to assess how supervisor-led governance influences employee performance within the organization.

Compensation, work motivation, and leadership discipline emerge as the key factors that impact employee performance. Compensation represents a company's structural recognition of employee contributions, protecting workers against rising urban living costs, while work motivation serves as the psychological driving force encouraging employees to meet organizational objectives. Leadership discipline reflects the structural consistency, supervisory oversight, and executive commitment to enforcing workplace regulations and ensuring job responsibilities are fulfilled according to institutional standards (Indra et al., 2021).

Prior research has produced varying results regarding these factors' influence on performance, creating a critical research gap in current human capital literature. For instance, Indra et al. (2020) identified significant correlations with compensation and administrative compliance, whereas Anggriani (2020) reported that top-down supervisory enforcement was not a significant determinant of final performance. These contradictions highlight a notable research gap that warrants further exploration, particularly within the context of service firms like PT Duanama Integra. The relevance of this research gap is underscored by the empirical challenges faced by PT Duanama Integra. Despite theoretical assertions linking compensation, work motivation, and executive administrative oversight to enhanced performance, the company continues to grapple with issues such as delayed compensation, career development stagnation, and shortcomings in managerial discipline.

To resolve this empirical and theoretical divide, the novelty of this study lies in its simultaneous evaluation of compensation, work motivation, and leadership discipline specifically integrated within the dynamic environment of a prominent emerging economy. While previous literature extensively examines these variables independently or within stable manufacturing environments (Putra & Santoso, 2024), empirical evidence addressing how these factors interact concurrently inside an event management company navigating Indonesia's specific service sector and creative market realities remains remarkably scarce. By connecting micro-level employee behavior directly to the macroeconomic realities of Indonesia's service sector as conceptualized by Suryadi (2024), this study fills a critical academic void. It provides a fresh empirical framework that synthesizes how institutional delays and structural pressures alter traditional human resource management models. Thus, it is imperative to examine these three variables concurrently to ascertain their collective impact on employee performance in the context of the Event Organizer industry within Indonesia's dynamic emerging marketplace.

Theoretical Background and Hypotheses Development

In a prominent emerging market like Indonesia, characterized by severe talent shortages and highly fluid labor conditions, strategic human resource management provides the vital theoretical mechanism explaining how organizations protect themselves against external market instability by building resilient workforces (Putra & Santoso, 2024). Strategic human resource management unifies distinct operational mechanisms, such as compensation, psychological motivators, work discipline or other administrative compliance protocols, into a single, coordinated human capital ecosystem designed to optimize workforce outputs in an emerging economy (Suryadi, 2024).

Employee Performance

At the operational level, Employee Performance functions as the primary dependent variable and ultimate outcome metric of this study. According to Sofyandi (2015), employee performance represents the qualitative and quantitative work results achieved by an individual in alignment with their designated job responsibilities and corporate objectives. In line with Afandi (2018), robust human resource practices directly determine the trajectory of this performance, affecting how efficiently tasks are executed and how effectively service quality is maintained.

Within a high-stakes, service-driven sector like the event organizer industry operating inside an emerging market, employee performance cannot be evaluated as a static metric; instead, it is highly dynamic and directly shapes client satisfaction, project timeline adherence, and the company's ability to secure valuable pitching contracts in an expanding, hyper-competitive marketplace. This study utilizes Yulianto's (2020) research as the primary measurement for the employee performance variable, which includes the following indicators: quality, quantity, punctuality, effectiveness, and independence.

Compensation

Compensation serves as the first independent variable and represents the formal acknowledgment, financial rewards, and tangible appreciation distributed by an organization in exchange for employee labor and contributions. In literature, compensation is defined as an essential structural mechanism that functions as a baseline form of organizational recognition, which is required to secure workforce focus and lower voluntary turnover (Dessler, 2000). The applied theory of compensation suggests that providing competitive, timely, and fair rewards is essential to elevating employee morale and maintaining baseline operational productivity. Within an emerging market structure like Indonesia, the strategic value of compensation management is heavily amplified by continuous inflation fluctuations and rising living costs, making financial predictability a critical stabilizing mechanism for individual workers trying to navigate macroeconomic pressures (Nguyen & Nguyen, 2023). This study references Indra et al. (2021) to measure the compensation variable. The indicators for this variable include salary, wages, incentives, and indirect compensation.

Work Motivation

Work Motivation acts as the second independent variable and is defined as the intrinsic and extrinsic psychological drive that prompts individuals to execute their duties diligently, sustain professional effort, and advance organizational targets. As established by Dessler (2000), motivation serves as a vital behavioral catalyst that aligns personal worker energies with corporate goals, while Aydın and Tiryaki (2018) emphasize its crucial role in maintaining high workforce morale amidst shifting corporate targets. The applied theory of motivation suggests that these internal drives can be systematically reinforced by the organization through structured reward systems, transparent career progression tracks, and supportive environments. In Indonesia's rapidly expanding service economy, professional aspirations among modern workers extend far beyond basic transactional returns, making structured access to skills training and personal development channels essential components for sustaining long-term motivational equity (Suryadi, 2024). The work motivation variable is assessed based on Hasibuan's (2020) research. This variable encompasses indicators such as physical needs, security and safety needs, social needs, and recognition needs.

