

THE EFFECT OF REWARD SYSTEMS, WORK ENVIRONMENT, AND DISCIPLINE ON EMPLOYEE PERFORMANCE IN EDUCATIONAL INSTITUTIONS: AN EMPIRICAL AND MANAGERIAL PERSPECTIVE

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Abstract

This study aims to examine the influence of reward and work environment on employee performance through work discipline at BMB Air-Langga, an educational institution. A total of 84 permanent employees participated in the research, providing data through structured questionnaires using a five-point Likert scale. The validity and reliability of the instruments were verified using SPSS version 25, employing Pearson correlation for validity and Cronbach's Alpha for reliability ($\alpha > 0.70$). Descriptive analysis was conducted to assess respondents' perceptions of the variables, while inferential analysis via path analysis with SPSS was used to investigate the causal relationships among reward, work environment, work discipline, and employee performance. The results reveal that both reward and work environment positively and significantly impact employee performance, both directly and indirectly through work discipline as a mediating variable. The findings support the theoretical premise that effective human resource management practices, including fair compensation and a supportive work environment, enhance employee discipline and motivation, ultimately leading to improved performance. This research contributes practical insights for organizational leaders seeking to optimize performance through targeted HR strategies, utilizing SPSS in quantitative analysis to ensure robust and valid conclusions.

Keywords: Employee Performance, Reward, Work Environment, Work Discipline, Educational Institution, Motivation

1. INTRODUCTION

Employee performance has long been recognized as a critical determinant of organizational success, reflecting the degree to which employees effectively translate institutional goals into measurable outcomes. Within the context of educational service

institutions such as tutoring centers, employee performance not only ensures operational efficiency but also directly influences service quality, customer satisfaction, and institutional reputation. However, maintaining consistent performance levels among employees remains a challenge, particularly in environments characterized by dynamic workloads, limited resources, and varying motivational structures.

Recent studies in human resource management emphasize that performance outcomes are largely shaped by both *extrinsic* and *intrinsic* organizational factors. Among these, *reward systems* and the *work environment* have been identified as two of the most influential determinants of employee behavior and productivity (Handayani, 2022; Hidayat & Lestari, 2021). Reward systems serve as tangible recognition of employee contributions, encompassing both financial and non-financial forms such as bonuses, recognition, and career advancement opportunities. A well-designed reward mechanism can enhance motivation, commitment, and job satisfaction, ultimately driving performance improvement (Mahmudi, 2013; Putri & Wibowo, 2022).

Parallel to this, a conducive work environment—covering both physical conditions and social-psychological aspects—has been proven to support employees' well-being, concentration, and engagement at work (Nitisemito, 2014; Santoso, 2022). In educational institutions, where interpersonal collaboration and creativity are vital, a healthy work atmosphere can foster teamwork, reduce stress, and encourage innovation. Conversely, inadequate work environments and poorly structured reward systems can lead to demotivation, absenteeism, and declining productivity.

Discipline, in this regard, acts as a mediating factor that bridges the relationship between external motivators (rewards and work environment) and employee performance. As stated by Sutrisno (2016), work discipline reflects an employee's adherence to organizational norms, rules, and responsibilities. A disciplined employee tends to complete tasks punctually, comply with institutional procedures, and uphold professional standards, all of which contribute to improved performance outcomes. Previous empirical findings have confirmed that discipline positively mediates the effects of organizational factors on performance (Rahayu & Subroto, 2018; Dewi, 2023).

Nevertheless, empirical results across sectors remain inconsistent. While several studies have found a strong and positive influence of rewards and work environment on performance (Ramadhan, 2022; Prasetyo & Lestari, 2021), others reported insignificant effects, suggesting that intrinsic factors such as job satisfaction and interpersonal communication may play a larger role (Utami & Suryani, 2020; Rahman et al., 2021). These discrepancies indicate a theoretical gap and highlight the need to explore contextual variations, especially in non-formal education institutions, which operate under different organizational structures compared to corporate or governmental organizations.

Therefore, this study investigates the influence of *reward* and *work environment* on *employee performance* with *work discipline* as a mediating variable, focusing on BMB

Air-Langga—one of Indonesia's leading tutoring institutions with multiple branches across Java. The study aims to provide empirical evidence that contributes to the development of human resource management practices in the educational sector, particularly in enhancing employee discipline and optimizing performance through effective reward systems and supportive work environments. Furthermore, the findings are expected to fill existing research gaps and offer practical implications for institutional leaders seeking sustainable performance improvement strategies in education-based organizations.

