MIX: Jurnal Ilmiah Manajemen

Management Scientific Journal
ISSN (Online): 2460-5328, ISSN (Print): 2088-1231
https://publikasi.mercubuana.ac.id/index.php/jurnal_Mix

Employee Performance Model through Employee Satisfaction as a Mediating Variable

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ABSTRACT

Objective*: To conduct an empirical study examining the effects of compensation and servant leadership on employee job satisfaction and performance at Mahaputra Muhammad Yamin University in Solok; in addition, we also examine whether job satisfaction mediates the relationship between compensation and servant leadership and employee performance at Mahaputra Muhammad Yamin University in Solok. Objective: To conduct an empirical study examining the effects of compensation and servant leadership on job satisfaction and employee performance at Mahaputra Muhammad Yamin University in Solok, in addition, we also examined whether job satisfaction mediates the relationship between compensation and servant leadership and employee performance at Mahaputra Muhammad Yamin University in Solok*

Methodology*: This study involved 138 faculty members from four faculties at Mahaputra Muhammad Yamin University in Solok. This was a quantitative study that used Structural Equation Modeling (SEM) as the analytical tool. During the testing phase, the researcher conducted two initial stages: testing the Measurement Model Assessments and the Structural Model Assessments. Hypothesis testing was performed using the t-test. Data processing was carried out using Partial Least Squares (PLS) software, version 4.19.*

Findings: *We found that compensation and servant leadership have a direct effect on job satisfaction. Furthermore, we found that compensation does not affect employee performance, whereas servant leadership has a direct and significant effect on employee performance at Mahaputra Muhammad Yamin University in Solok. Additionally, we were unable to demonstrate that job satisfaction has a significant effect on employee performance. We also failed to prove that job satisfaction mediates the relationship between compensation and servant leadership and employee performance at Mahaputra Muhammad Yamin University Solok.,*

Conclusion*: The adoption of servant leadership is essential for the leadership of Mahaputra Muhammad Yamin University in Solok, because empirical evidence shows that the implementation of servant leadership can foster job satisfaction and improve employee performance; furthermore, empirical evidence indicates that compensation only influences job satisfaction but fails to bring about tangible changes in employee performance.*

Keywords: *Servant Leadership; Compensation; Employee Satisfaction; Performance.*

Submitted: 07-02-2026 Revised: 28-10-2026 Accepted: 04-11-2026

Article Doi:
http://dx.doi.org/10.22441/jurnal_mix.2026.v16i3.019

p-ISSN: 2088-1231
e-ISSN: 2460-5328

INTRODUCTION

Higher education is a public institution that relies on human resources to achieve its goals. Human resources are a key factor in supporting the success of any organization, including institutions of higher education. In the context of higher education, faculty and educational staff are human resources that directly influence the success of the institution and the achievement of its goals..

Good leadership is essential for optimal performance (Ridlwan dkk., 2021). Although compensation is widely recognized as a key driver of performance outcomes (Hameed dkk., 2014; Rojikinnor dkk., 2023; Aman-Ullah dkk., 2023), Leadership styles such as *servant leadership* have attracted attention because of their potential to increase satisfaction and productivity through a service-oriented approach (Greenleaf, 1977; Aboramadan dkk., 2021).

Gap dari penelitian ini mengkaji dan menvalidasi secara emperis hubungan antara This study examines and empirically validates the relationship between service leadership and compensation on performance in a higher education setting. It also proposes that service leadership and compensation are prerequisites for job satisfaction. Furthermore, this study posits the hypothesis that service leadership and compensation have a positive relationship with performance.

The conceptualization of the theory of servant leadership was developed by Greenleaf (1970) and has received significant attention from researchers (Aboramadan dkk., 2020). This values-based theory involves leaders who express their desire to serve as part of their strategic managerial journey. Higher education, which was established to serve society, aligns with servant leadership, which may prove to be more appropriate, effective, and efficient than transformational leadership for nonprofit organizations (Latif dkk., 2021). For modern educational institutions, this theory offers an effective paradigm for educational leadership and management in which the ideal leader serves and leads (Crippen, 2004).

Various leadership styles have attracted the interest of researchers, but there is still no clear consensus on an agreed-upon definition (Esen dkk., 2020; Gumus dkk., 2018). The literature indicates that trends in leadership research depend on time, context, and perspective, with a focus on traits, behaviors, and situational factors (Esen dkk., 2018). Leadership is also seen as the key to change (Rocha dkk., 2021). Global changes influenced by neoliberal ideology have transformed organizational systems, including universities, thereby necessitating evolving approaches to governance, management, and leadership. This study highlights effective leadership styles, such as servant leadership, for higher education.

One of the key factors in improving organizational performance is fostering employee job satisfaction, through which leaders contribute both directly and indirectly to enhancing performance (Ridlwan dkk., 2021). However, studies such as those conducted by Kalkavan & Katrinli (2014) shows that job satisfaction does not always have a significant impact on performance, revealing mixed empirical findings regarding the relationship between direct and indirect variables (Diamantidis & Chatzoglou, 2019; Deep dkk., 2025).