Leadership Discipline

Leadership Discipline represents the third independent variable and reflects the management staff's structured awareness, administrative consistency, and active willingness to implement corporate regulations, monitor operational output, and enforce behavioral accountability. Moving beyond general employee compliance, the applied theory of leadership discipline treats supervisor-led governance and top-down administrative oversight as the primary drivers of institutional order (Indra et al., 2021). Higher systemic discipline from leadership ensures precise operational execution and eliminates structural ambiguities, forcing workforce behaviors to remain aligned with collective corporate objectives. Within emerging economies, establishing firm leadership discipline is a vital administrative control necessary to overcome fragmented labor habits and informal workplace practices, thereby securing the operational punctuality and tight timeline compliance required in time-sensitive service industries (Putra & Santoso, 2024). This study also draws on Indra et al.'s (2021) research to evaluate discipline, particularly focusing on how the leadership of the chief affects employee discipline. The discipline variable consists of eight indicators: objectives and capabilities, exemplary leadership, response, justice, supervision, punishment, assertiveness, and humanitarian relations.

The Relationship Between Compensation and Employee Performance

The theoretical relationship between compensation and employee performance is rooted in expectancy and equity theories, which suggest that individuals adjust their operational output based on the perceived fairness and timeliness of their rewards. Empirical evidence from Indra et al. (2021) confirms that structured compensation functions as a vital determinant of heightened employee performance, establishing that superior compensation frameworks lead to a higher trajectory of individual work outcomes. In an emerging marketplace like Indonesia, currency shifts and rising urban living standards mean that compensation functions as a vital stabilizing mechanism for workers (Nguyen & Nguyen, 2023). Conversely, when an organization experiences institutional bottlenecks, salary delays, or unfair pay disparities between permanent and non-permanent staff, it introduces severe financial anxiety that degrades service quality and causes contract loss. Therefore, proper compensation administration acts as a mandatory stabilizing mechanism that elevates worker focus and directly enhances productivity within emerging economy frameworks. Based on these theoretical and empirical assertions, the first hypothesis is developed:
H1. Compensation has a positive and significant effect on employee performance.

The Relationship Between Work Motivation and Employee Performance

The conceptual link between work motivation and employee performance posits that highly motivated individuals exhibit a stronger cognitive and behavioral willingness to complete assigned tasks optimally. This relationship is supported by the work of Aydın and Tiryaki (2018), who demonstrate that sustaining employee motivation is essential for maintaining workforce morale and hitting shifting corporate targets. In expanding emerging economies, workforce motivation drops significantly when companies fail to offer clear professional growth, resulting in severe operational stagnation (Suryadi, 2024). When an organization operating in an emerging service market provides clear promotional pathways, technical training access, and strong reward systems, it activates positive behavioral drives that directly counteract macroeconomic pressures and improve final performance outcomes. Based on these theoretical and empirical assertions, the second hypothesis is developed:
H2. Work motivation has a positive and significant effect on employee performance.

The Relationship Between Leadership Discipline and Employee Performance

The relationship between leadership discipline and employee performance focuses on how top-down administrative governance, consistent policy enforcement, and supervisory oversight dictate workforce behavior. Indra et al. (2021) assert that maintaining strict leadership discipline is a cornerstone of human resource management because supervisor-led behavioral compliance directly dictates the overall quality of organizational performance. While past research by Anggriani (2020) argued that administrative discipline was not a significant determinant of final performance in service firms, contemporary emerging market literature

demonstrates that top-down supervisor enforcement is absolute and non-negotiable for smooth project execution (Putra & Santoso, 2024). Within emerging economy corporate environments, where loose informal habits can often disrupt operations, tight leadership discipline effectively controls behavioral problems like tardiness and unexcused absences, thereby directly increasing project success. Based on these theoretical and empirical assertions, the third hypothesis is developed:
H3. Leadership discipline has a positive and significant effect on employee performance.

The Simultaneous Effect of Compensation, Motivation, and Leadership Discipline

The simultaneous relationship model argues that compensation, work motivation, and leadership discipline operate as a highly integrated human resource ecosystem where the variables deeply reinforce one another. Within a dynamic emerging marketplace, managing these three variables as fragmented, isolated components fails because transactional failures in compensation immediately damage worker motivation, which subsequently breaks down supervisor-led discipline and behavioral compliance (Nguyen & Nguyen, 2023). Fair financial compensation builds the baseline stability required to cultivate genuine work motivation, while active leadership discipline provides the critical administrative boundaries needed to systematically direct that motivational energy toward meeting strict project deadlines. Examining these three elements concurrently is required to understand how modern firms build long-term organizational resilience and achieve peak employee performance in transitioning macro-environments. Based on these theoretical and empirical assertions, the fourth hypothesis is developed:
H4. Compensation, work motivation, and leadership discipline simultaneously have a positive and significant effect on employee performance.

Research Framework

Conceptually, this study places Human Resource Management as the central theoretical foundation that connects three distinct independent factors, namely compensation (X_1), work motivation (X_2), and leadership discipline (X_3), to the dependent outcome variable of employee performance (Y) within the context of an expanding emerging market (see Figure 1).