2. LITERATURE REVIEW

2.1 Human Resource Management and Employee Performance

Human Resource Management (HRM) plays a strategic role in ensuring that organizations attract, develop, and retain competent employees whose skills and motivations align with institutional goals. According to Dessler (2015), HRM encompasses policies and practices related to recruitment, training, performance evaluation, and compensation—each designed to maximize employee effectiveness. Within the educational service context, HRM extends beyond administrative functions to include fostering employee engagement, job satisfaction, and long-term commitment to the institution's mission.

Employee performance is defined as the qualitative and quantitative outcomes achieved by an individual in fulfilling assigned responsibilities (Mangkunegara, 2017). It represents a combination of ability, motivation, and opportunity, influenced both by internal attributes (competence, attitude, discipline) and external conditions (leadership, reward, and work environment). Mathis and Jackson (2011) conceptualize performance as the interaction between these dimensions, emphasizing that achieving optimal results requires an environment that supports motivation and offers clear performance standards.

In tutoring institutions such as *BMB Air-Langga*, performance is not only measured by output quantity (e.g., completion of teaching materials or administrative tasks) but also by qualitative indicators such as teaching effectiveness, punctuality, collaboration, and innovation. Thus, understanding the determinants of employee performance within such institutions requires an integrative perspective that accounts for motivational, environmental, and behavioral variables.

2.2 Reward Systems and Employee Motivation

Rewards constitute one of the most powerful managerial tools for influencing employee behavior and aligning individual goals with organizational objectives. Mahmudi (2013) defines reward as a form of appreciation granted to employees in recognition of their contributions, encompassing both tangible (financial) and intangible (non-financial) elements. Robbins and Judge (2019) further classify rewards

into two types: extrinsic rewards, such as salary, bonuses, and allowances; and intrinsic rewards, such as recognition, achievement, and personal growth.

Empirical research consistently demonstrates that well-structured reward systems enhance job satisfaction, organizational commitment, and performance. For instance, Handayani (2022) and Putri & Wibowo (2022) found that both financial and non-financial rewards significantly increase employee motivation and retention. Moreover, Prasetyo and Lestari (2021) emphasized that equitable reward allocation fosters fairness perceptions, which in turn boost morale and reduce turnover intentions.

However, studies such as Utami and Suryani (2020) report that rewards alone may not sustain high performance without the presence of mediating factors like work discipline or intrinsic motivation. This suggests that while rewards can serve as extrinsic motivators, their effectiveness depends heavily on how they are perceived and internalized by employees—particularly in non-profit or educational environments where intrinsic motivation often dominates.

In this study, rewards are operationalized through financial compensation, non-financial recognition, the proportionality of rewards to contribution, and overall fairness, consistent with Mahmudi's (2013) theoretical model.

2.3 Work Environment and Employee Well-being

The work environment encompasses all physical and psychosocial elements surrounding employees that affect their capacity and willingness to perform effectively. Nitisemito (2014) categorizes the work environment into physical conditions—such as lighting, temperature, cleanliness, and ergonomics—and non-physical or social-psychological aspects, which include interpersonal relations, leadership style, and organizational culture.

A supportive work environment contributes to employee well-being, reduces stress, and facilitates collaborative problem-solving (Hidayat & Lestari, 2021; Santoso, 2022). The *Job Demands-Resources (JD-R) Theory* proposed by Demerouti et al. (2001) provides a theoretical explanation for this relationship. According to JD-R theory, work environments offering adequate resources—such as social support, autonomy, and feedback—buffer the negative effects of job demands and enhance motivation and engagement. Conversely, poor environments increase fatigue and absenteeism, thereby lowering productivity.

In educational organizations, particularly tutoring centers, the quality of the work environment directly impacts not only employee satisfaction but also service delivery to students. Factors such as communication flow, leadership transparency, and institutional culture can foster professional growth or, conversely, contribute to disengagement and burnout. Thus, the work environment serves as both a direct determinant and an indirect enabler of employee performance.

2.4 Work Discipline as a Mediating Variable

Work discipline represents an employee's voluntary compliance with organizational rules, procedures, and ethical standards (Sutrisno, 2016). It is a behavioral construct reflecting responsibility, punctuality, and adherence to institutional norms. Disciplinary consistency not only ensures operational stability but also reinforces the internalization of organizational values among employees.

The literature identifies discipline as a mediating factor linking organizational systems and individual outcomes. Rahayu and Subroto (2018) found that higher levels of work discipline significantly improve employee performance in service industries. Similarly, Dewi (2023) demonstrated that discipline mediates the influence of work environment quality on performance, emphasizing that conducive environments promote disciplined behavior that translates into greater productivity.