In Indonesian universities, these dynamics are particularly relevant given budget constraints and administrative demands (Rocha dkk., 2022). There remains a gap in understanding how compensation and servant leadership interact with gender as a control variable to shape satisfaction and performance, with limited studies on these relationships, subjects, and methodologies. Therefore, this study examines the effects of compensation and servant leadership on employee satisfaction and performance, with gender as a control

p-ISSN: 2088-1231
e-ISSN: 2460-5328

variable, at Mahaputra Muhammad Yamin University in Solok, and tests the mediating role of satisfaction to develop a comprehensive model of employee performance.

Concrete phenomena observed in the research subject shed light on this issue. At Mahaputra Muhammad Yamin University (UMMY) in Solok, a small private university in West Sumatra, faculty members also serve as administrative staff. Based on observations in the field, the performance of faculty members who hold dual roles as administrative staff has significantly declined in their capacity as educators fulfilling the three pillars of higher education, due to the demands of their administrative duties. Although faculty compensation is dominated by base salary and structural honoraria, leadership is exercised largely through appointed structural positions rather than through a consciously cultivated culture of servant leadership which reasonably explains why servant leadership exhibits a weaker direct effect than compensation in this context. On-the-ground conditions such as low, non-performance-based salaries, minimal research incentives, and structurally appointed leaders create a concrete gap between what faculty members contribute and what they receive, and prompt the examination of employee satisfaction as a mediating channel.

LITERATURE REVIEW

Compensation, Satisfaction, and Employee Performance

Compensation refers to everything an employee receives in exchange for their services, including wages, salaries, incentives, or bonuses (Afriyie, Ohene et al., 2013). When providing compensation, companies must ensure that it is appropriate, fair, and satisfying; that it motivates employees; and that it provides recognition as needed. It can be said that job satisfaction influences employees' enthusiasm and motivation to increase productivity (Zhang et al., 2018). everal studies have demonstrated a relationship between compensation, satisfaction, and performance. Research findings Rasool et al., (2017) shows that the provision of rewards or compensation does not directly affect job satisfaction in the long term. Meanwhile, the research Chong et al., (2018) and Martinson et al., (2018) states that an increase in compensation will have a positive impact on employee satisfaction, which will in turn lead to improved employee performance. According to research Graefe-anderson, (2018) and Mabaso & Dlamini, (2017) states that compensation has a positive impact on employee performance. In line with the research Afriyie et al., (2020) and Zaraket & Saber, (2017) that financial compensation or rewards can improve employee performance. However, the results of the study Idris et al., (2020) contradicts the claim that compensation has no impact on employee job satisfaction or performance..

H1: There is a significant relationship between compensation and employee satisfaction
H2: There is a significant relationship between compensation and employee performance
H3: There is a significant relationship between compensation and employee performance through employee satisfaction

Servant Leadership, Employee Satisfaction, and Performance

Leadership is a key catalyst in driving employee satisfaction (Raimonda & Modesta, 2016). Servant leadership is needed to address the challenges of the 21st century (Linda et al., 2013). This is supported by the results of the study Strock, (2019) where 21st-century leadership is servant leadership because it is the primary determinant of an organization's success and positively influences the organization's functions. Service leadership is viewed as a key organizational variable that has a significant impact on followers' behavior and

p-ISSN: 2088-1231
e-ISSN: 2460-5328

inspires them to contribute to the achievement of organizational goals (Al-asadi et al., 2019). Research findings Raimonda & Modesta, (2016) states that servant leadership has a significant positive effect on faculty members' job satisfaction compared to other leadership styles; the research findings also support this Dami & Imron, (2022). Meanwhile, the researc Al-asadi et al., (2019), shows that service leadership factors have a positive influence on both intrinsic and extrinsic job satisfaction. Meanwhile, the results of the study Sihombing et al., (2018) shows that servant leadership significantly influences satisfaction but has no significant effect on employee performance. Based on the results of the study Sasmita et al., (2023) dan Kadarusman & Bunyamin, (2021), indicates a positive and significant relationship service leadership's impact on employee performance and its positive and significant relationship with employee satisfaction as a mediating variable.