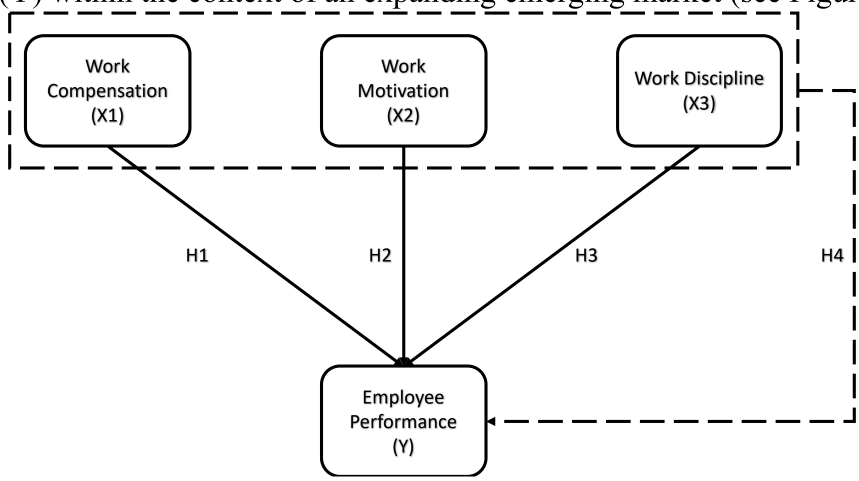

Figure 1. Research Framework

Source: Processed by the author(s)

Research Method

Research Design

This study uses a quantitative research and a survey method to explore the relationships between variables. The main goal is to see how compensation, work motivation, and leadership discipline affect employee performance at PT Duanama Integra. According to Saunders et al. (2019), using a quantitative survey approach is effective for research that seeks to identify cause-and-effect relationships between different organizational factors. This study will analyse the data using multiple linear regression in SPSS to analyse how the independent variables predict employee performance partially and simultaneously. To provide clear insights into the factors that influence employee performance within the growing context of the Indonesian event organizer sector (Putra & Santoso, 2024), this study use structured questionnaires to collect primary data.

Population and Sampling Technique

The target population of this study encompasses all active personnel currently employed across the various corporate functions of PT Duanama Integra. Due to the specialized, project-driven, and compact nature of the company's operations, this study adopts a saturated sampling technique, which is frequently referred to as a census approach in organizational literature. Under a saturated sampling method, the sampling fraction equals one because every single member of the target population is actively included as a participant in the research process (Hair et al., 2018). Consequently, the final research sample size equals 25 cross-functional respondents. This census-based sample spans the entire operational hierarchy of the organization, ranging from top-level management executives to frontline operational and support staff, thereby providing a holistic reflection of the company's internal human resource dynamics within Indonesia's broader emerging service marketplace.

Data Collection Techniques and Instrument Measurement

Primary data collection was systematically executed using a structured, closed-ended questionnaire designed to capture individual employee perceptions. The survey items are operationalized using a five-point scale format, where a score of one denotes "Strongly Disagree" and a score of five denotes "Strongly Agree," which provides optimal variance for measuring employee attitudes in organizational behavior studies (Sekaran & Bougie, 2016). The comprehensive questionnaire consists of exactly 42 statement items, which are systematically distributed across the study's variables to ensure adequate psychometric coverage. Specifically, the compensation variable is measured through 7 statement items; the work motivation variable is operationalized via 12 statement items; the leadership discipline variable is measured through 8 statement items focusing specifically on top-down supervision, policy enforcement consistency, and executive accountability; and the final dependent variable of employee performance is evaluated through 15 statement items (see Table 1).

Techniques of Data Analysis

Statistical computation, model estimation, and data processing were carried out using IBM SPSS Statistics software. The data analysis framework is executed across a sequence of advanced predictive stages. Descriptive statistical analysis is first applied to profile the data by calculating the mean, minimum, maximum, and standard deviation scores for each variable. This is followed by Multiple Linear Regression Analysis to model the explicit predictive weight of the independent variables on employee performance within Indonesia's transitioning economy framework. The theoretical multiple linear regression equation used to evaluate these relationships is structured as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Description:

Y	: Employee Performance	X_1	: Compensation
α	: Constant	X_2	: Work Motivaion
β_1	: Compensation Regression Coeeficient	X_3	: Leaderships Discipline
β_2	: Work Motivation Regression Coefficient	e	: Estimated error
β_3	: Leadership Discipline Regression Coefficient		

Operational Definition of Research Variables

To construct a clear statistical model, the variables under investigation are categorized into independent predictors and a single dependent outcome variable. The first independent variable is Compensation, which is defined as the total financial and non-financial rewards distributed by the firm to recognize individual employee labor, acting as a baseline stabilizing mechanism against rising urban living costs in emerging economies (Nguyen & Nguyen, 2023). The second independent variable is Work Motivation, representing the psychological internal and external drives prompting employees to achieve operational objectives and pursue professional growth. The third independent variable is Leadership Discipline, which captures the structural consistency, supervisory oversight, and managerial commitment to enforcing corporate codes of conduct. Finally, the dependent variable is Employee Performance, defined as the qualitative and quantitative work results achieved by an individual in alignment with project deliverables and client expectations. The operational variables are detailed in Table 1.

Table 1. Operational Variables

Variable	Indicator	Item
Compensation (Indra et al., (2021)	1. Salary	1. My performance as an employee is rewarded by the company with a salary
		2. Compensation provided by the company on time.
	2. Wages	3. The overtime wages I received were in accordance with the overtime I did.
	3. Incentives	4. The bonus I received was in accordance with my performance.
		5. Bonus Exceeds the standards/targets that have been determined by the company.
	4. Indirect Compensation	6. The health facilities I received from the company were very good.
		7. The work safety guarantee I receive is in accordance with my occupational risks
Work Motivation (Hasibuan, 2020)	1. Physical Needs	1. I am motivated to work better because my current salary can meet the needs of daily life
		2. I am satisfied with the bonus/overtime pay given by the current company.
		3. I am helped by the allowance (meal money, transportation money, etc.) that the company currently provides.

