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NURSE PERFORMANCE AND COMMUNICATION SKILLS: PSYCHOLOGICAL MEDIATION AND COMPENSATION MODERATION WITHIN A CONDITIONAL PROCESS MODEL

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ABSTRACT: This study examines the indirect relationship between nurses' communication skills and job performance, testing a conditional process with psychological mediators and compensation as moderator. Its academic contribution clarifies that psychological pathways, rather than extrinsic rewards, are the primary mechanism translating communicative competence into performance in healthcare organizations. A quantitative survey of 148 nurses at a mental hospital in South Sulawesi, Indonesia, operationalizes work satisfaction and subjective wellbeing as mediators. Results indicate communication skills significantly enhance satisfaction and wellbeing; satisfaction emerges as the stronger mediator of performance. By contrast, neither the direct effect of communication on performance nor the moderating role of compensation reaches statistical significance. Managers should prioritize communication training and interventions that cultivate satisfaction and wellbeing, which outperform compensation tweaks in lifting nurse performance.

Keywords: Communication Skills; Work Satisfaction; Subjective Well-Being; Compensation; Nurse Performance

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INTRODUCTION

Performance is a key indicator of organizational success, including in healthcare institutions such as hospitals. In this sector, nurses' performance plays a strategic role in ensuring service quality, treatment effectiveness, and patient safety (Alilyyani et al., 2018; Platis et al., 2015). For psychiatric hospitals in particular, performance is not only reflected in technical treatment outcomes but also in the ability to maintain therapeutic relationships, emotional resilience, and professional responsibility under high-stress conditions (Khamisa et al., 2015).

Previous studies highlight that performance is influenced not only by technical competence and organizational resources but also by psychological factors such as job satisfaction and subjective well-being (Judge et al., 2001; Salgado et al., 2019). These psychological aspects are strongly affected by nurses' communication skills, which in psychiatric contexts are crucial for therapeutic interaction. Effective communication enables nurses to understand patients' emotional needs, reduce potential conflicts, and enhance interventions (Vermeir et al., 2018). Beyond this interpersonal function, communication skills are also shown to contribute to higher job satisfaction (Curado et al., 2022), improved subjective well-being (Huaman et al., 2023), and ultimately better performance outcomes (Riggio & Taylor, 2000; Wright & Cropanzano, 2000).

Nevertheless, psychological influences are not absolute or uniform. The organizational context plays a decisive role in either strengthening or weakening the impact of psychological mechanisms on performance. One important organizational factor is compensation. Compensation serves not only as a financial reward but also as a source of perceived fairness and recognition. When compensation is perceived as fair, positive psychological conditions such as job satisfaction are more likely to translate into higher performance. Conversely, when compensation is viewed as insufficient relative to workload, its impact on performance may weaken, creating dissatisfaction and disengagement (Gerhart & Fang, 2015; Kim, Fulmer, & Gerhart, 2023).

In the literature, compensation has often been positioned as a direct antecedent of performance. For instance, several studies suggest that compensation directly shapes well-being and performance outcomes (Fulmer et al., 2021). However, findings in other contexts suggest that compensation operates more subtly, not as a direct driver but as a condition that enables or inhibits the effect of psychological resources on outcomes (Deci et al., 2017; Kuvaas et al., 2017). Building on this, the present study conceptualizes compensation as a moderator, not a stand-alone predictor. This formulation reflects the view that performance is primarily shaped by psychological and interpersonal competencies, and that compensation plays a contextual role in amplifying or dampening their influence.

Despite extensive research on communication skills, job satisfaction, well-being, and compensation, there remain at least three gaps in the literature. First, the majority of studies treat compensation as an independent predictor, leaving limited evidence on its moderating role in conditional process models. Second, research in Indonesian hospitals, particularly psychiatric institutions, is scarce, even though the psychosocial work demands in these settings are distinct from general hospitals (Schaufeli, 2017). Third, many previous studies rely on simpler mediation or moderation models, limiting the ability to capture the complex dynamics between communication, psychological states, and organizational context.

This study addresses these gaps by adopting Hayes' Conditional Process Model No. 14 (Hayes, 2018), which integrates dual mediations and one moderation effect in a single framework. Unlike simpler models, Model 14 enables researchers to test not only whether communication skills influence performance, but also through which psychological mechanisms and under what compensation conditions these effects occur. This provides stronger theoretical novelty by connecting interpersonal competencies, psychological resources, and organizational context in a conditional process. From a practical standpoint, the findings are expected to provide valuable insights for hospital administrators and policymakers. Understanding how communication skills translate into performance through job satisfaction and subjective well-being, and how compensation conditions can amplify or reduce these effects, is critical for designing more effective human resource management strategies. This is especially urgent in psychiatric hospitals, where nurses face unique challenges such as high emotional demands, patient unpredictability, and chronic stress. By clarifying these mechanisms, this study contributes to both

theory development and practical interventions aimed at improving healthcare performance in high-pressure environments.