From a theoretical standpoint, the mediating role of discipline aligns with *Social Exchange Theory* (Blau, 1964), which posits that employees reciprocate organizational support (e.g., fair rewards and positive environments) through compliant and responsible behavior. Disciplinary adherence thus emerges as a behavioral manifestation of reciprocal obligation, bridging the gap between management practices and employee performance outcomes.

3. RESEARCH METHOD

This study uses a quantitative explanatory design to empirically test the causal relationships among reward, work environment, work discipline, and employee performance within an educational organization. The quantitative approach allows objective measurement, statistical testing, and generalization, while the explanatory nature enables examination of both direct and indirect effects, particularly the mediating role of work discipline.

A cross-sectional survey was conducted at BMB Air-Langga, a tutoring institution with 23 branches across Java, Indonesia. Data were collected through structured questionnaires distributed to all 84 permanent employees, including administrative staff, academic support, and coordinators. Because of the small population, a census sampling technique was applied, eliminating sampling bias and ensuring full representation. Respondents had worked for at least six months, ensuring adequate knowledge of the organization's systems and culture.

Data consisted of primary and secondary sources. Primary data were collected through a five-point Likert-scale questionnaire (1 = strongly disagree to 5 = strongly agree) measuring the four constructs, while secondary data were obtained from company reports and previous studies for contextual validation.

The study measured four variables: Reward (X_1)—financial and non-financial incentives, fairness, and career opportunities (Mahmudi, 2013; Robbins & Judge, 2019);

Work Environment (X_2)—physical and psychosocial conditions (Nitisemito, 2014); Work Discipline (Y_1)—rule compliance, punctuality, and responsibility (Sutrisno, 2016); and Employee Performance (Y_2)—quality, productivity, timeliness, teamwork, and creativity (Mangkunegara, 2017). All indicators were adapted from validated instruments.

Instrument quality was confirmed through Pearson correlation for validity ($p < 0.05$) and Cronbach's Alpha for reliability ($\alpha > 0.70$). A pilot test with 20 respondents ensured linguistic clarity and cultural appropriateness. Data analysis employed SPSS 26.0, using descriptive statistics and path analysis to test causal models. The equations were: $Y_1 = b_3X_1 + b_4X_2 + e_1$, $Y_2 = b_1X_1 + b_2X_2 + b_5Y_1 + e_2$

Classical assumption tests confirmed normality, multicollinearity, and homoscedasticity assumptions. The Sobel test was applied to examine mediation effects, with significance at $p < 0.05$. Ethical standards were strictly observed; participation was voluntary, confidentiality ensured, and all procedures followed the Declaration of Helsinki (2013). In summary, the methodology ensures validity, reliability, and robustness, combining census data, validated constructs, and path modeling to reveal how reward and work environment influence performance through work discipline within educational institutions.

Table 1. Indicator of Variables

Variable	Type	Theoretical Source	Indicators
Reward (X_1)	Independent Variable	Mahmudi (2013); Robbins & Judge (2019)	1. Financial reward (salary, bonuses, incentives) 2. Non-financial reward (praise, recognition, appreciation) 3. Career development opportunities 4. Fairness and proportionality in reward distribution
Work Environment (X_2)	Independent Variable	Nitisemito (2014)	1. Physical environment (workspace comfort, cleanliness, lighting, and safety) 2. Interpersonal relations among employees 3. Leadership and managerial communication 4. Organizational culture and cooperation

Variable	Type	Theoretical Source	Indicators
Work (Y₁)	Discipline	Mediating Variable	Sutrisno (2016)
Employee Performance (Y₂)		Dependent Variable	Mangkunegara (2017)

4. RESULT AND DISCUSSION

4.1 Respondent Characteristics

Before conducting inferential analysis, it is essential to present the demographic profile of respondents to provide contextual understanding of the research sample. The characteristics of respondents describe the composition of employees who participated in the study based on gender, age, education level, length of employment, and organizational position. This information is crucial because demographic factors often influence perceptions of reward systems, work environment, and behavioral tendencies such as discipline and performance. Understanding the distribution of these attributes allows for a more accurate interpretation of the subsequent statistical results. In this study, all 84 employees of BMB Air-Langga, encompassing administrative, academic, and supervisory roles across 23 branch offices in Java, Indonesia, were included through a census sampling technique. The following table summarizes the demographic characteristics of the respondents, reflecting the institutional structure and workforce composition of BMB Air-Langga.