Variable	Indicator	Item
	2. The Need for a Sense of Security and Safety	4. I feel safe and comfortable working in today's corporate environment.
		5. The work safety guarantee provided by the company is currently adequate.
		6. The company's current pension fund program can provide peace of mind to employees.
	3. Social Needs	7. My relationship with my current co-workers is good.
		8. I feel welcome and part of my work team.
		9. I feel comfortable and open to interacting with my coworkers and bosses.
	4. The need for an Award according to his ability	10. I felt that my work achievements were appreciated by my superiors.
		11. I feel motivated to work better because of the recognition of my work achievements.
		12. I feel satisfied with the opportunity the company gives me to develop my skills and career.
Leadership discipline (Indra et al., 2021)	1. Objectives and Capabilities	1. Examples of high leader discipline can affect employee performance
	2. Exemplary Leadership	2. Leaders can set a good example of work discipline to employees.
	3. Response	3. The bonuses given by the Leader can encourage employees to be disciplined in pursuing the given targets.
	4. Justice	4. The assistance offered by the leader can help employees to solve work problems.
	5. Supervision	5. Direction/guidance from leaders can improve employee performance.
	6. Punishment	6. The punishment set by the leader when employees violate the rules can make employees more disciplined.
	7. Assertiveness	7. Reprimands delivered by leaders to employees who violate the rules can make employees more disciplined.
	8. Humanitarian Relations	8. A leader's good relationship with employees can make employees more disciplined.
Employee Performance (Yulianto, 2020)	1. Quality	1. I always try to produce work that is of high quality and in accordance with the set standards.
		2. My work is always neat, meticulous, and has minimal errors.
		3. I have sufficient skills and abilities to complete the assigned tasks.

Variable	Indicator	Item
	2. Quantity	4. I always complete assigned tasks in the appropriate amount or exceed the set target.
		5. I work productively and efficiently to produce maximum output.
		6. I am able to manage my time well so that I can complete a lot of work in a relatively short time.
	3. Punctuality	7. I always complete assigned tasks on time or before the stipulated deadline.
		8. I always prioritize important and urgent tasks so that they can be completed on time.
		9. I am able to anticipate obstacles that may arise and take preventive measures so that there are no delays in completing tasks.
	4. Effectiveness	10. I always use organizational resources (manpower, money, technology, raw materials) efficiently and effectively to achieve the set goals.
		11. I'm always looking for ways to improve my work efficiency and effectiveness.
		12. I always strive to make the maximum contribution to the company by using the available resources optimally.
	5. Independence	13. I am able to work independently and be responsible for the tasks assigned to me.
		14. I do not hesitate to take the initiative and find solutions on my own when facing problems at work.
		15. I always strive to develop myself and improve my abilities so that I can work more independently and professionally.

Results

Validity and Reliability test

The measurement instrument were strictly validated prior to hypothesis testing to ensure data accuracy. For the Validity test, each statement item's calculated correlation value was benchmarked against the critical product-moment table value for a sample size of 25 at a two-tailed significance level of alpha = 0.05, which yields a strict threshold of 0.3961. Any item with a calculated correlation exceeding 0.3961 is declared statistically valid. The results in Table 2 confirmed that all 42 statement items across all variables successfully met this criterion.

For the Reliability test, the internal consistency of the scales was evaluated via Cronbach's Alpha coefficients. Following the established heuristic of Hair et al. (2018), a scale is deemed reliable if its Cronbach's Alpha coefficient exceeds the standard threshold of 0.70. All independent and dependent variable scales surpassed this threshold, verifying the measurement instrument as highly reliable for empirical deployment (Table 3).

Table 2. Validity

No	Variable/ Item	r-value	r-table	Verdict
Compensation (X1)				
1	X1.1	0.94	0.3961	Valid
2	X1.2	0.949	0.3961	Valid
3	X1.3	0.92	0.3961	Valid
4	X1.4	0.922	0.3961	Valid
5	X1.5	0.908	0.3961	Valid
6	X1.6	0.941	0.3961	Valid
7	X1.7	0.644	0.3961	Valid
Work Motivation (X2)				
8	X2.1	0.844	0.3961	Valid
9	X2.2	0.900	0.3961	Valid
10	X2.3	0.905	0.3961	Valid
11	X2.4	0.857	0.3961	Valid
12	X2.5	0.887	0.3961	Valid
13	X2.6	0.873	0.3961	Valid
14	X2.7	0.872	0.3961	Valid
15	X2.8	0.851	0.3961	Valid
16	X2.9	0.839	0.3961	Valid
17	X2.10	0.849	0.3961	Valid
18	X2.11	0.848	0.3961	Valid
19	X2.12	0.925	0.3961	Valid
Leadership Discipline (X3)				
20	X3.1	0.925	0.3961	Valid
21	X3.2	0.927	0.3961	Valid
22	X3.3	0.889	0.3961	Valid
23	X3.4	0.908	0.3961	Valid
24	X3.5	0.912	0.3961	Valid
25	X3.6	0.889	0.3961	Valid
26	X3.7	0.841	0.3961	Valid
27	X3.8	0.938	0.3961	Valid
Work Performance (Y)				
28	Y.1	0.911	0.3961	Valid
29	Y.2	0.907	0.3961	Valid
30	Y.3	0.91	0.3961	Valid
31	Y.4	0.792	0.3961	Valid
32	Y.5	0.908	0.3961	Valid
33	Y.6	0.873	0.3961	Valid
34	Y.7	0.932	0.3961	Valid
35	Y.8	0.737	0.3961	Valid
36	Y.9	0.798	0.3961	Valid
37	Y.10	0.855	0.3961	Valid
38	Y.11	0.861	0.3961	Valid
39	Y.12	0.834	0.3961	Valid
40	Y.13	0.858	0.3961	Valid
41	Y.14	0.865	0.3961	Valid
42	Y.15	0.886	0.3961	Valid