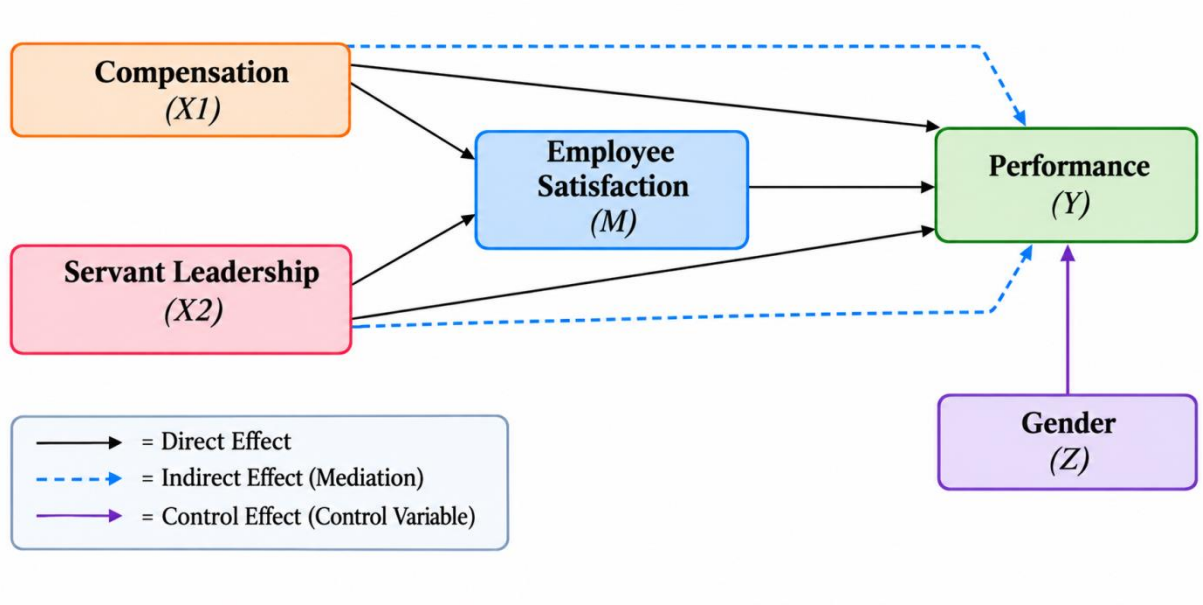
H4: There is a significant relationship between servant leadership and employee satisfaction
H5: There is a significant relationship between servant leadership and employee performance
H6: There is a significant relationship between servant leadership and employee performance through employee satisfaction

Employee Satisfaction and Performance

Employee job satisfaction refers to an employee's attitude or level of satisfaction with the work they do; it has been proven that job satisfaction improves employee performance (Wolomasi et al., 2019). However, employee satisfaction does not consistently affect employee performance, as each dimension has a different impact depending on the situational context (Pang et al., 2018). Based on the research findings Kim & Vinh, (2020) indicates a positive and significant relationship between employee satisfaction and employee performance, which is consistent with the findings of the study Sasmita et al., (2023); Chong et al., (2018);Aakanksha et al., (2019)

H7: There is a significant relationship between employee satisfaction and employee performance

Figure 1. Theoretical Framework



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METHOD

This study involved 138 faculty members from four faculties at Mahaputra Muhammad Yamin University in Solok: the Faculty of Teacher Training and Education (FKIP), the Faculty of Agriculture (PAPERTa), the Faculty of Economics (FEKON), and the Faculty of Law (FHUK). This study employed a quantitative approach. Quantitative research employs deductive reasoning in formulating research hypotheses. This study was designed to address the research questions that had been formulated and to achieve the research objectives by testing hypotheses to determine the effects of the research variables. The quantitative approach in this study using a survey method, namely by taking a sample from populasi. The variables in this study are latent variables, which were measured using a questionnaire as the research instrument. The survey was conducted by distributing questionnaires to the respondents, namely faculty members holding administrative positions at Mahaputra Muhammad Yamin University in Solok..

This study utilized four categories of variables: first, the endogenous variable—employee performance; second, the mediating variable—job satisfaction; third, the exogenous variables—compensation and servant leadership; and fourth, the control variable—gender. Given that each variable was measured using only indicators, Structural Equation Modeling (SEM) analysis was conducted using the first-order technique.

The data analysis method used in this study is Structural Equation Modeling. The analysis steps are based on the views of Hair. et al., (2022). The analysis process begins with an analysis of outer loading, construct validity and reliability, discriminant validity, and the inner model. According to Hair et al., (2026) Each indicator is considered valid if it has an outer loading value greater than 0.70; furthermore, the measurement instrument is considered reliable when it has a value of Cronbach's Alpha and Composite Reliability > 0.70. In addition to the importance of conducting an analysis Average Variance Extracted (AVE), The score composition will show that each indicator used for measurement differs from the others when its score is above 0.50. In addition, in this study we conducted an analysis of discriminant validity by examining the correlations obtained in the testing Heterotrait Monotrait Ratio (HTMT). Once those procedures have been completed, then Inner Model can be carried out; the procedure involves conducting an evaluation Variance Influence Factor (VIF), F-square dan R-square. The first testing procedure is Mesurement Model Assessments (MMA), Once those procedures have been completed, then Structural Model Assessments (SMA) can be carried out. In this study, the researcher tested for direct and indirect effects. Hypothesis testing was conducted using the t-test. Data processing was carried out with the help of SmartPLS versi 4.19.