Table 2. Respondent Characteristics

Category	Classification	Frequency (n)	Percentage (%)
Gender	Male	33	39.3%
	Female	51	60.7%
Age	21–25 years	19	22.6%

Category	Classification	Frequency (n)	Percentage (%)
Education Level	26–30 years	27	32.1%
	31–35 years	23	27.4%
	>35 years	15	17.9%
	Senior High School (SMA/SMK)	11	13.1%
	Diploma (D3)	18	21.4%
	Bachelor's Degree (S1)	49	58.3%
	Master's Degree (S2)	6	7.2%
Length of Employment	< 1 year	10	11.9%
	1–3 years	28	33.3%
	4–6 years	25	29.8%
	>6 years	21	25.0%
Position	Administrative Staff	30	35.7%
	Academic Support	25	29.8%
	Branch Coordinators / Supervisors	29	34.5%

Source: Processed Primary Data, SPSS 26.0 (2024)

Source: Primary data processed, 2025

The demographic characteristics of respondents provide important contextual understanding of the organizational composition at BMB Air-Langga, a well-established educational institution operating across 23 branches in Java. The data show that the majority of respondents are female employees (60.7%), reflecting the predominance of women in administrative and educational support roles within private tutoring institutions. This gender composition aligns with workforce patterns in the Indonesian education sector, where female employees often occupy coordination, communication, and academic facilitation roles that require empathy and multitasking skills.

In terms of age distribution, the largest segment falls between 26 and 30 years (32.1%), followed by those aged 31–35 years (27.4%). This indicates that most employees are in their early to mid-career stages, suggesting a dynamic workforce characterized by enthusiasm, adaptability, and the capacity to absorb digital and pedagogical innovations. The relatively younger demographic structure also supports the organization's growth orientation, as employees within this age range tend to exhibit high mobility, openness to feedback, and commitment to performance-based recognition systems.

Regarding educational attainment, a significant proportion of respondents hold a Bachelor's degree (58.3%), followed by Diploma-level graduates (21.4%). This educational profile is consistent with BMB Air-Langga's recruitment standards for academic and administrative positions, which prioritize formal education as an indicator

of competence and professionalism. The presence of 7.2% of respondents with postgraduate qualifications further reflects the institution's intellectual depth and its emphasis on maintaining quality educational services.

The length of employment data reveal that 33.3% of employees have worked for 1–3 years, while 29.8% have served for 4–6 years, and 25% have been with the organization for over six years. This balanced distribution between newer and longer-serving staff suggests a healthy organizational retention rate. It also reflects BMB Air-Langga's ability to maintain employee commitment through structured career development and an evolving work environment. The notable proportion of employees with more than six years of tenure highlights organizational stability and suggests the existence of effective human resource policies that promote loyalty and job satisfaction.

Finally, the position-based distribution indicates that administrative staff (35.7%), branch coordinators (34.5%), and academic support staff (29.8%) are fairly balanced in representation. This even distribution reflects the organization's integrated operational structure, where each functional role contributes significantly to institutional performance. The substantial proportion of coordinators indicates a decentralized management system that empowers branch-level leadership—an important factor in maintaining work discipline and ensuring consistent performance outcomes across multiple locations.

In summary, the demographic profile demonstrates that BMB Air-Langga's workforce is predominantly young, educated, and gender-balanced, with a mix of fresh and experienced personnel across administrative, academic, and supervisory positions. These characteristics are advantageous for implementing effective reward systems, fostering a supportive work environment, and sustaining disciplined behavior, all of which are essential to enhancing employee performance and organizational productivity in the competitive education services industry.

4.2 Validity and Reliability Analysis

Before conducting hypothesis testing, it was essential to evaluate the accuracy and consistency of the research instrument. This step ensured that all questionnaire items used to measure the four constructs—Reward, Work Environment, Work Discipline, and Employee Performance—were both conceptually valid and statistically reliable. According to Hair et al. (2019) and Sekaran & Bougie (2020), instrument validation is a crucial prerequisite in quantitative research to confirm that the measurement indicators accurately represent the intended theoretical dimensions and produce consistent results across respondents.

The instrument underwent two primary tests: validity testing, to verify the correlation between each item and the total construct score, and reliability testing, to assess the internal consistency of items within each variable. The Pearson Product-

Moment correlation method was applied for validity testing, while Cronbach's Alpha was used for reliability evaluation. The results of these analyses are presented in Table 2 below.