Table 3. Reliability

Variable	Cronbach's Alpha	N of Item	Standard threshold	Verdict
Compensation	0.956	7	0.7	Reliable
Work Motivation	0.971	12	0.7	Reliable
Leadership Discipline	0.967	8	0.7	Reliable
Work Performance	0.975	15	0.7	Reliable

Classical Assumption Testing

Before executing the primary inferential estimation, the classical assumption testing were systematically conducted to confirm that the collected primary survey dataset fully complied with the fundamental assumptions of multiple linear regression analysis with normality, multicollinearity, and heteroscedasticity tests.

Normality test

The normality test was performed to verify that the error terms or residuals generated by the empirical regression model follow a normal distribution curve, which is an absolute requirement for drawing valid parametric inferences. This study utilized the non-parametric one-sample Kolmogorov-Smirnov test as the definitive objective diagnostic tool. The result in Table 4 shows that the statistical estimation yielded an asymptotic significance value well above the standard alpha limit (p: 0.200 > 0.05), confirming that the sample distribution does not deviate significantly from a theoretical normal curve. The is statistical result proves that the residual variance is distributed symmetrically, satisfying the normality assumption and validating the dataset for subsequent parametric regression modeling within standard human resource frameworks.

Table 4. Normality

Parameter		Unstandardized Residual
N		25
Normal Parameters	Mean	0.0000000
	Std. Deviation	1.94305406
Most Extreme Differences	Absolute	0.103
	Positive	0.085
	Negative	-0.103
Test Statistic		0.103
Asymp. Sig. (2-tailed)		0.200

Multicollinearity test

The multicollinearity test was executed to ensure that the independent predictors (compensation, work motivation, and leadership discipline) are independent of one another and do not possess near-perfect linear dependencies. High multicollinearity is problematic because it inflates the standard errors of the regression coefficients, making the individual paths unstable and uninterpretable. The diagnostic metrics used to evaluate the presence of multicollinearity are the Tolerance value and the Variance Inflation Factor. The structural calculation revealed in Table 5 that the Tolerance value for each predictor was safely above the critical limit of 0.10, while the corresponding VIF values remained well below the standard threshold of 10.0, proving the complete absence of multicollinearity in the model.

Table 5. Multicollinearity

Model		Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-7.192	2.768		-2.598	0.017		
	Total.X1	0.588	0.122	0.290	4.840	0.000	0.444	2.251
	Total.X2	0.512	0.098	0.366	5.250	0.000	0.330	3.031
	Total.X3	0.718	0.115	0.425	6.227	0.000	0.343	2.914

Heteroscedasticity test

The heteroscedasticity test was conducted to verify that the variance of the residuals remains completely constant across all levels of the independent variables, a condition known as homoscedasticity. If the variance of the error terms is unequal, the regression coefficients lose efficiency. This study evaluated heteroscedasticity by analyzing scatterplots mapping the regression standardized residuals against the predicted values. The visual diagnostic showed in Figure 2 that the data points were scattered randomly above and below the zero line without forming any non-random geometric patterns or clear paths, demonstrating that heteroscedasticity does not occur in this empirical structure.

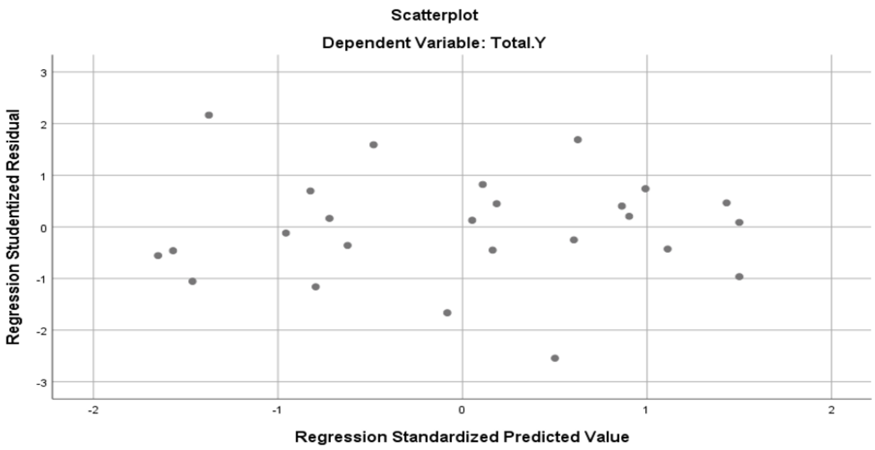

Figure 2. Heteroscedasticity

Respondent Characteristics

This study involved exactly 25 cross-functional employees at PT Duanama Integra as the definitive research sample obtained through a saturated census approach. The demographic analysis profiles the workforce across multiple organizational tiers, functions, and contract types to ensure a holistic reflection of the company's internal human resource framework. The respondent sample comprises 12 permanent core personnel and 13 non-permanent operational staff, illustrating an equal distribution of contract functions across administrative and logistical tasks. Table 6 shows that majority respondents are Male (60%), and in term of age demographics, the sample is heavily dominated (88%) by agile professionals under the age of 35 years old, 48% Bachelor degree, and 44% are in creative work unit division, aligning with the demographic of Indonesia's rapidly expanding creative economy sector. This specific composition highlights the generational expectations of the company's human capital, where modern professionals deeply prioritize workplace equity, predictable compensation, and structured supervisor-led guidance to sustain their operational outputs. In terms of length of work, majority respondents (56%) have been with the organization for fewer than 3 years, only 28% respondents possess more than three years of active service.

