

Building Job Satisfaction Through Discipline, Work Environment, and Compensation in an Insurance Company

Muhammad Azfa Syahdan¹, Tine Yuliantini²

Universitas Mercu Buana, Indonesia

Email: azfasyahdan@gmail.com, tine.yuliantini@mercubuana.ac.id

Abstract

This study examines whether work discipline, the work environment, and compensation strengthen employee job satisfaction in a reinsurance brokerage company. Survey data were collected from all 52 permanent employees of Insurance Company using a saturated sampling approach. The constructs were measured through a five-point Likert questionnaire and analyzed with partial least squares structural equation modeling. After removing indicators with inadequate loadings, the measurement model showed acceptable convergent validity and internal consistency. The structural model explained 87.1% of the variance in job satisfaction and showed predictive relevance. Work discipline had a positive and significant effect on job satisfaction ($\beta = 0.285$; $p = 0.012$), the work environment produced the strongest positive effect ($\beta = 0.423$; $p < 0.000$), and compensation also had a positive and significant effect ($\beta = 0.269$; $p = 0.021$).

Article info

Article history:

Received : 29 July 2026

Received in revised : 10 Agustus 2026

Accepted : 31 Agustus 2026

Available online : 05 September 2026

DOI :

Keywords: Work Discipline, Work Environment, Compensation, Job Satisfaction

How to Cite: Syahdan, M.A, Yuliantini, T.(2026). Building Job Satisfaction Through Discipline, Work Environment, and Compensation in an Insurance Company. *Journal Ilmiah Manajemen dan Bisnis*, 12 (2), 274-285.

INTRODUCTION

Human resources (HR) are strategic assets that play a crucial role in determining an organization's success in achieving its goals and maintaining its competitiveness amidst increasingly complex business competition. A company's competitive advantage is determined not only by technology, capital, or other resources, but also by the quality of its human resources. Therefore, companies need to manage and develop human resources effectively to adapt to changes in the business environment and achieve optimal performance (Marlapa et al., 2024). Employees are required to continue to follow organizational developments, generate new ideas, and make positive contributions to support the company's success (Yuliantini & Suryatiningsih, 2021). In addition, the development of human resource quality is also in line with efforts to achieve the Sustainable Development Goals (SDGs), especially

Goal 8 (Decent Work and Economic Growth), which emphasizes the importance of providing decent, productive work and being able to improve the welfare of the workforce as part of sustainable economic development (Firdaus, 2024).

One important aspect of human resource management is creating employee job satisfaction. Job satisfaction reflects an individual's level of positive feelings toward their job, resulting from their assessment of various aspects of the work they receive. High levels of job satisfaction will encourage employees to work more productively, be committed to the organization, and make greater contributions to achieving company goals. Conversely, low job satisfaction can lead to decreased motivation, discipline, and loyalty, and even increase employees' desire to leave the organization (Katili & Prasetyo, 2021). The more aspects of the job that match individual expectations, the higher the level of job satisfaction felt (Khairani et al., 2024). Therefore, companies need to understand the various factors that influence job satisfaction as a basis for formulating human resource management policies.

Issues regarding job satisfaction were found at Insurance Company, a reinsurance brokerage company located in East Jakarta. Based on an interview with the Director of Operations on March 21, 2025, it was discovered that the company was facing various issues indicating a decline in employee job satisfaction. These issues were indicated by increased employee tardiness, discomfort with the work environment, and dissatisfaction with the compensation received. The company's absenteeism data for the period October 2024 to March 2025 showed that the number of employee tardiness fluctuated with a tendency to increase, reaching 63 incidents in March 2025. Furthermore, the results of a pre-survey of 15 employees showed that 60% of respondents stated that they were dissatisfied with their jobs, 60% were dissatisfied with the facilities provided by the company, and 73.3% felt that the compensation received was not commensurate with the tasks and responsibilities carried out. These conditions indicate that employee job satisfaction at Insurance Company still needs to be improved by improving the factors that influence it.