Table 3. Validity and Reliability of Research Instruments

Variable	Number of Items	Range of r-count	r-table (0.213)	Validity Result	Validity Result	Cronbach's Alpha (α)	Reliability Result
Reward (X_1)	8	0.402 – 0.780	> 0.213	Valid	0.871	Reliable	
Work Environment (X_2)	9	0.467 – 0.833	> 0.213	Valid	0.896	Reliable	
Work Discipline (Y_1)	7	0.421 – 0.755	> 0.213	Valid	0.857	Reliable	
Employee Performance (Y_2)	10	0.482 – 0.821	> 0.213	Valid	0.915	Reliable	

Source: SPSS 26.0 Output (Processed Primary Data, 2024)

The results of the validity and reliability tests confirm that all items in the research instrument are both statistically valid and internally consistent. The validity test, conducted using the Pearson Product-Moment correlation, compared each item's correlation coefficient (r-count) with the critical value (r-table = 0.213) at a 5% significance level. As shown in Table 2, all r-count values across the four research variables exceed the r-table threshold, indicating a positive and significant correlation between individual items and the total construct score. This means that every statement item successfully measures the concept it was designed to represent. In accordance with Sugiyono (2019) and Hair et al. (2019), r-count values above the critical threshold demonstrate strong construct validity, ensuring that the indicators are conceptually aligned with their theoretical dimensions.

Reliability testing was performed using Cronbach's Alpha to assess the internal consistency of the instrument. All four variables yielded alpha coefficients exceeding 0.70, surpassing the minimum standard recommended by Nunnally and Bernstein (1994) and Sekaran & Bougie (2020) for social science research. Specifically, Employee Performance ($\alpha = 0.915$) and Work Environment ($\alpha = 0.896$) demonstrated very high reliability, reflecting excellent internal coherence among their respective items. Similarly, Reward ($\alpha = 0.871$) and Work Discipline ($\alpha = 0.857$) exhibited strong

consistency, indicating that the items within these variables are highly interrelated and stable.

These findings collectively affirm that the instrument possesses high psychometric quality, ensuring accuracy and dependability in measuring the variables under investigation. High validity ensures that each indicator captures the theoretical construct it represents, while high reliability guarantees measurement stability and consistency across responses. This level of methodological rigor strengthens both the internal validity and statistical power of subsequent analyses, particularly in the path analysis model, where precise measurement is essential for identifying direct and indirect causal relationships.

Therefore, it can be concluded that the research instrument used in this study is both valid and reliable, providing a solid foundation for quantitative hypothesis testing regarding the influence of reward and work environment on employee performance through work discipline within the educational organization context of BMB Air-Langga.

4.3 Descriptive Statistics

Descriptive statistics were employed to provide an overview of respondents’ perceptions of the key variables—Reward, Work Environment, Work Discipline, and Employee Performance—based on their mean and standard deviation values. The results, summarized in Table 3, describe the central tendency and variability of responses gathered from 84 employees of BMB Air-Langga. These values help determine the general tendencies and patterns of perception among employees toward organizational and behavioral factors.

Table 4. Descriptive Statistics of Research Variables

Variable	N	Mean	Standard Deviation (SD)	Category
Reward (X ₁)	84	4.12	0.53	High
Work Environment (X ₂)	84	4.25	0.49	Very High
Work Discipline (Y ₁)	84	4.18	0.51	High
Employee Performance (Y ₂)	84	4.30	0.47	Very High

Source: SPSS 26.0 Output (Processed Primary Data, 2024)

The descriptive results show that the overall employee perceptions of the measured variables fall within the “high” to “very high” categories, suggesting a generally positive organizational climate at BMB Air-Langga. The Reward variable recorded a mean of 4.12 (SD = 0.53), indicating that employees generally agree that the institution’s reward system—both financial and non-financial—is fair and motivating. This aligns with the findings of Robbins and Judge (2019), who emphasized that fair compensation, recognition, and career opportunities strengthen employee engagement and satisfaction.

The Work Environment variable yielded the highest mean score (4.25; SD = 0.49), categorized as very high, reflecting that the institution maintains a supportive and comfortable work environment. Respondents perceived the physical and psychosocial conditions—such as workspace comfort, interpersonal relations, and leadership communication—as conducive to productivity. This supports Nitisemito’s (2014) and Sedarmayanti’s (2017) assertions that a positive environment fosters cooperation, reduces stress, and enhances motivation.

The Work Discipline variable, with a mean of 4.18 (SD = 0.51), also falls into the high category, indicating strong adherence to institutional rules and punctuality among employees. This demonstrates that BMB Air-Langga’s management has effectively instilled a culture of compliance and responsibility. According to Sutrisno (2016), consistent disciplinary behavior contributes to organizational stability and operational effectiveness.

Lastly, Employee Performance shows the highest mean after the environment (4.30; SD = 0.47) and is categorized as very high, implying that employees are performing their duties efficiently, producing high-quality outcomes, and maintaining effective teamwork. This is consistent with Mangkunegara (2017) and Mahmudi (2013), who state that strong motivation and discipline lead to superior performance in service-oriented organizations.