Table 6. Respondent Characteristics

Characteristics	Quantity	Percentage
Gender		
Male	15	60%
Women	10	40%
Age Range		
20–25 years old	6	24%
>25–30 years old	10	40%
>30–35 years old	6	24%
>35 years old	3	12%
Length of Work		
< 1 year	4	16%
1–3 years	14	56%
>3 years	7	28%
Education		
High School/Vocational School	6	24%
Diploma	6	24%
Bachelor	12	48%
Master	1	4%
Work Unit		
Management (CEO, CFO, CSO)	3	12%
Creative Division (Creative, Design, Content)	11	44%
Production & Traffic Division	4	16%
Finance & HRD	4	16%
Support Staff (Security, Office Boy)	3	12%

Multiple Linear Regression Analysis and Model Interpretation

To examine the functional relationships and estimate the predictive weights of the variables, multiple linear regression analysis was executed via IBM SPSS Statistics software. The operational empirical regression equation derived from the structural modeling (Table 7) is formalized as:

$$Y = -7.192 + 0.588\,X1 + 0.512\,X2 + 0.718\,X3 + e$$

Table 7. Multiple Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
		B	Std. Error	Beta		
1	(Constant)	-7.192	2.768		-2.598	0.017
	Total.X1	0.588	0.122	0.290	4.840	0.000
	Total.X2	0.512	0.098	0.366	5.250	0.000
	Total.X3	0.718	0.115	0.425	6.227	0.000

The structural interpretation of the regression constants and individual path coefficients provides clear directional insights into the firm's internal human resource dynamics. The intercept is negative (-7.192). According to Wooldridge (2020), the regression intercept represents the predicted value of the dependent variable when all independent variables equal zero. When zero is outside the observed range of the data, as on a 1-to-5 Likert scale, the intercept is a mathematical artifact of extrapolation and carries no practical interpretation. The positive regression coefficient for compensation demonstrates that a single-unit increase in financial recognition yields a 0.588 increase in employee work performance. Similarly, the positive coefficient for work motivation indicates that a unit increase in psychological drive results in a 0.512 expansion in performance output. Crucially, the leadership discipline coefficient of 0.718 establishes that a single-unit advancement in top-down supervisory enforcement yields a 0.718 increase in employee performance, proving that supervisor-led administrative compliance is the most vital independent driver of operational output within this corporate framework.

Hypothesis Testing

Hypothesis verification was carried out using simultaneous F-tests and partial t-tests at a strict significance level of 5% (alpha = 0.05) to systematically evaluate the collective and isolated impacts of the human resource predictors. After the simultaneous F-tests, a quantitative strength and overall predictive capacity of the synchronized variables were evaluated using the coefficient of determination.

Simultaneous F-Test

The simultaneous F-test was executed as a primary statistical to determine whether the compensation, work motivation, and leadership discipline simultaneously impacts employee performance, evaluating the overall feasibility of the regression model. The critical simultaneous F-table threshold for this sample configuration equals 3.049. The joint structural modeling generated an exceptional empirical F-count of 201.429, which far surpasses the critical table limit with an absolute significance value of 0.000 (Table 8). Because the calculated F-test exceeds the theoretical threshold and stays well below the standard alpha boundary, hypothesis H4 is accepted. This statistical result proves that the developed model possesses excellent goodness of fit, demonstrating that compensation, work motivation, and leadership discipline simultaneously exert a highly positive and significant influence on employee work performance, meaning that maximizing workforce outputs requires a synchronized alignment of these human capital dimensions.

Table 8. Simultaneous F-Test

Model	Source	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2607.389	3	869.13	201.429	0.000
	Residual	90.611	21	4.315		
	Total	2698	24			

Coefficient of Determination (Adjusted R^2)

Following the confirmation of model feasibility via the simultaneous test, the quantitative strength and overall predictive capacity of the synchronized variables were evaluated using the coefficient of determination. The goodness-of-fit diagnostic generated a remarkably high Adjusted R^2 value of 0.961. The coefficient proves that 96.1% of the total variance observed in employee work performance at PT Duanama Integra is directly and concurrently explained by the combined interactions of compensation, work motivation, and leadership discipline within this organizational framework.

Conversely, the remaining minor proportion of 3.9% of the variance is dictated by external operational factors outside the scope of this linear model, such as transformational leadership styles, digital technology adoption, or external macroeconomic disruptions. This high coefficient establishes the robust explanatory power of the developed framework, reinforcing that managing these three core human capital pillars in an integrated manner is a strategic necessity for local service enterprises trying to scale within Indonesia's changing emerging marketplace.

Table 9. Adjusted R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.983	0.966	0.962	2.077

Partial T-Test

Having established the overall validity and high explanatory power of the model, partial t-tests were executed to isolate the statistical significance of each individual independent variable. The critical t-table threshold for this small-scale saturated census sample is fixed at 1.721.

