

# **The Role of Work Discipline as a Mediator Between Leadership Style and Employee Performance: A Case Study of PT. Bandar Victory Shipyard, Batam, Indonesia**

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**Abstract:** This study investigates the influence of leadership style on employee performance, the impact of leadership style on work discipline, the effect of work discipline on employee performance, and the mediating role of work discipline in the relationship between leadership style and performance at PT Bandar Victory Shipyard. The research involved a population of 83 production employees, with data collected through a structured questionnaire. Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results reveal that leadership style has a significant positive effect on both employee performance and work discipline. Additionally, work discipline significantly contributes to enhancing employee performance. The findings also demonstrate that work discipline acts as a mediating variable in the relationship between leadership style and employee performance. These results highlight the critical role of leadership in shaping employee behavior and organizational outcomes. This study suggests that organizations should focus on developing effective leadership practices that emphasize discipline and accountability to improve overall performance by implementing leadership training programs, establishing clear behavioral standards, and reinforcing disciplinary frameworks are key strategies for strengthening organizational performance. Future research should incorporate additional variables such as motivation, organizational culture, or job satisfaction, and apply longitudinal approaches to examine the long-term effects of leadership interventions.

**Keywords:** Leadership style; Employee performance; Work discipline; Mediation effect.



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## 1. Introduction

In an increasingly complex and competitive organizational environment, companies are required to be more adaptive and responsive to survive and grow. To support organizational transformation, individual change and adaptability are essential. Aligning organizational change with individual development, however, is a challenging process. Human resources must be continuously developed to ensure the organization acquires high-quality personnel capable of delivering desired outcomes. As the most vital asset within an organization, human resources play a crucial role in guiding, sustaining, and advancing the organization amidst evolving societal and global demands. The performance of human resources is fundamental to organizational sustainability, and for any organization to achieve significant growth, it must rely on employees who consistently perform at a high level.

Leadership plays a pivotal role in shaping organizational direction and implementing strategic initiatives (Nimran, 2000). Leadership style, as a core aspect of leadership studies, continues to attract scholarly attention due to its dynamic and evolving nature in response to global changes affecting all aspects of life. Without effective leadership, an organization cannot fully realize its potential or achieve its goals. Leadership should be seen as a platform to create value and serve the broader community, rather than a personal asset for individual gain. Clear understanding and implementation of effective leadership practices are essential for aligning strategic objectives with organizational success.

PT. Bandar Victory Shipyard, established in January 1979 as the first shipyard on Batam Island, is a Domestic Investment Company (PMDN) operating in the shipbuilding and offshore equipment sector. Located at Jalan RE. Martadinata KM. 2, Sekupang, Batam Island, Indonesia, the company was founded with the vision of contributing to national marine development by supporting equitable distribution of goods and services, generating employment, and fostering quality-oriented, efficient, and loyal human resources. Originally founded to serve the marine industry, the company evolved to meet growing demand and was formally re-established in 2000 with a broader mandate. Today, PT Bandar Victory Shipyard provides a wide range of services, including ship repair, new ship construction, ship modification, and docking. The company continues to support Indonesia's maritime economy and development through innovation, expertise, and commitment to quality.

## 2. Literature Review

### 2.1. Employee Performance

Employee performance refers to the outcomes of work—both in terms of quality and quantity—that are achieved by an individual in fulfilling their assigned responsibilities (Mangkunegara, 2002). It reflects the level of success attained by an individual or institution in executing their duties. According to Sinambela (2016), performance comprises four key elements: (1) the results achieved individually or collectively, indicating performance as the final output; (2) the delegation of authority and responsibility, suggesting that individuals or institutions are entrusted with power to act while remaining accountable to their superiors; (3) adherence to legal frameworks, meaning that all tasks must be performed by established rules and regulations; and (4) compliance with moral and ethical standards, ensuring that work aligns with broadly accepted ethical principles.

Gibson identifies several factors that influence employee performance, which can be categorized into individual, psychological, and organizational dimensions. Individual factors include a person's abilities, skills, family background, work experience, social status, and demographic characteristics. Psychological factors encompass perception, role, attitude, personality, motivation, job satisfaction, and the work environment. Organizational factors involve the structure of the organization, job design, leadership, and reward systems. Enhancing employee performance requires the development of clear, measurable job descriptions that clarify roles and responsibilities. These job descriptions serve as a foundation for several organizational functions, including salary determination, recruitment and selection, orientation of new employees, performance evaluation, training and development, organizational planning, and the definition of duties. As such, a comprehensive job description not only guides individual responsibilities but also supports overall organizational effectiveness.