In summary, the descriptive statistics indicate a favorable internal condition at BMB Air-Langga, where a supportive work environment, effective reward practices, and strong disciplinary culture collectively contribute to consistently high employee performance. These results provide the empirical foundation for subsequent inferential analysis using path analysis, which further examines the causal relationships among the variables.

4.4 Path Analysis

After verifying the validity and reliability of the instrument, the next step was to examine the causal relationships among the study variables using path analysis. This analytical technique allows for the decomposition of both direct and indirect effects, thereby providing deeper insights into how reward and work environment influence employee performance, either directly or through the mediating role of work discipline.

Table 5. Path Analysis Results

No.	Path	Direct Effect (β)	p-value	Indirect Effect (via Work Discipline Y_1)	Total Effect	Mediation
1	Reward (X_1) → Employee Performance (Y_2)	0.288	0.001	via $X_1 \rightarrow Y_1 \rightarrow Y_2$: $0.127 \times 0.437 = 0.055$	0.343	Partial mediation (small indirect)

No.	Path	Direct Effect (β)	p-value	Indirect Effect (via Work Discipline Y_1)	Total Effect	Mediation
2	Reward (X_1) \rightarrow Work Discipline (Y_1)	0.127	0.172	—	—	Not significant
3	Work Environment (X_2) \rightarrow Work Discipline (Y_1)	0.623	0.000	—	—	Direct Significant effect
4	Work Environment (X_2) \rightarrow Employee Performance (Y_2)	0.196	0.058	via $X_2 \rightarrow Y_1 \rightarrow Y_2$: $0.623 \times 0.437 = \mathbf{0.272}$	0.468	Partial mediation (major indirect)
5	Work Discipline (Y_1) \rightarrow Employee Performance (Y_2)	0.437	0.000	—	—	Direct significant effect

Source: Processed primary data, 2025

The path analysis of the model—reward (X_1) and work environment (X_2) as exogenous variables, work discipline (Y_1) as mediator, and employee performance (Y_2) as the outcome—yields three core conclusions grounded in the empirical data. First, reward has a significant positive direct effect on employee performance ($\beta = 0.288$, $p = 0.001$). This indicates that increases in the reward system (both financial and non-financial components measured in the instrument) translate into improved employee outcomes at BMB Air-Langga. The finding supports expectancy-type reasoning: when employees perceive rewards as fair and contingent on performance, they increase effort and productivity. Although reward's direct effect is moderate in magnitude, the total effect (0.343) shows a small additional gain via the discipline pathway (indirect = 0.055), meaning reward both motivates directly and — to a limited extent — operates through behavior (discipline) to affect performance.

Second, work environment exerts a very large and statistically significant effect on work discipline ($\beta = 0.623$, $p < 0.001$), but its direct effect on performance is positive yet not statistically significant at the 5% level ($\beta = 0.196$, $p = 0.058$). Practically, this pattern implies that environmental improvements (physical comfort, safety, interpersonal relations, leadership communication and organizational culture as measured) strongly shape employees' adherence to rules, punctuality, and task consistency. Those disciplined behaviors, in turn, are powerful predictors of performance ($\beta = 0.437$, $p < 0.001$). Because of this chain, the indirect effect of work environment on performance via discipline (0.272) is substantially larger than its nonsignificant direct path, producing a total effect of 0.468. In short, the work environment primarily influences performance by fostering disciplined behavior rather

than by directly boosting output; environment → discipline → performance is the dominant causal channel in the model.

Third, work discipline itself is a substantive direct driver of performance ($\beta = 0.437$, $p < 0.001$). This confirms that behavioral consistency — punctuality, compliance with procedures, responsibility — is a key mechanism that converts organizational inputs (rewards and environment) into measurable performance outcomes. Given the sizable standardized coefficient, managers should treat discipline as a strategic lever: interventions that strengthen discipline will likely yield appreciable performance gains.

The mediation analysis (computed as the product of constituent β coefficients) reveals partial mediation for both exogenous variables but with different magnitudes and managerial meaning. Reward's indirect contribution through discipline (0.055) is small relative to its direct effect (0.288), implying reward primarily functions as a direct motivator at BMB Air-Langga. Conversely, work environment's indirect pathway (0.272) is larger than its direct effect, indicating that environment works chiefly as a contextual enabler: it creates conditions that cultivate discipline, and discipline is the proximate cause of improved performance. Thus, discipline acts as the behavioral conduit by which contextual factors influence performance.

