

ABSTRACT

This study is useful for examining the function of work motivation as a mediating variable in the South Manokwari Regency Transportation Agency and the impact of work discipline on the performance of contract employees. This study uses an explanatory and quantitative methodology. The study population included 60 contract employees selected using the census method. Data were collected using a Likert scale questionnaire and analyzed using SmartPLS 4 software with a Partial Least Square-Structural Equation Modeling (PLS-SEM) approach. The findings indicate that the performance of contract employees is positively and significantly influenced by work discipline. However, work motivation as a mediating variable actually had a significant negative effect, meaning that motivation did not strengthen but rather weakened the relationship between work discipline and performance. This condition illustrates that contract employees have a good level of discipline, but their work motivation remains low due to uncertainty regarding their status and unfair compensation policies. Theoretically, these findings expand human resource management studies by showing the possibility of motivation's role as a dysfunctional mediator. Practically, the results of this study can be used as a basis for organizations to balance discipline policies and strategies to increase the motivation of contract employees so that performance can be optimized.

Keywords: *work discipline, work motivation, employee performance, contractual employees, PLS-SEM*