### 2.2. Leadership Style

Leadership is generally defined as the ability to influence others to work enthusiastically toward achieving specific goals (Keith, 1985). Rivai (2004) views leadership as a process of influencing and setting an example for subordinates through communication aimed at reaching organizational objectives. Similarly,

Sayuti (2006) describes leadership as the act of directing, guiding, and influencing the thoughts, feelings, actions, and behaviors of others toward predetermined goals. Leadership style, in essence, reflects a leader's behavioral approach and ability to lead, often forming consistent and recognizable patterns over time. According to Davis and Newstrom (1995), leadership style is perceived as the overall pattern of actions a leader demonstrates, as interpreted by subordinates. It encompasses the leader's philosophy, attitudes, and interpersonal skills, shaping how they align organizational objectives with individual goals (Heidjrachman & Husnan, 2002). Tjiptono (2001) defines leadership style as how leaders interact with their team members, while Hersey (2004) emphasizes that it is the pattern of behavior—both verbal and nonverbal—that others perceive in a leader.

Siagian (1997) outlines five distinct leadership styles. The autocratic style is marked by centralized control, resistance to feedback, and reliance on coercion. The militaristic style emphasizes hierarchy, discipline, and formal authority, often characterized by rigid command structures. The paternalistic style involves overprotection, limited delegation, and minimal encouragement of subordinate initiative. In contrast, the charismatic style relies on personal magnetism and appeal, though its basis remains largely unexplained. Lastly, the democratic style—considered most suitable for modern organizations—emphasizes collaboration, mutual respect, shared decision-making, openness to feedback, and personal development for both leaders and subordinates. Among these, democratic leadership is widely regarded as fostering innovation, engagement, and sustainable organizational success.

### 2.3. Work Discipline

Work discipline refers to the attitude, behavior, and actions of employees that align with both written and unwritten organizational rules and regulations. These regulations often pertain to punctuality, such as timely attendance and adherence to work hours. Indiscipline—such as arriving late, leaving early, or being absent without valid reasons—requires proper managerial intervention. Hasibuan (2009) emphasizes that discipline should be understood not only in terms of timekeeping but also as a broader commitment to complying with organizational expectations, both formal and informal. According to Sastrohadiwiryono (2003), work discipline is the willingness to respect, comply with, and obey established rules and to accept consequences when those rules are violated. Similarly, Rivai (2009) views discipline as a critical component of human resource management that directly affects employee performance. Sutrisno (2009) echoes this perspective, describing discipline as behavior consistent with established organizational standards. Veithzal (2009) adds that discipline functions as a communication tool for managers to guide employees toward behavioral change and increased compliance with company rules and social norms.

Simamora (2004) defines discipline as a corrective procedure used to address rule violations. From a managerial standpoint, discipline is essential to maintaining order, minimizing inefficiencies, and preventing damage, negligence, or misconduct within the organization. It aims to reduce lateness, absenteeism, and other forms of time or resource wastage, while fostering accountability and protecting positive workplace behavior (Sutrisno, 2009). Gondokusumo (2005) identifies several common behaviors that lead to disciplinary violations, such as excessive talking, lack of initiative, avoidance of responsibilities, job dissatisfaction, low motivation, and interpersonal conflicts. These behaviors may arise from personal issues, poor work conditions, or a lack of clarity in job roles, and they can contribute to a toxic work environment if not addressed.

Moekijat (1992) argues that the primary goal of discipline is to promote proper conduct in the workplace, comparable to how laws function in society. Nitisemito (1996) outlines several indicators of low work discipline, including declining productivity, high absenteeism, frequent negligence, workplace accidents, material theft, and inter-employee conflicts. These symptoms reflect a deteriorating organizational climate and hinder the achievement of performance targets. Ultimately, discipline is a fundamental mechanism for promoting organizational efficiency and effectiveness. It not only supports the achievement of goals but also fosters a culture of accountability and mutual respect among employees. Thus, nurturing and enforcing discipline is a critical task for every organization seeking to maintain a productive and professional work environment.

### 3. Materials and Methods

This study employed a descriptive quantitative research design. As stated by Nazir (2005), descriptive research is a methodological approach that seeks to depict the current condition of a group of individuals, a particular thought, or a set of events. The primary objective is to provide a systematic, factual, and accurate representation of the characteristics, facts, and interrelationships among the phenomena under investigation.