THEORETICAL REVIEW AND HYPOTHESIS DEVELOPMENT

Social Exchange Theory

This study is conceptually grounded in Social Exchange Theory (SET), developed by Blau (1964), which views work relationships as reciprocal exchanges involving both material and socioemotional resources (Cropanzano et al., 2017). Within this framework, individuals are more likely to commit and contribute when they perceive organizational support, fairness, and recognition (Shore et al., 2020). Exchanges extend beyond compensation to include interpersonal interactions, psychological rewards, and emotional satisfaction. In hospital settings, nurses who experience effective workplace communication, high levels of job satisfaction, and stable subjective well-being are more likely to demonstrate superior performance, particularly when supported by a fair compensation system. Thus, the variables in this study are theoretically interconnected within the reciprocal framework articulated by SET.

Performance

Employee performance is influenced by a combination of individual capacity and supportive contextual conditions. From an HRM perspective, performance is maximized when social, psychological, and structural factors align (Wright & Cropanzano, 2000). Recent studies confirm that nurses with strong interpersonal competence, robust psychological support, and equitable compensation exhibit better clinical outcomes and patient care quality (Mubyl et al., 2024; Jiang & Messersmith, 2018). Performance, therefore, is not solely a function of skill, but also of the broader relational and organizational environment in which employees operate.

Communication Skills

Communication competence theory holds that effective communication requires both skill and motivation to adapt messages to contextual demands (Spitzberg, 2003). In nursing, communication competence is essential for coordination, trust-building, and quality care. Prior studies show that effective communication enhances job satisfaction by fostering a supportive work climate (Vermeir et al., 2018) and strengthens psychological well-being by enabling emotional connection and reducing stress (Borualogo, 2021; Huaman et al., 2023). Training in communication has also been linked to measurable improvements in nurse performance (Riggio & Taylor, 2000). Conversely, under high workload conditions, communication alone may not improve satisfaction unless supported by structural resources (Saxena & Rai, 2016).
H1: Communication skills have a positive effect on nurses' job satisfaction.
H2: Communication skills have a positive effect on nurses' subjective well-being.
H3: Communication skills have a positive effect on nurses' performance.

Job Satisfaction

Job satisfaction emerges from positive evaluations of work conditions, such as professional relationships, growth opportunities, and recognition (Judge et al., 2001). Prior studies consistently link satisfaction with hospital performance, underscoring its role as a key driver of organizational success (Platis et al., 2015; Paksoy et al., 2017). Yet in government hospitals, bureaucratic constraints and limited incentives can dampen the translation of satisfaction into performance (Kalalo et al., 2018). Job satisfaction is therefore theorized not only as a direct determinant of performance but also as a crucial mediator between communication and performance (Kim & Wang, 2018).
H4: Job satisfaction has a positive effect on nurses' performance.
H5: Job satisfaction mediates the effect of communication skills on nurses' performance.

Subjective Well-Being

Subjective well-being captures employees' experience of positive emotions and life meaning (Diener et al., 2018). In HRM research, well-being is increasingly viewed as essential for resilience, loyalty, and productivity (Warr & Nielsen, 2018). Evidence suggests that nurses with higher well-being handle patient care more effectively (Mubyl & Latief, 2019), although environmental stressors may erode this relationship (Aini, 2022). Thus, while well-being is theorized as both a direct driver of performance and a mediator linking communication to outcomes, its strength may vary by context.

H6: Subjective well-being has a positive effect on nurses' performance.

H7: Subjective well-being mediates the effect of communication skills on nurses' performance.

Compensation

Compensation has long been considered a central determinant of employee outcomes, though findings are mixed. Some studies show direct effects of financial and non-financial rewards on performance (Dwinanda et al., 2022), while others emphasize its indirect role through fairness perceptions that shape psychological states (Gerhart & Fang, 2015). Recent reviews stress that pay is best understood in interaction with contextual and relational factors (Kim, Fulmer, & Gerhart, 2023). In this study, compensation is conceptualized as a moderator: rather than directly driving performance, it is expected to amplify or weaken the extent to which job satisfaction and subjective well-being translate into improved nurse performance.

H8: Compensation moderates the effect of job satisfaction on nurses' performance.

H9: Compensation moderates the effect of subjective well-being on nurses' performance.