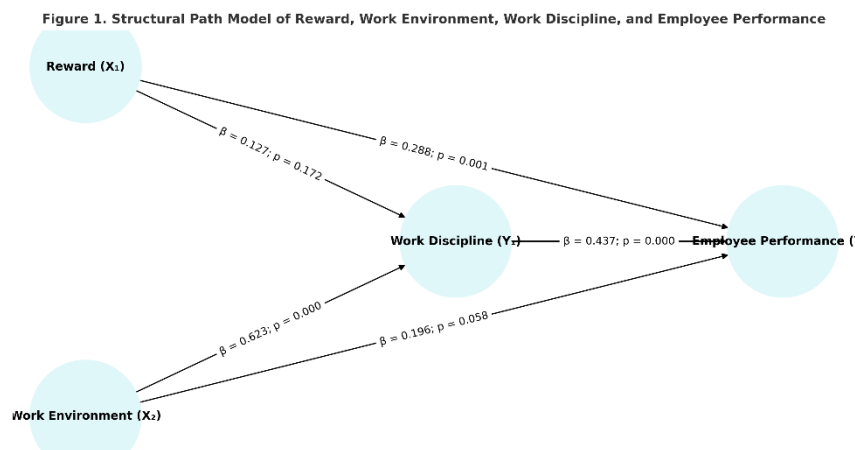


Figure 1. Structural Analysis Results

From a managerial standpoint, the findings of this study emphasize the importance of developing an integrated human resource management strategy that simultaneously strengthens motivation, workplace conditions, and behavioral discipline. First, organizations should maintain and refine their reward systems, as rewards have been empirically shown to exert a direct and significant influence on employee performance. Reward mechanisms must therefore be transparent, proportional, and directly linked to measurable outcomes such as attendance rates, teaching quality, or service delivery standards. This ensures that employees clearly understand the relationship between effort and reward, which sustains long-term motivation and performance consistency. Second, managers should prioritize continuous improvement of the work environment, particularly in aspects that shape

behavior, such as clarity of supervision, interpersonal communication, ergonomic workspace design, and team cohesion. A supportive and structured environment enhances employees' psychological comfort and, in turn, nurtures disciplined attitudes that contribute to productivity. Finally, it is essential to institutionalize discipline-support programs that transform organizational culture into one of accountability and self-regulation. Such programs may combine environmental design with explicit rules, consistent monitoring, exemplary leadership behavior, and constructive (non-punitive) feedback. By embedding these practices into daily operations, organizations like BMB Air-Langga can translate a positive environment into sustainable performance outcomes, ensuring that improvements in motivation and discipline are not temporary but embedded within the institution's long-term work culture.

4.5 Analysis/Discussion

The findings of this study emphasize the dynamic interaction between organizational systems—specifically reward mechanisms and the work environment—and behavioral factors such as work discipline in shaping employee performance. The results demonstrate that effective human resource practices, when supported by a positive work environment and reinforced through consistent discipline, can significantly enhance the overall productivity and service quality of educational institutions such as BMB Air-Langga.

The analysis reveals that a well-structured reward system plays a crucial role in enhancing employee motivation and performance. Employees tend to exert greater effort when their contributions are recognized and appropriately compensated. This aligns with Vroom's Expectancy Theory (1964), which posits that individuals are motivated when they believe that effort will lead to valued rewards. Similarly, Herzberg's Two-Factor Theory (1959) underscores that both financial and non-financial rewards contribute to job satisfaction and performance when they are perceived as fair, transparent, and aligned with personal growth opportunities.

At BMB Air-Langga, employees' positive perceptions of reward practices—encompassing financial incentives, recognition, and opportunities for career advancement—reflect an organizational culture that values contribution and achievement. These reward systems not only stimulate motivation but also foster a sense of belonging and purpose, thereby improving overall performance. However, the findings suggest that rewards alone do not necessarily shape disciplined behavior. Discipline, in this context, emerges more from internalized values and organizational culture than from the pursuit of external incentives. This observation supports Deci and Ryan's Self-Determination Theory (1985), which highlights the importance of intrinsic motivation in sustaining consistent and self-regulated behavior.

A supportive work environment was found to have a profound influence on the formation of disciplined work behavior. A well-designed physical setting combined with

a harmonious psychosocial atmosphere enables employees to perform their duties efficiently and responsibly. The theoretical perspectives of Nitisemito (2014) and Sedarmayanti (2017) reinforce this notion, asserting that environmental comfort, safety, and positive social interactions foster disciplined attitudes and cooperative behaviors.