RESULTS AND DISCUSSION

Results

The data analysis techniques used in our study are Structural Equation Modeling (SEM). Analisis outer loading dan analisis Construct Validity dan Reliability, This is the first testing phase in SEM analysis. The results of the tests that have been conducted can be seen in Table 1 below:

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Table 1. Results Covergent Validity

	Outer Loading	Cronbachs Alpha	Composite Reliability	Average Variance Extracted
Employee Performance				
PER1 <- Performance	**0.407**			
PER10 <- Performance	**0.675**			
PER11 <- Performance	0.712			
PER12 <- Performance	0.837			
PER2 <- Performance	0.747	0.941	0.951	0.623
PER3 <- Performance	0.842			
PER4 <- Performance	0.843			
PER5 <- Performance	0.870			
PER6 <- Performance	0.825			
PER7 <- Performance	0.858			
PER8 <- Performance	0.876			
PER9 <- Performance	0.854			
Job Satisfaction				
JS1 <- Satisfaction	0.779			
JS10 <- Satisfaction	0.888			
JS11 <- Satisfaction	0.836			
JS12 <- Satisfaction	0.791			
JS13 <- Satisfaction	0.776	0.956	0.961	0.639
JS14 <- Satisfaction	0.765			
JS2 <- Satisfaction	0.785			
JS3 <- Satisfaction	0.813			
JS4 <- Satisfaction	**0.636**			
JS5 <- Satisfaction	0.867			
JS6 <- Satisfaction	0.740			
JS7 <- Satisfaction	0.872			
JS8 <- Satisfaction	0.832			
JS9 <- Satisfaction	0.777			
Compensation				
COMP1 <- Compensation	0.746			
COMP10 <- Compensation	0.823			
COMP11 <- Compensation	**0.206**			
COMP2 <- Compensation	0.898			
COMP3 <- Compensation	0.826			
COMP4 <- Compensation	0.843	0.937	0.949	0.640
COMP5 <- Compensation	0.851			
COMP6 <- Compensation	0.847			
COMP7 <- Compensation	0.805			
COMP8 <- Compensation	0.860			
Servant Leadership				
SL1 <- Servant Leadership	0.878			
SL2 <- Servant Leadership	0.912			
SL3 <- Servant Leadership	0.909			
SL4 <- Servant Leadership	0.899	0.916	0.937	0.662
SL5 <- Servant Leadership	0.853			
SL6 <- Servant Leadership	0.908			
SL7 <- Servant Leadership	**0.331**			
SL8 <- Servant Leadership	**0.631**			
Gender				
GEN1 <- Gender	0.751			
GEN2 <- Gender	0.892			
GEN3 <- Gender	0.900			
GEN4 <- Gender	0.921	0.934	0.947	0.719

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	Outer Loading	Cronbachs Alpha	Composite Reliability	Average Variance Extracted
GEN5 <- Gender	0.848			
GEN6 <- Gender	0.747			
GEN7 <- Gender	0.859			

The table shows that most of the indicators used to measure each variable have outer loadings above 0.70, however, there are a number of indicators with outer loadings below 0.70, namely indicator JS4 with an outer loading of 0.636, indicator COMP11 with an outer loading of 0.206, indicator SL7 with an outer loading of 0.311, and indicator SL8 with an outer loading of 0.631. Consequently, these indicators did not meet the outer loading test criteria, so we eliminated them and conducted the outer loading test again.

After reprocessing the data, it was determined that each indicator used to measure the research variables comprising the measurement framework model was valid. Each indicator for every variable had an outer loading value above 0.70. The results of these tests can be seen in Table 2 below:

Table 2. Results Covergent Validity (Remedi)

	Outer Loading	Cronbachs Alpha	Composite Reliability	Average Variance Extracted
Employee Performance				
PER11 <- Performance	0.708			
PER12 <- Performance	0.834			
PER2 <- Performance	0.759			
PER3 <- Performance	0.853	0.950	0.957	0.692
PER4 <- Performance	0.853			
PER5 <- Performance	0.877			
PER6 <- Performance	0.831			
PER7 <- Performance	0.858			
PER8 <- Performance	0.880			
PER9 <- Performance	0.849			
Job Satisfaction				
JS1 <- Satisfaction	0.780			
JS10 <- Satisfaction	0.895			
JS11 <- Satisfaction	0.838			
JS12 <- Satisfaction	0.795			
JS13 <- Satisfaction	0.778			
JS14 <- Satisfaction	0.766			
JS2 <- Satisfaction	0.786	0.957	0.962	0.659
JS3 <- Satisfaction	0.816			
JS5 <- Satisfaction	0.865			
JS6 <- Satisfaction	0.739			
JS7 <- Satisfaction	0.869			
JS8 <- Satisfaction	0.833			
JS9 <- Satisfaction	0.782			
Compensation				
COMP1 <- Compensation	0.746			
COMP10 <- Compensation	0.823			
COMP2 <- Compensation	0.899			
COMP3 <- Compensation	0.827			
COMP4 <- Compensation	0.844	0.952	0.959	0.700
COMP5 <- Compensation	0.852			
COMP6 <- Compensation	0.848			

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	Outer Loading	Cronbachs Alpha	Composite Reliability	Average Variance Extracted
COMP7 <- Compensation	0.806			
COMP8 <- Compensation	0.859			
COMP9 <- Compensation	0.854			

	Outer Loading	Cronbachs Alpha	Composite Reliability	Average Variance Extracted
Servant Leadership				
SL1 <- Servant Leadership	0.879			
SL2 <- Servant Leadership	0.919			
SL3 <- Servant Leadership	0.923	0.954	0.963	0.815
SL4 <- Servant Leadership	0.905			
SL5 <- Servant Leadership	0.872			
SL6 <- Servant Leadership	0.916			
Gender				
GEN1 <- Gender	0.752			
GEN2 <- Gender	0.892			
GEN3 <- Gender	0.900			
GEN4 <- Gender	0.921	0.934	0.947	0.719
GEN5 <- Gender	0.849			
GEN6 <- Gender	0.747			
GEN7 <- Gender	0.858			

The table above shows that all research variables comprising the measurement framework in this study have a high level of reliability, as evidenced by Cronbach's Alpha and Composite Reliability values greater than 0.70. Furthermore, the test also yielded Average Variance Extracted (AVE) values for each variable of > 0.50. Thus, it can be concluded that all indicators used to measure each research variable are distinct from one another; therefore, the next stage of data processing can proceed immediately..