Various previous studies have shown that job satisfaction is influenced by several factors, including work discipline, work environment, and compensation. Work discipline is a form of employee compliance with applicable regulations and standards within the organization. Discipline reflects individual responsibility in carrying out work, thereby increasing productivity and job satisfaction (Alam & Wanialisa, 2021). Employees who have good work discipline tend to complete their work on time, work according to procedures, and show a higher commitment to the organization (Putri & Kustini, 2021). Furthermore, the work environment is also a crucial factor influencing job satisfaction. A comfortable, safe work environment, supported by adequate facilities, will create a conducive work environment, enabling employees to work effectively and be motivated to complete their tasks (Muchtarruddin et al., 2023). On the other hand, a less supportive work environment can reduce employee comfort and job satisfaction (Khairani et al., 2024). Another factor is compensation, which is a form of appreciation given by companies to employees for their contributions. Providing fair,

appropriate, and commensurate compensation commensurate with job responsibilities will improve employee well-being and job satisfaction (Arsyad & Nawatmi, 2022). On the other hand, a mismatch between the compensation received and the workload can give rise to dissatisfaction which has an impact on decreasing motivation and performance (Pradana et al., 2024).

The relationship between work discipline, work environment, compensation, and job satisfaction has been widely studied, but previous research results still show inconsistencies. Research by Ishar et al. (2024) proved that work discipline and work environment influence job satisfaction, but the study did not include compensation variables. Meanwhile, Mariska (2025) examined the influence of work discipline, work environment, and compensation on job satisfaction, but conducted in the mining sector, which has different organizational characteristics than service companies. In addition, there are differences in research results regarding the influence of each variable. Vebianti et al. (2025) found that work discipline has a positive and significant effect on job satisfaction, while Yunita et al. (2024) stated that work discipline has no significant effect. Different results were also found for the work environment variable, where Lestari et al. (2023) stated a positive influence on job satisfaction, while Fenianti and Nawawi (2023) showed that the work environment has no significant effect. On the compensation variable, Andi et al. (2022) found a positive effect on job satisfaction, while Arrywibowo et al. (2024) obtained insignificant results. The inconsistency of the research results indicates a research gap that still needs to be studied further, especially in companies engaged in reinsurance brokerage services which have organizational characteristics and human resource management systems that are different from other industrial sectors.

Based on empirical phenomena and gaps in previous research results, this study aims to analyze the influence of work discipline, work environment, and compensation on employee job satisfaction at Insurance Company. This research is expected to contribute to the development of human resource management literature, particularly regarding factors that influence job satisfaction in the reinsurance services sector. Furthermore, the research results are expected to provide input for Insurance Company's management in formulating policies that can improve employee job satisfaction by strengthening work discipline, creating a conducive work environment, and implementing a fairer and more competitive compensation system.

METHOD

This research method employs a quantitative approach, which aims to test and validate the formulated hypotheses through various tests and data analyses. In this study, the researcher will examine the relationship between the independent variables (work discipline, work environment, and compensation) and the dependent variable (job satisfaction).

This study was conducted from March 2025 to July 2026 at Insurance Company in East Jakarta. The target population consisted of 52 permanent employees. Due to the limited and easily accessible nature of the population, this study employed a saturation sampling method, meaning that all members

of the population were included as respondents. Primary data were collected through a structured questionnaire using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Subsequently, the data will be analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach. The hypotheses to be tested in this study are:

H1 : Work discipline has a positive and significant effect on job satisfaction.

H2 : The work environment has a positive and significant effect on job satisfaction.

H3 : Compensation has a positive and significant effect on job satisfaction.

The hypothesis can be said to pass if it can meet the test standards:

1. Measurement Model/Outer Model

a. Convergent Validity

An individual reflective measure is considered high if it has a correlation of more than 0.70 with the construct being measured. However, in research during the scale development phase, factor loadings of 0.50 to 0.60 are still acceptable (Ghozali & Kusumadewi, 2023).

b. Discriminant Validity

To assess discriminant validity, an indicator is considered valid if it has the highest factor loading on the construct being measured compared to other constructs. In addition, discriminant validity can be tested by comparing the square root of the AVE with the interconstruct correlation. The model is considered adequate if the AVE value for each construct is > 0.50 (Ghozali & Kusumadewi, 2023).

c. Composite Reliability and Cronbach's Alpha

A construct is considered reliable if its composite reliability score is greater than 0.70 and its Cronbach's alpha score is greater than 0.60 (Ghozali & Kusumadewi, 2023).