The population in this study consisted of all employees working in the production department of PT Bandar Victory Shipyard, totaling 83 individuals. Given the relatively small population size, the research adopted a saturated sampling technique, whereby the entire population was included as the sample. Data were collected through a structured questionnaire distributed to the selected respondents. For data analysis, the study utilized the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method. PLS is recognized as a robust analytical tool due to its minimal statistical assumptions. One of its key advantages is its flexibility in handling data that are not required to follow a multivariate normal distribution. Furthermore, it can accommodate indicators with categorical, ordinal, interval, and ratio scales within the same model, and it remains effective even with relatively small sample sizes.

## 4. Results

The research model in this study encompasses three constructs: leadership style, performance, and work discipline. The evaluation of the measurement model serves as a critical step in assessing the validity and reliability of these constructs.

### 4.1. Measurement Model Evaluation

To ensure the quality of the measurement model, both construct validity and reliability were evaluated. Construct validity refers to the extent to which the indicators accurately measure the latent variables they are intended to represent. It encompasses two key components: convergent validity and discriminant validity. Convergent validity was assessed through factor loadings and the Average Variance Extracted (AVE). All factor loadings were expected to exceed 0.5, with preferred values above 0.7, indicating that individual items strongly reflect their respective constructs. An AVE value of at least 0.5 was also required, signifying that the construct explains more than half of the variance in its indicators. Discriminant validity was evaluated to confirm that the constructs are distinct from one another. This was examined using the Fornell-Larcker criterion, which stipulates that the square root of the AVE for each construct must be greater than its correlation with any other construct. Additionally, cross-loadings were checked to ensure that each item loads higher on its associated construct than on any other, and the Heterotrait-Monotrait Ratio (HTMT) was used as a complementary method, with values below 0.85 or 0.90 indicating acceptable discriminant validity.

Reliability assessment was conducted to determine the internal consistency of the constructs. This involved the calculation of Cronbach's Alpha and Composite Reliability (CR), both of which should exceed the threshold of 0.7. While Cronbach's Alpha provides a traditional measure of internal consistency, Composite Reliability offers a more precise estimate, particularly in structural equation modeling. Indicator reliability was also examined, with standardized factor loadings of individual items expected to be above 0.5, indicating that each item contributes adequately to the construct it represents. Together, these evaluations confirm that the measurement model possesses satisfactory validity and reliability for further analysis. The evaluation of construct validity is conducted through the assessment of both convergent validity and discriminant validity. Convergent validity is determined by examining the loading factor of each indicator. An indicator is considered to meet the criteria for convergent validity if its loading factor exceeds 0.6. The results of the item validity assessment are provided in the following table:

**Table 1.** Result of Item Validity Testing

Variable(s)	Indicator	Loading Factor	Standard Error	T-Statistics
Leadership Style	X1	0.846	0.040	21.398
	X2	0.843	0.039	21.404
	X3	0.795	0.057	13.954
	X4	0.744	0.068	10.866
Employee Performance	Y1	0.799	0.063	12.722
	Y2	0.799	0.066	11.781
	Y3	0.845	0.049	17.252
	Y4	0.818	0.059	13.876
	Y5	0.875	0.035	25.186

Variable(s)	Indicator	Loading Factor	Standard Error	T-Statistics
Work Discipline	Z1	0.812	0.047	17.194
	Z2	0.761	0.077	9.885
	Z3	0.899	0.030	30.311

The results presented in Table 1 illustrate the findings from the item validity testing for three variables: Leadership Style, Employee Performance, and Work Discipline. Each variable is measured by multiple indicators, and the table reports the loading factor, standard error, and T-statistics for each indicator. These statistics assess the strength and statistical significance of the relationship between the indicators and the variables. For Leadership Style, Indicator X1 shows a strong relationship with the variable, with a high loading factor of 0.846 and a T-statistic of 21.398, well above the significance threshold of 1.96. Indicator X2 is similarly strong, with a loading factor of 0.843 and a T-statistic of 21.404. Indicator X3 has a slightly lower loading factor (0.795) but still maintains statistical significance with a T-statistic of 13.954. Indicator X4, while statistically significant, has the lowest loading factor of 0.744 and a T-statistic of 10.866, indicating a weaker relationship compared to the other indicators.