Table 10. Partial T-Test

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
		B	Std. Error	Beta		
1	(Constant)	-7.192	2.768		-2.598	0.017
	Total.X1	0.588	0.122	0.290	4.84	0.000
	Total.X2	0.512	0.098	0.366	5.25	0.000
	Total.X3	0.718	0.115	0.425	6.227	0.000

For the first structural path evaluating financial rewards, the calculation generated an empirical t-count of 4.840 with a significance value of 0.000. Because this value comfortably exceeds the critical table limit of 1.721 and satisfies the condition of $p < 0.05$, hypothesis H1 is accepted, confirming that compensation has a positive and significant effect on employee performance. For the second structural path examining psychological factors, the statistical estimation produced an empirical t-count of 5.250 with a significance value of 0.000. Because this value comfortably exceeds the critical table limit of 1.721 and satisfies the condition of $p < 0.05$, hypothesis, H2 is accepted proving that work motivation has a positive and significant effect on employee performance.

For the third structural path evaluating supervisor-led compliance, the analysis revealed a substantial t-count of 6.227 with a significance value of 0.000. Since this calculated metric represents the highest value among the independent parameters, hypothesis H3 is accepted, confirming that leadership discipline has a positive and significant effect on employee performance. This partial verification demonstrates that while all independent predictors are individually vital, top-down supervisory enforcement acts as the most dominant isolated driver of workforce performance within this transitioning service firm.

Discussion

The Effect of Compensation on Employee Performance

The empirical results of this study demonstrate that compensation exerts a positive and significant effect on employee performance, thereby formally validating and accepting the first hypothesis (H1). This outcome strongly supports the foundational human resource management theory that structured compensation represents a primary form of organizational appreciation for employee contributions, serving as an essential catalyst to drive work enthusiasm and elevate operational productivity (Indra et al., 2021). Within the specific macroeconomic framework of Indonesia as a growing emerging economy, the practical value of a stable compensation system is heavily amplified by continuous inflation fluctuations, currency shifts, and rising costs of living (Nguyen & Nguyen, 2023). When applied to the real-world operational challenges faced by PT Duanama Integra, this statistical relationship directly addresses the company's documented issues regarding delayed salary disbursements and the lack of pay equity between permanent and non-permanent personnel.

In a highly competitive and fluid service sector like event organizing, financial anxiety caused by transactional bottlenecks immediately drains an employee's focus away from day-to-day project execution, leading to dropped contract acquisitions and poor project pitching quality. Therefore, these findings prove that securing the absolute timeliness, internal fairness, and transparency of the payroll framework is a mandatory corporate requirement to stop immediate drops in service quality and lay the groundwork for overall performance improvements.

The Effect of Work Motivation on Employee Performance

The inferential analysis proves that work motivation has a positive and significant effect on employee performance, leading to the formal acceptance of the second hypothesis (H2). This statistical validation confirms that the internal psychological drives and external corporate incentives possessed by individuals directly increase their willingness to execute assigned professional tasks optimally, aligning with strategic human capital models that treat motivation as a core determinant of organizational goal achievement (Aydın & Tiryaki, 2018; Dessler, 2000).

For service-sector employees building careers within Indonesia's expanding emerging market, professional expectations have evolved past basic financial returns, with a strong emphasis now placed on structural workplace equity and long-term career growth channels (Suryadi, 2024). This structural shift explains why the motivation scores are highly sensitive to the current environment at PT Duanama Integra, which is grappling with unclear career paths, insufficient technical training, and minimal avenues for personal development. When employees realize that their efforts will not lead to upwards mobility or skill expansion within a volatile regional industry, their intrinsic drive drops, directly causing corporate stagnation and an inability to hit operational targets. To mitigate these risks, the study demonstrates that firm management must look beyond basic transactions and actively strengthen its non-financial reward programs, build transparent promotional tracks, and provide continuous competency development opportunities.

The Effect of Leadership Discipline on Employee Performance

The statistical modeling demonstrates that leadership discipline exerts a highly positive and significant effect on employee performance, resulting in the formal acceptance of the third hypothesis (H3). This finding indicates that rule adherence, managerial punctuality, consistent policy enforcement, and supervisor-led compliance are foundational elements that directly dictate the trajectory of workforce performance. Notably, leadership discipline generated the highest relative predictive strength in the entire multiple regression model, directly contradicting the previous findings of Anggriani (2020) while strongly reinforcing the assertions of Indra et al. (2021).

Within an emerging economy like Indonesia, establishing structural organizational discipline often faces unique cultural hurdles due to a historical corporate reliance on flexible, informal relationship dynamics rather than strict administrative compliance (Putra & Santoso, 2024). At the firm level, this structural weakness is clearly reflected in the behavioral challenges at PT Duanama Integra, which has struggled with high employee tardiness, unexcused absences, and personnel leaving active work areas during productive hours due to loose top-down oversight. In a fast-paced, high-stakes service industry like event management where project execution relies heavily on tight, interconnected timelines, any breakdown in supervisor-enforced compliance immediately triggers a domino effect of missed pitch dates, damaged client relations, and lost contracts. Consequently, these results prove that strict top-down supervision and unwavering consistency in applying regulations are absolute requirements to maintain workplace productivity.

The Simultaneous Effect of Compensation, Work Motivation, and Leadership Discipline on Employee Performance

The result of simultaneous effect analysis proves that compensation, work motivation, and leadership discipline concurrently exert a positive and highly significant simultaneous effect on employee performance, confirming the absolute acceptance of the fourth hypothesis (H4). The high importance of this simultaneous relationship is strongly backed by the model's Adjusted R^2 value of 96.1%, proving that nearly all of the total variance in employee performance within this corporate environment is driven by the interaction of these three core human capital pillars working together as an integrated system.