Hair. et al., (2022) noted that analyzing discriminant validity is crucial to ensure that each indicator used to measure a variable elicits distinct responses from each respondent. This was assessed by analyzing the Heterotrait-Monotrait Ratio (HTMT) results presented in Table 3 below:

Table 3. Discriminant Validity

	Compensation	Gender	Performance	Satisfaction	Servant Leadership
Compensation					
Gender	0.859				
Performance	0.760	0.738			
Satisfaction	0.881	0.892	0.738		
Servant Leadership	0.747	0.756	0.820	0.749	

Table 3 shows that the correlations between each pair of variables are below 0.90. The lowest correlation value is 0.738, which is the correlation between satisfaction and performance, while the highest correlation value—0.892—describes the relationship between satisfaction and compensation. These results indicate that each research variable comprising

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the measurement model framework in our study was measured using appropriate instruments, thereby yielding relatively distinct responses from the participants in our study..

PLS Predict is a key component that shows the strength of exogenous variables' ability to influence changes in endogenous variables (Hair. et al., 2022). The test results are shown in Table 4 below

Table 4. PLS Predict

	Q^2predict	**RMSE**	**MAE**
Performance	0.822	0.432	0.308
Satisfaction	0.727	0.535	0.395

The table above shows that the first Q2 prediction value is 0.822. This finding indicates that the ability to compensate, servant leadership style, and job satisfaction account for 82.20% of the variation in an organization's employee performance; this prediction value is considered high and strong. (Hair. et al., 2022), Next, regarding the second Q2predict value of 0.727, this finding indicates that the ability of compensation and servant leadership to promote employee job satisfaction within an organization is 72.70%; this finding indicates that the predictive power of these variables is very strong (Cohen, 2001)

The predictive values obtained above are supported by an analysis of the coefficient of determination. The results of the tests conducted are shown in Table 5 below:

Table 5. Analysis of the Coefficient of Determination

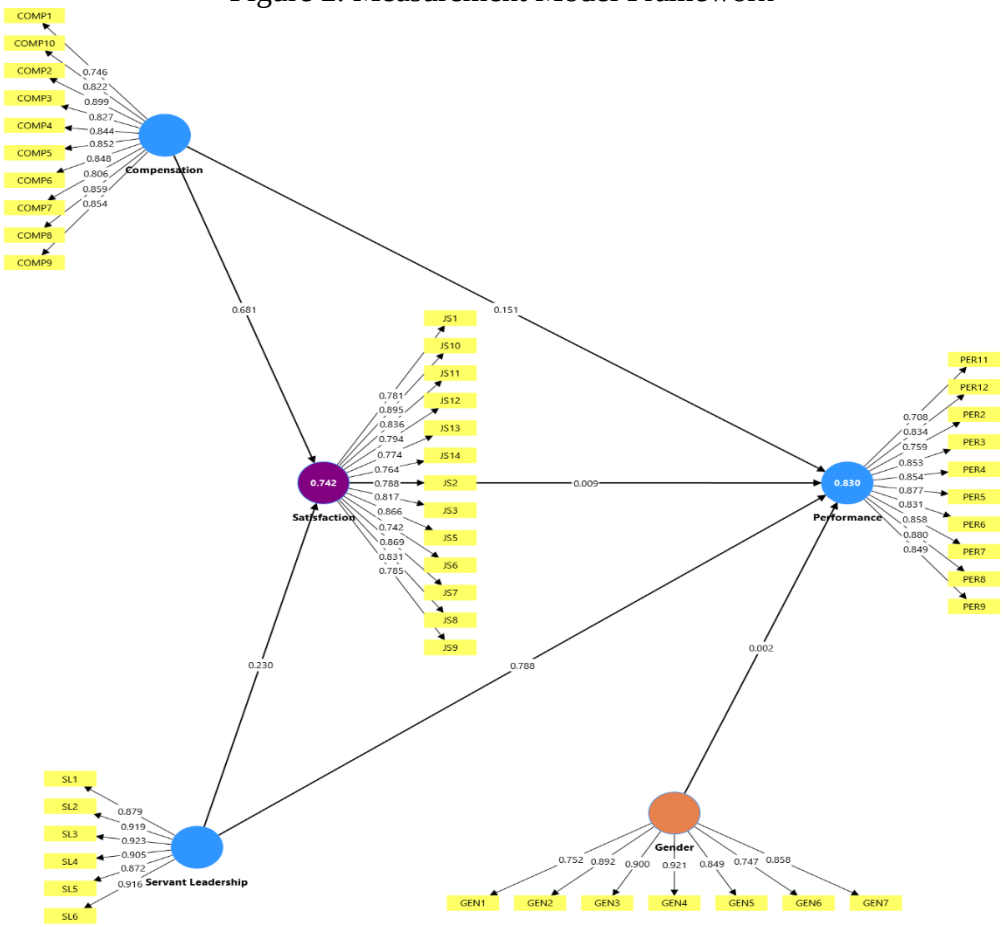
	R-square	**R-square adjusted**
Performance	0.830	0.825
Satisfaction	0.742	0.738