For Employee Performance, Indicator Y1 has a loading factor of 0.799 and a T-statistic of 12.722, demonstrating a moderate but significant relationship. Indicator Y2 shows a similar strength with a loading factor of 0.799 and a T-statistic of 11.781. Indicator Y3 stands out with a high loading factor of 0.845 and a T-statistic of 17.252, indicating a strong relationship with Employee Performance. Indicator Y4, with a loading factor of 0.818 and a T-statistic of 13.876, also shows significant validity, though slightly weaker than Y3. The strongest indicator is Y5, with the highest loading factor (0.875) and T-statistic (25.186), suggesting it has the most significant relationship with Employee Performance.

For Work Discipline, Indicator Z1 has a strong loading factor of 0.812 and a T-statistic of 17.194, showing a significant relationship with the variable. Indicator Z2, with a loading factor of 0.761 and a T-statistic of 9.885, remains significant but has the weakest relationship among the Work Discipline indicators. Indicator Z3, however, is the strongest of all, with the highest loading factor of 0.899 and a remarkably high T-statistic of 30.311, indicating a very strong relationship with Work Discipline. Overall, the results suggest that all indicators for the three variables demonstrate good validity. While Indicator X4 for Leadership Style and Indicator Z2 for Work Discipline are weaker, all indicators show statistically significant relationships with their respective variables, providing strong evidence of their validity in the context of the study.

Convergent validity is assessed not only through factor loadings but also by the Average Variance Extracted (AVE). An indicator meets the criteria for convergent validity if its AVE exceeds 0.5. The results of the convergent validity analysis are presented in Table 2 below:

**Table 2.** Results of Convergent Validity and Reliability Testing

Variable(s)	Composite Reliability	Cronbach Alpha	Average Variance Extracted (AVE)
Leadership Style	0.882	0.822	0.653
Performance	0.914	0.881	0.679
Work Discipline	0.928	0.906	0.682

The results of the convergent validity and reliability testing, as presented in Table 2, indicate that all constructs meet the required thresholds. Composite Reliability (CR) values for all variables—Leadership Style (0.882), Performance (0.914), and Work Discipline (0.928)—exceed the recommended minimum of 0.70, confirming strong internal consistency. Similarly, the Cronbach's Alpha values for all constructs are above 0.70, with Leadership Style at 0.822, Performance at 0.881, and Work Discipline at 0.906, further supporting the reliability of the measurement model. In terms of convergent validity, all Average Variance Extracted (AVE) values surpass the threshold of 0.50, with Leadership Style at 0.653, Performance at 0.679, and Work Discipline at 0.682. These findings demonstrate that each construct explains more than half of the variance in its respective indicators, indicating adequate convergent validity and confirming that the constructs are measured appropriately and consistently.

Also, the table reports the assessment of convergent validity is conducted using the Average Variance Extracted (AVE), which provides a more comprehensive evaluation in addition to the loading factor. Convergent validity is confirmed when each construct demonstrates an AVE value greater than 0.5,

indicating that the construct explains more than half of the variance of its indicators. As shown in the table, all three variables meet this criterion. The variable Leadership Style has an AVE value of 0.653, which indicates that the indicators used to measure this construct are sufficiently correlated and represent the underlying concept effectively. Similarly, the variable Performance shows an AVE of 0.679, while Work Discipline has an even higher AVE of 0.682. These results suggest that the measurement model has good convergent validity, as each construct captures a substantial amount of variance from its indicators, confirming that the indicators are appropriate and consistent representations of their respective latent variables. Furthermore, discriminant validity is assessed through cross-correlation, with the criterion that an indicator is considered valid for its respective variable if its loading factor is higher than its correlations with other variables. The results of the cross-loading analysis are shown in the following table:

**Table 3.** Result of Discriminant Validity Using Cross-Loading

Item(s)	Leadership Style	Employee Performance	Work Discipline
X1	0.846	0.621	0.618
X2	0.843	0.619	0.616
X3	0.795	0.714	0.618
X4	0.744	0.713	0.709
Y1	0.605	0.799	0.639
Y2	0.614	0.799	0.649
Y3	0.715	0.845	0.756
Y4	0.624	0.818	0.665
Y5	0.631	0.875	0.763
Z1	0.705	0.825	0.812
Z2	0.718	0.798	0.761

The results presented in Table 3 demonstrate the discriminant validity of the constructs—Leadership Style, Employee Performance, and Work Discipline—using the cross-loading approach. According to the discriminant validity criterion, an indicator is considered valid if it loads higher on its associated construct than on other constructs. For the Leadership Style construct, items X1 through X4 show the highest loading values on their intended construct (ranging from 0.744 to 0.846), which are all greater than their respective cross-loadings on Employee Performance and Work Discipline. This indicates that these items distinctly measure the Leadership Style construct. Similarly, items Y1 through Y5, which represent Employee Performance, also exhibit strong discriminant validity, with loading values ranging from 0.799 to 0.875, all exceeding their cross-loadings on the other constructs.