This simultaneous effect demonstrates that maximizing workforce performance in a competitive service firm cannot be achieved by relying on a single, isolated human resource intervention. Within the broader Indonesian emerging marketplace, fragmented or isolated human resource practices fail because delayed compensation will immediately erode employee motivation, and a subsequent drop in motivation will rapidly break down top-down leadership discipline and behavioral compliance. Fair financial compensation builds the baseline stability required to unlock intrinsic work motivation, while active leadership discipline provides the structural boundary needed to systematically direct that motivational energy toward meeting strict project deadlines. Therefore, service enterprises must manage these three variables in a highly integrated manner as part of a unified Human Resource Management strategy to build long-term organizational resilience against external macroeconomic pressures.

Theoretical Contributions

This research offers several valuable contributions to the academic literature of Human Resource Management, particularly regarding the specific predictors of employee performance within emerging markets. First, it strengthens core theoretical frameworks by providing empirical evidence that compensation, work motivation, and leadership discipline are deeply connected factors that directly dictate the trajectory of workforce performance. Furthermore, it introduces unique contextual evidence regarding how these three variables interact concurrently within a service-oriented framework, focusing specifically on the dynamic event organizer industry in Southeast Asia. This study directly supports the strategic view of integrated human resource management, proving that modern human capital practices must be executed as a unified ecosystem rather than focusing on isolated transactional components.

Finally, this study enriches the ongoing scholarly debate by successfully resolving the research gap and past contradictions in literature, demonstrating that top-down leadership discipline is a highly critical determinant of success in time-sensitive service environments, thereby reinforcing empirical evidence regarding the joint, simultaneous roles of compensation, motivation, and administrative governance in dictating employee performance within service-based firms operating inside the expanding Indonesian emerging economy.

Practical Implications

The empirical findings provide clear, actionable insights for the executive management of PT Duanama Integra to optimize its internal human resource policies and build a more equitable, structured, and consistent work environment capable of withstanding broader market shifts. To address employee performance directly, management must immediately improve the timeliness, transparency, and fairness of its financial administration by eliminating payroll delays, ensuring equity between permanent and non-permanent staff, and standardizing overtime and bonus disbursements.

Additionally, the company needs to design clear career development pathways, offer structured skills training, and implement non-financial reward programs to recognize high-achieving personnel and restore work motivation. For leadership discipline reinforcement, executives must implement stricter supervision, enforce punctuality and attendance tracking, and consistently apply company regulations without bias to eradicate costly operational delays. The leadership team should also establish systematic, periodic performance evaluations paired with clear feedback channels to help employees actively improve their work quality. Ultimately, the company must integrate its compensation systems, motivational initiatives, and leadership discipline frameworks into a single corporate strategy to build long-term organizational resilience within Indonesia's highly competitive emerging service market.

Limitations and Future Research

Limitations

While this study provides highly reliable statistical models, several structural limitations must be acknowledged when interpreting the results. The research sample is strictly limited to twenty-five respondents, which reflects the small, specialized nature of the target organization. Because the empirical data was gathered exclusively from a single company, the findings cannot be generalized to broader corporate contexts or different sub-sectors within the wider service industry.

Furthermore, the variable scope is bounded strictly to three independent variables, thereby excluding other relevant organizational determinants like transformational leadership styles, digital technology adoption, and corporate culture. Data collection relied heavily on self-reported questionnaires, meaning that responses are inherently tied to the personal perceptions and subjective biases of individual employees at the time of the survey. Finally, the study utilized a predominantly quantitative approach, which restricts the depth of information regarding the nuanced, personal experiences of employees dealing with salary delays, career stagnation, or weak leadership enforcement.

Future Studies

Based on these limitations, future academic inquiries should consider several pathways to expand the literature and enhance the generalizability of these findings. Future researchers should expand the sample size by conducting comparative studies across multiple event management firms in Indonesia to increase statistical power and accurately capture the structural characteristics of emerging market organizations. Subsequent models should also integrate additional independent parameters, such as transformational leadership, digital technology adoption, and corporate culture, to capture a wider percentage of performance variance. Lastly, implementing a mixed-methods approach that combines deep qualitative case studies with structural equation modeling would allow for a deeper exploration of the psychological and institutional factors underlying workforce behavior in emerging economies.

Conclusion

In conclusion, this study demonstrates that human resource management functions as the primary determinant of corporate survivability and operational success for service firms operating within Indonesia's dynamic emerging economy. The empirical evidence gathered from PT Duanama Integra proves that compensation, work motivation, and leadership discipline all exert positive and highly significant effects on employee performance, both individually and simultaneously. Notably, the multiple linear regression model reveals that leadership discipline carries the highest predictive weight, underscoring that strict top-down accountability, managerial consistency, and timeline adherence are vital in high-stakes service industries like event organizing.

The high explanatory power of the model, indicated by the adjusted r-square (96.1%) proves that optimizing internal human capital structures is essential for local organizations to maintain service quality and prevent contract loss. Ultimately, managing these three variables as a fragmented system is insufficient; service enterprises in emerging markets must adopt a unified, integrated human resource strategy that ensures fair rewards, cultivates intrinsic motivation, and enforces strict leadership discipline to withstand macroeconomic pressures and achieve sustainable growth within the wider national framework

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