2. Structural Model/Inner Model

a. R-Square

The R-squared value is used to measure the extent of the influence of exogenous latent variables on endogenous latent variables. R-squared values of 0.75, 0.50, and 0.25 indicate a strong, moderate, and weak model, respectively (Ghozali & Kusumadewi, 2023).

b. Q-Square

A Q-Square value greater than 0 indicates that the model has predictive power, while a Q-Square value less than 0 indicates a lack of predictive power (Ghozali & Kusumadewi, 2023).

c. Hypothesis Test

Hypothesis testing in this study used a one-tailed test with a significance level of 5% and a t-table value of 1.645.

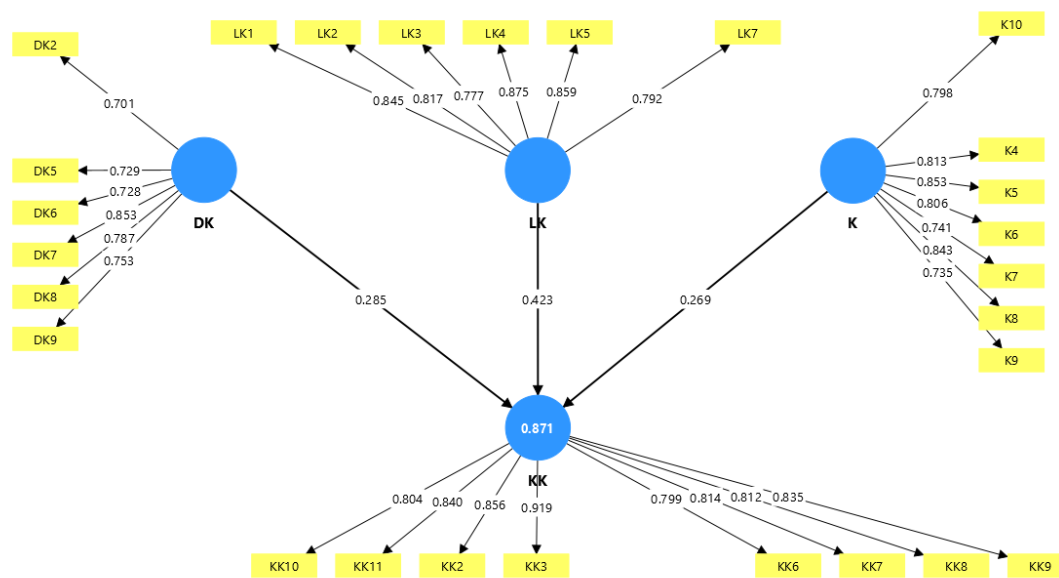
RESULTS AND DISCUSSION

Data Analysis Results

1. Measurement Model/Outer Model

This model is used to determine the validity and reliability of the indicators. Convergent validity, discriminant validity, AVE, composite reliability, and Cronbach's alpha are the measurement criteria used to evaluate the outer model.

a. Convergent validity



Source: Smart PLS data processed by researcher (2026).

Figure 1. Data in Smart PLS

Table 1. Convergent Validity Test Results

Variable	Indicators	Outer Loading	Description
Work Discipline (X1)	DK2	0.701	Valid
	DK5	0.729	Valid
	DK6	0.728	Valid
	DK7	0.853	Valid
	DK8	0.787	Valid
	DK9	0.753	Valid
Work Environment (X2)	LK1	0.845	Valid
	LK2	0.817	Valid
	LK3	0.777	Valid
	LK4	0.875	Valid
	LK5	0.859	Valid
	LK7	0.792	Valid

Compensation (X3)	K4	0.813	Valid
	K5	0.853	Valid
	K6	0.806	Valid
	K7	0.741	Valid
	K8	0.843	Valid
	K9	0.735	Valid
	K10	0.798	Valid
Job Satisfaction (Y)	KK2	0.856	Valid
	KK3	0.919	Valid
	KK6	0.799	Valid
	KK7	0.814	Valid
	KK8	0.812	Valid
	KK9	0.835	Valid
	KK10	0.804	Valid
	KK11	0.840	Valid

Source: Smart PLS data processed by researcher (2026).