However, discriminant validity for the Work Discipline construct is less clearly supported. Items Z1 and Z2 load at 0.812 and 0.761 on Work Discipline, respectively, but both have slightly higher loadings on Employee Performance (0.825 and 0.798). This suggests a potential overlap between the Work Discipline and Employee Performance constructs, indicating that these items may not be sufficiently distinct in measuring their respective variables. Overall, while Leadership Style and Employee Performance demonstrate satisfactory discriminant validity, the Work Discipline construct may require further refinement to enhance construct distinctiveness and measurement accuracy.

## 4.2. Structural Model Evaluation

The goodness of fit model is used to assess the explanatory power of the model, specifically the extent to which endogenous variables can be explained by exogenous variables. In Partial Least Squares (PLS) analysis, this is evaluated using the R-square ( $R^2$ ) value, which represents the proportion of variance in the endogenous construct accounted for by its predictors. The results of the model's goodness of fit are presented in Table 4.

**Table 4.** Result of Goodness of Fit Model

Variable	R Square
Employee Performance	0.709

Table 4 indicates that R-square value for the employee performance variable is 0.709, indicating that 70.9% of the variance in employee performance can be explained by the influence of leadership style through work discipline. This suggests a strong level of explanatory power within the model. The remaining 29.1% of the variance is attributed to other factors not included in this study, which may provide directions for future research.

### 4.3. Hypothesis Testing

#### 4.3.1. Direct Effect

Hypothesis testing was performed to assess the influence of exogenous variables on endogenous variables in the structural model. The evaluation is based on the T-statistics value, where a value equal to or greater than 1.96 indicates a statistically significant relationship at the 5% significance level. The results of the hypothesis testing are presented in Table 6.

**Table 5.** Results of Hypothesis Testing

Exogenous	Endogenous	Path Coefficient	Std. error	t-Statistics
Leadership style	Employee performance	0.422	0.126	3.508
Leadership style	Work discipline	0.701	0.079	8.846
Work discipline	Employee performance	0.471	0.126	3.732

Table 5 demonstrates that all hypothesized relationships are statistically significant. Leadership style has a direct positive and significant effect on employee performance ( $t = 3.508 > 1.96$ ), as well as a strong and significant influence on work discipline ( $t = 8.846 > 1.96$ ). Furthermore, work discipline also exhibits a significant positive effect on employee performance ( $t = 3.732 > 1.96$ ). These findings support the proposed structural relationships and indicate that leadership style not only directly impacts employee performance but also does so indirectly through the mediating role of work discipline.

#### 4.3.2. Indirect effect

Mediation testing is conducted to assess the role of a mediating variable in the relationship between an exogenous variable and an endogenous variable. According to the test criteria, if the T-statistic value is greater than the t-table value (1.96), it indicates that the mediating (intervening) variable significantly mediates the effect of the exogenous variable on the endogenous variable. The results of the mediation test are presented in the following Table:

**Table 6.** Result of Mediating Analysis

Exogenous	Intervening	Endogenous	Path Coefficient	Std. Error	T-Statistics
Leadership style	Work Discipline	Employee Performance	0.33	0.111	2.967

Table 6 presents the results of the mediation analysis, which examines the role of work discipline as a mediating variable in the relationship between leadership style and employee performance. The path coefficient of 0.33 indicates a positive and moderate indirect effect, suggesting that leadership style positively influences work discipline, which in turn enhances employee performance. The standard error of 0.111 reflects a relatively precise estimate of the path coefficient. Most importantly, the T-statistic value of 2.967 exceeds the critical value of 1.96, confirming that the mediating effect of work discipline is statistically significant at the 95% confidence level. These results demonstrate that work discipline plays a significant mediating role, meaning the effect of leadership style on employee performance is not solely direct but also occurs through its influence on employee discipline. This implies that fostering effective leadership can enhance work discipline, which subsequently contributes to improved performance.