Table 5 above presents results that are not significantly different from the Q2predict values, showing that compensation, servant leadership, and job satisfaction provide a strong predictive ability for changes in employee performance 83.20% while compensation and servant leadership also demonstrate a relatively strong contribution in predicting changes in employee job satisfaction.

The findings obtained from the Inner Model analysis, conducted using PLS Predict, and the coefficient of determination are validated through the measurement model framework shown in Figure 2. It can be seen that the measurement model framework consists of two substructures. In the first substructure, the combined model features employee performance as the endogenous variable, while in the second framework, job satisfaction serves as the endogenous variable. The measurement model framework shows that each measurement instrument or indicator used has an outer loading value greater than 0.70. Additionally, the measurement model framework reveals the magnitude of the direct effects arising from each substructure.

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Figure 2. Measurement Model Framework



Next, to determine which exogenous variables contribute to employee performance and employee satisfaction, an F-square analysis was conducted, as shown in Table 6 below

Table 6. F-square

	Compensation	Gender	Performance	Satisfaction	Servant Leadership
Compensation			0.032	0.870	
Gender			0.000		
Performance					
Satisfaction			0.000		
Servant Leadership			1.534	0.100	

In the test model, compensation was found to make a relatively small contribution to employee performance, namely 0.032, but makes a strong contribution to job satisfaction, at 0.870. From our analysis, we found that gender does not influence employee performance; the same is true for job satisfaction. However, we found that servant leadership makes a very strong contribution to employee performance 1.534 and a weak contribution to employee satisfaction.

Once all testing procedures have been completed, the Structural Equation Modeling phase can be conducted to determine whether the proposed hypotheses have been supported

p-ISSN: 2088-1231
e-ISSN: 2460-5328

or rejected. Based on the data analysis that has been performed, the results are presented in Table 7 below.:

Table 7. Hypothesis Testing Results (Direct Effect)

	Original sample	Standard deviation	T statistics	P values	Results
Compensation -> Performance	0.151	0.093	1.621	0.105	Rejected
Compensation -> Satisfaction	0.681	0.084	8.113	0.000	Accepted
Gender -> Performance	0.002	0.077	0.020	0.984	Rejected
Satisfaction -> Performance	0.009	0.085	0.111	0.912	Rejected
Servant Leadership -> Performance	0.788	0.071	11.029	0.000	Accepted
Servant Leadership -> Satisfaction	0.230	0.081	2.837	0.005	Accepted
Servant Leadership -> Satisfaction -> Performance	0.002	0.003	0.102	0.919	Rejected
Compensation -> Satisfaction -> Performance	0.006	0.007	0.110	0.912	Rejected

The table shows that compensation has a low effect on employee performance, namely 0.151; furthermore, this effect is not significant (P-value = 0.105). In the direct effect test, we found that compensation has a strong effect on job satisfaction, with an original sample value of 0.681; moreover, this effect is significant (P-value = 0.000). Furthermore, in the direct effect analysis, we found that gender does not affect employee performance, as indicated by a P-value of 0.984. Additionally, we found that job satisfaction does not have a significant effect on employee performance; statistically, this finding is supported by a P-value of 0.912. Finally, we confirm that statistically, servant leadership style has a strong and significant impact on employee performance and job satisfaction. Where leadership serves It has a strong contribution of 0.788 to employee performance, while the influence of servant leadership also has a significant but not particularly strong effect of 0.230 on employee job satisfaction.

Next, in the stage of testing for indirect effects, we found that job satisfaction does not mediate the relationship between servant leadership and employee performance; this finding is supported by an original sample value of 0.002 and a P-value of 0.919. We also found that job satisfaction does not mediate the relationship between compensation and employee performance.

Discussion

The Effect of Compensation on Employee Satisfaction

Based on the results of the first hypothesis test, it was found that compensation has a positive effect on the job satisfaction of faculty members at Mahaputra Muhammad Yamin University in Solok. This finding indicates that the higher the financial compensation received by lecturers, the greater their job satisfaction will be. This suggests that for lecturers, who are employees of the foundation, the compensation they receive serves as a form of recognition for their achievements and appreciation for their dedication, thereby creating a sense of happiness that leads to job satisfaction..

The description of the results obtained in the first stage of hypothesis testing is supported by the research findings Chong et al., (2018) dan Martinson et al., (2018). This supports the expectations theory, according to which fair compensation meets financial needs and enhances emotional satisfaction (Hameed dkk., 2014). These findings indicate that tenured faculty members at Mahaputra Muhammad Yamin University are fairly satisfied with the compensation they receive. This is evidenced by the respondents' high perception of the

p-ISSN: 2088-1231
e-ISSN: 2460-5328

incentives provided, as employee satisfaction fosters happiness, enthusiasm, and motivation among employees to increase productivity (Zhang et al., 2018). These findings indicate that, for employees, the compensation they receive in the form of salaries, benefits, and bonuses—reflects the extent to which the organization they work for respects and values their dedication to the organization's reputation and good name.