The results of the convergent validity test shown in Figure 1 and Table 1 indicate that all indicators met the criteria for convergent validity, with factor loadings above 0.70.

b. Discriminant Validity

Table 2. Discriminant Validity Test Results

	Work Discipline	Work Environment	Compensation	Job Satisfaction
DK2	0.701	0.627	0.658	0.635
DK5	0.729	0.614	0.634	0.640
DK6	0.728	0.459	0.628	0.579
DK7	0.853	0.700	0.835	0.753
DK8	0.787	0.756	0.707	0.728
DK9	0.753	0.581	0.684	0.660
LK1	0.807	0.845	0.806	0.814
LK2	0.638	0.817	0.631	0.674
LK3	0.729	0.777	0.764	0.723
LK4	0.651	0.875	0.714	0.723
LK5	0.665	0.859	0.727	0.761

LK7	0.600	0.792	0.710	0.737
K4	0.704	0.758	0.813	0.755
K5	0.740	0.679	0.853	0.713
K6	0.787	0.675	0.806	0.721
K7	0.654	0.639	0.741	0.603
K8	0.811	0.760	0.843	0.758
K9	0.682	0.714	0.735	0.678
K10	0.723	0.687	0.798	0.789
KK2	0.796	0.810	0.801	0.856
KK3	0.781	0.856	0.843	0.919
KK6	0.774	0.746	0.766	0.799
KK7	0.726	0.694	0.717	0.814
KK8	0.652	0.719	0.658	0.812
KK9	0.751	0.759	0.741	0.835
KK10	0.676	0.718	0.752	0.804
KK11	0.711	0.658	0.726	0.840

Source: Smart PLS data processed by researcher (2026).

The results of the discriminant validity test in Table 2 show that each indicator has the highest cross loading value for the construct being measured compared to the other constructs.

The results of the AVE value of this study are as follows:

Table 3. Average Variance Extracted (AVE) Test Results

Variable	Average Variance Extracted (AVE)
Work Discipline	0.578
Work Environment	0.686
Compensation	0.639
Job Satisfaction	0.698

Source: Smart PLS data processed by researcher (2026).

The average variance extracted (AVE) test results in Table 3 show that all constructs have AVE values above 0.50, thus meeting the criteria for discriminant validity.

c. Composite Reliability and Cronbach's Alpha

Table 4. Composite Reliability and Cronbach's Alpha Test Results

Variable	Composite Reliability	Cronbach's Alpha	Description
Work Discipline	0.891	0.853	Reliable
Work Environment	0.929	0.908	Reliable
Compensation	0.925	0.905	Reliable
Job Satisfaction	0.949	0.938	Reliable

Source: Smart PLS data processed by researcher (2026).

The results of the composite reliability and Cronbach's alpha tests in Table 4 show that all latent variables have values above 0.70, thus meeting the reliability criteria.

2. Structural Model/Inner Model

The structural model was evaluated using R-squared, Q-squared, path coefficients, and t-statistics to test the significance of the relationships among the constructs.

a. R-Square

Table 5. R-Square Test Results

Variable	R-Square
Job Satisfaction (Y)	0.871

Source: Smart PLS data processed by researcher (2026).

The R-Square test results in Table 5 show that the job satisfaction variable has an R-Square value of 0.871. This indicates that 87.1% of the variation in job satisfaction can be explained by work discipline, work environment, and compensation, while 12.9% is influenced by other variables outside the research model.

b. Q-Square

Table 6. Q-Square Test Results

Variable	Q-Square	Description
Job Satisfaction (Y)	0.855	Has relevant predictive value

Source: Smart PLS data processed by researcher (2026).

The results of the predictive validity test in Table 6 show a Q-Square value of 0.855, indicating that the model has good predictive validity in explaining the job satisfaction variable.

c. Hypothesis Test

Table 7. Hypothesis Test Results

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>	Description
Work Discipline → Job Satisfaction	0.285	0.286	0.126	2.261	0.012	Positive and Significant
Work Environment → Job Satisfaction	0.423	0.431	0.124	3.417	0.000	Positive and Significant
Compensation → Job Satisfaction	0.269	0.260	0.132	2.038	0.021	Positive and Significant

Source: SEM-PLS data analysis (2026)

The results of the hypothesis testing based on the data analysis in this study are as follows:

Effect of Work Discipline on Job Satisfaction

The results of the hypothesis testing indicate that work discipline has a positive and significant effect on job satisfaction. This is demonstrated by the original sample value of 0.285, a T-statistic of $2.261 > 1.645$, and a P-value of $0.012 < 0.05$, thus accepting the first hypothesis. This means that employees with high work discipline tend to work more consistently, complete tasks well and on time, and receive recognition for their discipline. These conditions can increase job satisfaction because employees feel valued, are more productive, and have a sense of control over their work. This finding is relevant to the phenomenon at Insurance Company regarding employee tardiness. Improving work discipline can minimize this problem so that employees are able to work more consistently and complete tasks on time, which ultimately increases job satisfaction. These research results align with those of Alam & Wanialisa (2021), who state that work discipline can be assessed through attendance, adherence to company rules and policies, and the enforcement of sanctions for violations. Satisfied employees tend to be more responsible regarding their attendance and the consistent performance of their duties, thereby producing high-quality work and having a positive impact on the company.

Effect of Work Environment on Job Satisfaction

The results of the hypothesis testing indicate that the work environment has a positive and significant effect on job satisfaction. The work environment is the most dominant variable because it has the highest path coefficient and T-statistic value compared to the other variables. This is indicated by an original sample value of 0.423, a T-statistic of $3.417 > 1.645$, and a P-value of $0.000 < 0.05$, so the second hypothesis is accepted. This means that a comfortable work environment, harmonious workplace relationships, and adequate facilities can enhance employees' sense of security and comfort at work, thereby driving more optimal performance and increasing job satisfaction. These findings are relevant to the conditions at Insurance Company, which still faces complaints regarding cramped workspaces and poor air circulation. Therefore, improving the work environment must be a priority for

the company to enhance employee job satisfaction. These research results align with those of Yuananda & Indriati (2022), who state that a good, comfortable, and supportive work environment can facilitate the smooth flow of work, improve employees' ability to complete tasks optimally, and promote job satisfaction.

Effect of Compensation on Job Satisfaction

The results of the hypothesis testing indicate that compensation has a positive and significant effect on job satisfaction. This is demonstrated by the original sample value of 0.269, a T-statistic of $2.038 > 1.645$, and a P-value of $0.021 < 0.05$, thus accepting the third hypothesis. This means that employees who receive fair compensation commensurate with their workload and responsibilities tend to have higher job satisfaction. Compensation not only meets economic needs but also provides a sense of being valued and recognized by the company. These findings are relevant to the situation at Insurance Company regarding complaints about the alignment of salaries with workloads. Therefore, providing better and fairer compensation can increase employee job satisfaction. These research results align with those of Arsyad & Nawatmi (2022), who state that compensation that is appropriate for one's position and responsibilities and is provided on time can increase job satisfaction because employees' basic needs are met, thereby encouraging them to contribute more effectively.

CONCLUSION

This study reveals a complex relationship between work discipline, the work environment, compensation, and job satisfaction. The following are the key findings of the study:

This study concludes that work discipline, the work environment, and compensation each have a positive and significant effect on employee job satisfaction at Insurance Company. The work environment has the strongest effect, followed by work discipline and compensation. Together, the three predictors explain 87.1% of the variance in job satisfaction, indicating that employees' satisfaction is strongly connected to their immediate organizational experience.

For managerial practice, Insurance Company should prioritize improvements in workplace comfort, especially space arrangement, air circulation, facilities, and conditions supporting concentration. Discipline should be managed through clear standards, consistent supervision, fair consequences, and constructive recognition. Compensation should be reviewed for internal equity, alignment with responsibility, transparency, and the balance of financial and nonfinancial rewards. Implement these actions as an integrated employee-experience program rather than separate administrative initiatives.

The study is limited to 52 permanent employees in one company and uses cross-sectional self-reported data. The findings should therefore not be generalized automatically to all insurance or reinsurance organizations. Future research should involve multiple companies, larger samples, longitudinal designs, and additional outcomes such as organizational commitment, turnover intention, or sustainable employee performance. Future PLS-SEM studies should also report HTMT, effect sizes,

collinearity diagnostics, and out-of-sample prediction to strengthen the evaluation of the structural model.

