

## **ABSTRACT**

*This research aims to examine the influence of work discipline and compensation on employee performance with job satisfaction acting as a mediating variable among employees at PT Kereta Api Pariwisata. Both discipline and compensation are key organizational elements that can impact performance either directly or indirectly through employees perceived satisfaction with their jobs.*

*This study used a quantitative approach with the Partial Least Squares (PLS) method, involving 149 respondents as a sample. The results showed that work discipline and rewards have a positive and significant effect on employee performance. Work discipline has been shown to improve employee performance through the implementation of responsibility, compliance with rules, and consistency in carrying out tasks, which directly impact work efficiency and productivity. Meanwhile, fair rewards have also been shown to improve performance by influencing employee job satisfaction. In addition, job satisfaction has been shown to play a significant mediating role in the relationship between work discipline and compensation on employee performance. These findings confirm that the implementation of consistent work discipline and appropriate policies will increase job satisfaction, which ultimately supports the achievement of optimal performance. The implications of this study recommend that company management continue to improve aspects of discipline and compensation policies to create better job satisfaction and support the achievement of optimal performance.*

*Keywords: Work Discipline, Compensation, Job Satisfaction, Employee Performance*