The Effect of Compensation on Employee Performance

In the second stage of hypothesis testing, it was found that compensation did not have a significant effect on the performance of lecturers employed at Mahaputra Muhammad Yamin University in Solok. This finding indicates that the amount of compensation received by lecturers employed by the foundation does not affect changes in their performance. This finding is inconsistent with the proposed hypothesis; therefore, the second hypothesis is rejected. This is because changes in the performance of lecturers serving at Mahaputra Muhammad Yamin University in Solok are primarily driven by organizational commitment and employee loyalty—specifically, a sense of pride in being part of Mahaputra Muhammad Yamin University in Solok. This sense of pride is key to improving performance in order to maintain the reputation and sustainability of Mahaputra Muhammad Yamin University in Solok..

The findings obtained in the second stage of hypothesis testing are consistent with the research Idris et al., (2020). These findings indicate that tenured faculty members are fairly satisfied with the compensation they receive. Furthermore, they also indicate that high compensation does not necessarily lead to high performance among tenured faculty members. Therefore, there are other factors that contribute to improving employee performance, such as leadership, organizational culture, and others. These findings are also supported by research. Awoitau et al., (2024); Wirya (2019) which states that it is not only compensation that can influence employee performance within an organization, but, most importantly, the professional and organizational commitment of each employee..

The Effect of Compensation on Performance, with Job Satisfaction as a Mediator

Based on the results of the indirect effect test, it was found that satisfaction does not mediate the relationship between compensation and lecturer performance at Mahaputra Muhammad Yamin University in Solok. This finding indicates that the amount and form of compensation received by each lecturer—who are employees of the foundation—vary considerably; consequently, the level of satisfaction they experience also differs. This is because the majority of lecturers at Mahaputra Muhammad Yamin University in Solok are young lecturers who still hold relatively low positions in the institutional hierarchy. Each lecturer is certainly aware of this situation, and it has been directly shown to influence the job satisfaction they experience, though it does not affect their performance. The varying levels of satisfaction among the faculty members lead to differing levels of commitment and work motivation, and this situation has a greater impact on changes in faculty performance at Mahaputra Muhammad Yamin University in Solok.

These results indicate that compensation does not automatically improve performance through satisfaction. The findings are consistent with previous research Idris et al., (2020) that compensation has no effect on satisfaction and performance. Consistent results were also obtained from the research findings Joo & Park (2010) Compensation can indeed influence employee job satisfaction, but compensation and job satisfaction do not necessarily influence employee performance within an organization. Furthermore, the same findings were also

p-ISSN: 2088-1231
e-ISSN: 2460-5328

reported by Memon et al., (2021); Said et al., (2017) Job satisfaction does not mediate the relationship between compensation and employee performance within an organization; rather, commitment and loyalty are the variables that have a greater influence on changes in their performance.

The Effect of Servant Leadership on Employee Satisfaction

In the fourth stage of hypothesis testing, it was found that servant leadership has a positive and significant effect on employee satisfaction at Mahaputra Muhammad Yamin University in Solok. These findings indicate that the implementation of servant leadership has proven to be favored by all faculty members who are employees of the foundation; thus, the rector's decision to adopt this leadership style can foster job satisfaction. The findings support the proposed hypothesis; therefore, the fourth hypothesis is accepted. These findings show that university leaders have proven to be figures who serve their employees by providing support that enhances lecturers' motivation to excel. Furthermore, the servant leadership style is deeply humane, as leaders treat lecturers and employees with kindness, wisdom, and discernment—a dynamic that fosters a sense of comfort and satisfaction among employees at Mahaputra Muhammad Yamin University in Solok..

The results obtained in the fourth stage of hypothesis testing are supported by research Sasmita et al., (2023) dan Dami & Imron, (2022) where service leadership has a significant effect on satisfaction. Thus, it can be said that service leadership does not always have a significant effect on satisfaction; this may be due to other, more dominant factors that determine the level of satisfaction in tenured faculty member at Mahaputra Muhammad Yamin University in Solok. No matter how good leadership and service may be, they will have no impact if compensation needs are not met (Dami & Imron, 2022). Furthermore, consistent findings were obtained by Dumatubun (2021) which found that implementing a servant leadership style can increase employee job satisfaction within an organization—a finding that is also consistent with the results of this study Khurniawan (2023) found that the application of a servant leadership style is highly favored and supported by all employees, as its implementation is so people-oriented that it can boost employee job satisfaction.