REFERENCES

- Alam, I. K., & Wanielisa, M. (2021). Pengaruh Disiplin Kerja, Komitmen Organisasi Dan Lingkungan Kerja Terhadap Kepuasan Kerja Karyawan Pada CV Pintu Mas Bogor. *Jurnal IKRA-ITH Ekonomika*, 4(2), 172–180. <https://doi.org/10.37817/ikraith-ekonomika.v4i2.1031>
- Arsyad, R., & Nawatmi, S. (2022). Pengaruh Disiplin Kerja Lingkungan Kerja dan Kompensasi terhadap Kinerja Karyawan PT. Antarakata Group Semarang. *Journal Of Management & Bisnis*, 5(2), 172–181.
- Firdaus, D. N. (2024). *Manajemen Risiko dan Pengembangan SDM dalam Perspektif Sustainable Development Goals (SDGs) di Indonesia*.
- Ghozali, I., & Kusumadewi, K. A. (2023). *Partial Least Squares Konsep, Teknik dan Aplikasi Menggunakan Program SmartPLS 4.0* (Edisi 1). Semarang: Yoga Pratama.
- Katili, S., & Prasetyo, H. (2021). Pengaruh Kompensasi dan Lingkungan Kerja Terhadap Kepuasan Kerja Karyawan PT. Estadana Venture Cabang Kotabunan Sulawesi Utara. *JOURNAL COMPETENCY OF BUSINESS*, 5(1), 48–61. <https://doi.org/10.47200/jcob.v5i1.874>
- Khairani, N., Rony, Z. T., & Sari, R. K. (2024). Pengaruh Lingkungan Kerja , Disiplin Kerja , Dan , Kompensasi Terhadap Kepuasan Kerja Pegawai Pada Kementerian Sosial Sentra Terpadu Pangudi Luhur Kota Bekasi. *Jurnal Ilmiah Ekonomi Dan Manajemen*, 2(7), 325–339. <https://doi.org/10.61722/jiem.v2i7.1719>
- Marlapa, E., Ali, A. J., & Masta, R. (2024). The Effect Of Work Motivation, Transformational Leadership Style and Job Satisfaction As Intervening Variables On Employee Performance. *International Journal of Management Studies and Social Science Research*, 06(01), 354–365. <https://doi.org/10.56293/IJMSSSR.2024.4832>
- Muchtaruddin, M., Ratnasari, S. L., Susanti, E. N., Ariyati, Y., Desi, V. T., & Andi, F. (2023). Pengaruh Lingkungan Kerja, Budaya Organisasi, Keselamatan Dan Kesehatan Kerja (K3), Disiplin Kerja Dan Motivasi Terhadap Kepuasan Kerjakaryawan Pt. Batamindo Services Sinindo. *Jurnal Dimensi*, 12(2), 422–429. <https://doi.org/10.33373/dms.v12i2.5765>
- Pradana, A. A., Astrama, I. M., & Astawa, P. P. (2024). Pengaruh Kompensasi Finansial, Disiplin Kerja dan Beban Kerjaterhadap Kepuasan Kerja Karyawan. *Jurnal Manajemen, Kewirausahaan Dan Pariwisata*, 4(3), 585–597.
- Putri, F. I., & Kustini, K. (2021). Pengaruh Disiplin Kerja dan Keterlibatan Kerja Terhadap Kepuasan Kerja Karyawan PT. Risky Lintas Samudra Surabaya. *Briliant: Jurnal Riset Dan Konseptual*, 6(3), 629. <https://doi.org/10.28926/briliant.v6i3.694>
- Yuananda, R., & Indriati, I. H. (2022). Pengaruh Kompensasi, Beban Kerja, dan Lingkungan Kerja Terhadap Kepuasan Kerja Karyawan Manna Kampus (mirota kampus) C. Simanjuntak Yogyakarta. *KINERJA: Jurnal Ekonomi Dan Manajemen*, 19(2), 205–214.

<https://doi.org/10.29264/jkin.v19i2.10924>

Yuliantini, T., & Suryatiningsih, S. (2021). Pengaruh Disiplin Kerja dan Beban Kerja terhadap Kinerja Karyawan (Studi Pada Karyawan PT ISS Indonesia). *Populis : Jurnal Sosial Dan Humaniora*, 6(2), 104–120. <https://doi.org/10.47313/pjsh.v6i2.1255>