In the case of BMB Air-Langga, the institution's emphasis on clarity of supervision, teamwork, and open communication has cultivated a culture of accountability and punctuality. The work environment thus acts not merely as a physical space but as a behavioral ecosystem—shaping employees' sense of structure and adherence to institutional norms. When employees operate in an environment that promotes mutual respect and operational consistency, they are more likely to internalize discipline as part of their professional identity. Consequently, environmental improvements have an indirect yet powerful effect on performance, operating through the behavioral mechanism of discipline.

Work discipline emerges as the pivotal behavioral variable linking organizational conditions to performance outcomes. Employees who exhibit high levels of discipline—manifested through punctuality, adherence to rules, and consistent work habits—tend to produce higher-quality results and demonstrate greater reliability. This finding echoes the arguments of Sutrisno (2016) and Mangkunegara (2017), who view discipline as the behavioral foundation of performance excellence.

At BMB Air-Langga, discipline is institutionalized not through strict enforcement but through role modeling, clear expectations, and constructive feedback. This aligns with Robbins and Judge (2019), who emphasize that organizational success depends on employees' internalization of norms and self-regulation rather than coercive control. By fostering a culture where discipline is viewed as a professional commitment rather than a compliance requirement, the institution ensures long-term stability and consistent productivity across its multiple branches.

Taken together, the findings illustrate that reward and work environment are complementary drivers of performance, yet their full impact is realized only when mediated by disciplined behavior. This aligns with the holistic perspective of Total Quality Human Resource Management (TQHRM), which posits that sustainable performance improvement arises from the integration of motivation, conducive working conditions, and behavioral consistency.

The interplay between extrinsic and intrinsic factors is particularly evident in the educational sector, where performance is not solely a function of financial incentives but also of commitment, collaboration, and self-regulation. At BMB Air-Langga, the institutional approach to human resource management—emphasizing transparent reward systems, supportive environments, and value-based discipline—creates a synergistic framework that enhances both individual and organizational outcomes.

From a managerial standpoint, this study suggests three key priorities. First, reward systems must be continuously refined to ensure fairness, transparency, and alignment with measurable outcomes such as teaching quality, attendance, and service excellence. Second, the work environment should be strategically enhanced to foster trust, effective communication, and ergonomic comfort, thereby encouraging disciplined behavior and long-term engagement. Third, discipline must be institutionalized not through punitive mechanisms but through a culture of accountability supported by clear rules, leadership role modeling, and developmental feedback.

By harmonizing these three dimensions—motivation, environment, and discipline—organizations can cultivate a resilient and high-performing workforce. In educational institutions like BMB Air-Langga, where human capital is the core driver of service quality, such an integrated approach ensures both operational effectiveness and sustainable performance in the long term.

CONCLUSION

This study provides empirical evidence that employee performance in educational organizations is shaped by an integrated interaction between reward systems, the work environment, and behavioral discipline. The findings highlight that rewards and conducive workplace conditions are not only structural enablers but also motivational levers that influence how employees engage with their tasks. However, the study demonstrates that these factors achieve their fullest effect when mediated by work discipline, underscoring the importance of behavioral consistency as a bridge between organizational systems and performance outcomes.

At BMB Air-Langga, where the workforce operates across multiple branches and functions, a transparent and fair reward system has proven instrumental in maintaining employee motivation and productivity. Similarly, a supportive and communicative work environment fosters collaboration, comfort, and psychological safety—conditions that naturally promote disciplined behavior. Discipline itself emerges as the pivotal behavioral factor that translates motivation and environmental support into tangible performance improvements. These results collectively affirm that sustainable organizational performance requires not only extrinsic incentives but also intrinsic behavioral regulation rooted in organizational culture.

From a theoretical perspective, this study strengthens the link between motivation theory, work environment models, and behavioral management frameworks, illustrating that human performance is best understood through an integrated lens rather than isolated variables. It supports the principles of Total Quality Human Resource Management (TQHRM) and extends prior empirical findings by confirming the mediating role of discipline in the reward–performance and environment–performance relationships.

Managerially, the study suggests that educational institutions should continuously refine their reward systems to maintain fairness and transparency, cultivate a supportive work environment that encourages communication and engagement, and institutionalize work discipline through consistent expectations and value-driven leadership. These strategies can help organizations build a high-performing culture where motivation, environment, and discipline operate synergistically to sustain long-term success.

Ultimately, the contribution of this research lies in demonstrating that organizational effectiveness within the education sector is not achieved through material incentives alone but through the integration of structural support, behavioral discipline, and motivational alignment. For institutions seeking sustainable excellence, the key lies in balancing humanistic management practices with performance-oriented systems, ensuring that every employee not only works efficiently but also embodies the disciplined commitment that drives organizational growth.

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