The Effect of Servant Leadership on Employee Performance

In the fifth hypothesis testing stage, we found that the implementation of servant leadership has a positive and significant effect on employee performance at Mahaputra Muhammad Yamin University in Solok. This finding suggests that the courage of university leaders to adopt a servant leadership style is strongly supported and favored by all faculty members and staff, thereby driving improvements in their performance. The findings are consistent with the proposed hypothesis; therefore, the fifth hypothesis is accepted. This finding stems from the fact that leadership consistently provides guidance, feedback, and support to all employees as they carry out their duties and responsibilities; leadership is ready to assist and address any concerns raised by employees in the course of their work. This environment fosters a strong sense of motivation among all employees in fulfilling their duties and responsibilities, leading to improved performance evident in both the quantity and quality of their work. Management that consistently provides support to every employee serves as a source of moral support capable of enhancing employee performance at Mahaputra Muhammad Yamin University in Solok..

The results of this study are consistent with Sihombing et al., (2018) where service leadership influences satisfaction but does not have a significant effect on performance, and

p-ISSN: 2088-1231
e-ISSN: 2460-5328

this is consistent with the research Aboramadan et al., (2021). Based on the results of this study, it can be concluded that service leadership cannot yet be regarded as a factor that directly determines the level of employee performance. Furthermore, these findings are supported by researchn Krzeminska et al., (2018) which found that the implementation of the servant leadership style has a positive and significant effect on employee performance; furthermore, the results of the study Su et al., (2020) states that adopting a servant leadership style is a key factor that can improve employee performance within an organization.

The Effect of Servant Leadership on Performance, with Job Satisfaction as a Mediator

In the second stage of testing for indirect effects, we found that job satisfaction did not mediate the relationship between servant leadership and employee performance at Mahaputra Muhammad Yamin University in Solok. This finding indicates that the implementation of a servant leadership style can indeed influence job satisfaction but does not affect changes in employee performance at Mahaputra Muhammad Yamin University in Solok. The results obtained are inconsistent with the proposed hypothesis; therefore, the sixth hypothesis is rejected. This is because Mahaputra Muhammad Yamin University in Solok has a relatively large number of young faculty members. Consequently, the implementation of servant leadership by the university's leadership has proven capable of fostering a sense of comfort and satisfaction among faculty members and staff; however, due to the limited experience of the majority of faculty members, the implementation of servant leadership and the resulting job satisfaction have not yet been able to influence changes in faculty performance at Mahaputra Muhammad Yamin University in Solok at this time.

The findings are supported by research Dooley et al., (2020) Finding job satisfaction does not affect the relationship between the implementation of a servant leadership style and employee performance. The same findings were also obtained by Hariyono & Andreani (2020) It was found that the application of a servant leadership style does indeed foster job satisfaction, but does not necessarily lead to improved employee performance within an organization; furthermore, the same research findings were also obtained by Khurniawan (2023); Su et al., (2020) states that job satisfaction does not mediate the relationship between the use of servant leadership and employee performance in service organizations.

The Effect of Satisfaction on Employee Performance

In the results of the seventh hypothesis test, we found that job satisfaction does not have a significant effect on employee performance at Mahaputra Muhammad Yamin University in Solok. This finding indicates that the level of job satisfaction experienced by faculty members and staff does not influence changes in employee performance at Mahaputra Muhammad Yamin University in Solok. The findings are inconsistent with the proposed hypothesis; therefore, the seventh hypothesis is rejected. This finding is due to the fact that the performance of faculty members who are employees of the foundation is not only supported by the satisfaction they feel at work but is more strongly influenced by their affective, normative, and continuance commitment. In addition, the internal and external motivation of each employee also plays a role in driving performance improvement at Mahaputra Muhammad Yamin University in Solok.

The results obtained in the seventh stage of hypothesis testing are supported by research Kalkavan & Katrinli (2014) which found that job satisfaction does not have a direct and significant effect on employee performance within an organization. The same findings were also reported by Riana (2019) which states that job satisfaction is an abstract concept that is

p-ISSN: 2088-1231
e-ISSN: 2460-5328

difficult to measure, since each individual employee has a different level of satisfaction; therefore, job satisfaction is not a determining factor in changes in employee performance. Selanjutnya hasil penelitian Wahjoedi (2021) found that job satisfaction does not have a significant effect on employee performance; similar findings were also reported by Akbar (2021); Deswarta (2017) The fact that each employee experiences job satisfaction differently tends not to make a tangible difference in employee performance.

CONCLUSION

Theoretically and empirically, numerous factors have been identified that can influence employee job satisfaction and performance within an organization. However, our hypothesis testing revealed findings that both support and contradict existing theories and prior research. We found that compensation has a positive and significant effect on employee job satisfaction at Universitas Mahaputra Muhammad Yamin Solok, yet it does not have a direct impact on employee performance. Furthermore, the implementation of a servant leadership style was found to directly influence job satisfaction and foster improvements in employee performance; however, we did not find any evidence that job satisfaction influences employee performance at Universitas Mahaputra Muhammad Yamin Solok. Finally, in our analysis of indirect effects, we were unable to demonstrate that job satisfaction acts as a mediator in the relationship between compensation or servant leadership and employee performance at Universitas Mahaputra Muhammad Yamin Solok.

.We acknowledge that this study has several limitations, primarily the absence of a specific discussion on endogeneity and the reliance on a first-order analytical approach rather than a second-order one. Consequently, it is important for future researchers to consider these limitations, as doing so may lead to more robust findings in subsequent studies.

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