## 5. Discussion

### 5.1. The Effect of Leadership Style on Employee Performance

This study indicates a statistically significant influence of leadership style on employee performance. Several studies support this finding. Riyadi (2011) investigated the relationships between financial

compensation, leadership style, work motivation, and employee performance. His study revealed that: (1) financial compensation does not significantly influence work motivation; (2) leadership style has a positive and significant effect on motivation; (3) financial compensation has no significant impact on employee performance; (4) leadership style has a significant and positive effect on employee performance; and (5) work motivation directly and positively influences employee performance. These findings suggest that leadership style significantly impacts both motivation and performance, while financial compensation does not. In contrast, Trang (2013) reported that leadership style had a significance value of 0.447, indicating no significant effect on employee performance in her study. However, organizational culture showed a significant and positive impact on employee performance. When considered simultaneously, both leadership style and organizational culture positively and significantly influenced performance. Tampi (2014) conducted a study using t-tests and found that both leadership style and motivation had a significant and positive effect on employee performance. Furthermore, using the F-test, the study concluded that all independent variables collectively had a significant influence on performance. The R-squared value of 0.637 indicated that 63.7% of the variation in employee performance could be explained by leadership style and motivation, while the remaining 36.3% was attributed to other unexamined factors.

## **5.2. The Effect of Leadership Style on Work Discipline**

The analysis also showed there is relationship between leadership style and work discipline, which is well above the 1.96 threshold. This suggests a strong and significant relationship between leadership style and employee discipline. Supporting this, Susanty and Baskoro (2012) found that both motivation and leadership style significantly and positively influence work discipline and performance. However, motivation alone did not have a significant impact on performance. Based on practical observations, the authors recommended organizational improvements focusing on these variables. Rosalina and Wati (2020) similarly found that leadership style had a positive and significant effect on work discipline, and that work discipline, in turn, significantly affected employee performance. Interestingly, leadership style did not directly influence performance but had an indirect effect via work discipline. Their findings suggest that an improved leadership approach can enhance discipline and, consequently, performance. Likewise, Jaya and Adnyani (2015) reported that transformational, transactional, and autocratic leadership styles significantly and positively influenced work discipline at the Bali Province Language Center Office.

## **5.3. The Effect of Work Discipline on Employee Performance**

The statistical analysis revealed that work discipline influence employee performance, indicating a significant effect. This is supported by research from Syafrina (2017), which found a significant relationship between work discipline and performance among employees at PT. Suka Fajar Pekanbaru, with the t-statistic exceeding the critical value. Similarly, Safitri (2013) reported that both training and work discipline positively influenced employee performance. Ferawati (2017) also found that both the work environment and discipline had individual and joint significant effects on performance among employees of PT Cahaya Indo Persada Surabaya. Her study concluded that a conducive work environment and strong discipline enhance performance outcomes.

## **5.4. The Mediating Role of Work Discipline Between Leadership Style and Performance**

This study indicates that work discipline significantly mediates the relationship between leadership style and performance. This result aligns with research by Oviarti and Fadli (2022), who found that transformational leadership and work discipline significantly influence job satisfaction. Additionally, transformational leadership and job satisfaction positively affect employee performance. However, work discipline alone was not a significant predictor of performance. Their mediation analysis showed that job satisfaction significantly mediated the relationship between transformational leadership and work discipline on employee performance. Similarly, Suhartiningtyas, Survival, and Hermawati (2022) found that leadership style and work discipline significantly affected job satisfaction, which in turn influenced employee performance. While leadership style and discipline did not directly affect performance, their impact became significant when mediated by job satisfaction. These results underscore the importance of considering mediating variables such as job satisfaction when assessing the effects of leadership and discipline on performance.



## 6. Conclusions

This study concludes that leadership style has a significant influence on employee performance at PT Bandar Victory Shipyard, indicating that improvements or deficiencies in leadership approaches directly affect employee outcomes. Moreover, the results confirm a positive and significant relationship between leadership style and work discipline, suggesting that effective leadership contributes to stronger employee discipline. The study also reveals that work discipline acts as a mediating variable in the relationship between leadership style and employee performance, further emphasizing its essential role in enhancing organizational outcomes. These findings have important policy implications, highlighting the need for organizations to invest in leadership development programs that promote effective, transformational, and participative leadership styles. Additionally, management should implement supportive policies that foster a disciplined work environment through clear expectations, consistent feedback, and fair supervision. For future research, it is recommended to investigate additional mediating or moderating variables such as organizational culture, employee motivation, or job satisfaction to gain a more comprehensive understanding of the dynamics between leadership and performance. Longitudinal studies and cross-industry comparisons could also provide valuable insights and enhance the applicability of the findings across different organizational settings.

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