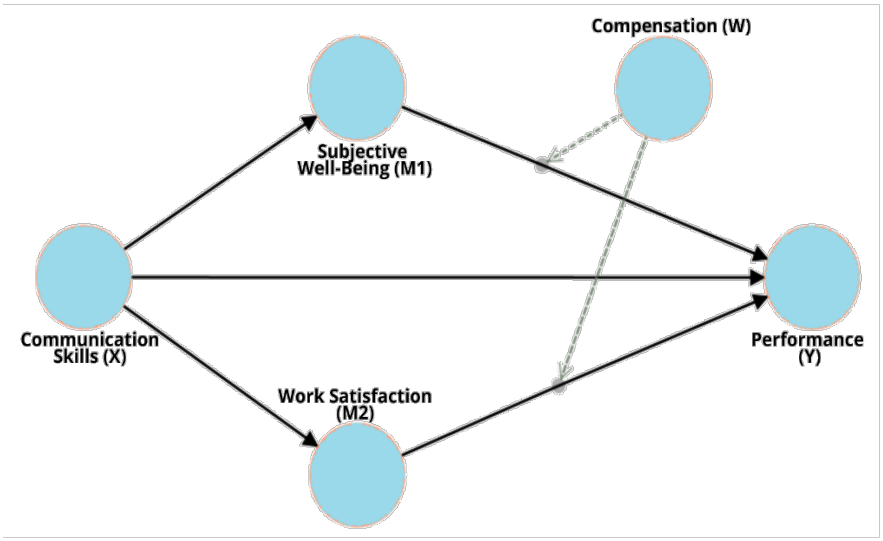

Figure 1. Conceptual Framework

RESEARCH METHOD

This study employed a quantitative approach using an explanatory research design to examine causal relationships among communication skills, Work Satisfaction, subjective well-being, compensation, and nurse performance. The conceptual model was analyzed using Hayes' Conditional Process Model No. 14, which enables simultaneous testing of multiple mediations and moderation within a single analytical framework. The population of this study comprised of all nurses working at the Regional Special Hospital (RSKD) Dadi in South Sulawesi Province, Indonesia, totaling 148 individuals. A saturated sampling technique was used, meaning that all members of the population were included as research respondents. All demographic information is presented in Table 1.

Table 1. Demographic Profiles

Variable	Category	n	%
Gender	Male	50	33.78
	Female	98	66.22
Age	21–30 years	9	6.08
	31–40 years	64	43.24
	41–50 years	43	29.05
	51–60 years	29	19.59
	>60 years	3	2.03
Education	Diploma (D3)	44	29.73
	Bachelor (S1)	104	70.27
Work Period	1–5 years	14	9.46
	6–10 years	17	11.49
	11–15 years	49	33.11
	16–20 years	13	8.78
	21–25 years	15	10.14
	26–30 years	22	14.86
	>30 years	18	12.16

The research instruments were developed based on relevant theories for each variable: Supriyanto and Ernawaty (2010) for communication skills, Tay and Diener (2011) for subjective well-being, Hasibuan (2013) and Simamora (2015) for compensation, Stamps (1997) and Taunton et al. (2004) for Work Satisfaction, and Koopmans (2012) for performance (see Table 2). All instruments used in this study were adopted from previous Indonesian studies in nursing and health-care contexts, where the scales had already been validated and demonstrated acceptable reliability as in PLS-SEM.

Table 1. Variables / Measurement Items

Variables	Code	Items / Constructs	Major References
Communication Skills (X1)	AS	Attending skills (posture, eye contact, relaxed)	Supriyanto & Ernawaty (2010)
	RE	Respect (courtesy, politeness, empathy)	
	EMP	Empathy (listening, understanding feelings)	
	RES	Responsiveness (timely and sensitive responses)	
Compensation (X2)	SAL	Salary	Hasibuan (2013); Simamora (2015)
	WAG	Wages	
	INC	Incentives	
	ALL	Allowances	
	FAC	Facilities	
Work Satisfaction (M1)	PAY	Pay	Taunton et al. (2004)
	NPI	Nurse-physician interaction	
	TAS	Task	
	DM	Decision making	
	AUT	Autonomy	
	NNI	Nurse-nurse interaction	
	PS	Professional status	
Subjective Well-being (M2)	CI	Cognitive: Income	Tay & Diener (2011)
	CR	Cognitive: Relations with social environment	
	CJ	Cognitive: Job	
	CH	Cognitive: Health	
	APA	Affect: Positive affection	
	ANA	Affect: Negative affection	
Performance (Y)	TP	Task performance	Koopmans (2012)
	CP	Contextual performance	
	CWB	Counterproductive work behavior	

Data were analyzed with SmartPLS 4 using PLS-SEM. PLS-SEM was selected because the model involves multiple mediators and a moderator, which increases structural complexity. In addition, PLS-SEM is robust with smaller samples, making it appropriate for this study with 148 respondents. This study received ethical approval from the Ethics Committee of The Hospital of Dadi, South Sulawesi Province, Indonesia. In addition, informed consent was obtained from all participating nurses prior to data collection, and confidentiality and anonymity of responses were ensured. The measurement model was analyzed to test reliability and convergent validity, followed by testing the structural model to examine the relationships among variables within the mediation and moderation framework. The bootstrapping technique was employed to test the significance of direct, indirect, and moderation interaction paths of the compensation variable. All tests were conducted at a 5% significance level ($p < 0.05$).

RESULTS

This study finds that majority of respondents in this study were female (66.22%). In terms of age, most were between 31 and 50 years old (72.29%). Based on educational background, respondents were predominantly bachelor's degree (S1) graduates, accounting for 70.27%. Meanwhile, 72.97% of the respondents had more than 10 years of work experience. The dominance of female respondents reflects the reality of the nursing profession in Indonesia, which has historically been dominated by female healthcare workers. Additionally, the characteristics related to age, education, and length of service indicate a high level of professional maturity. This is relevant to the focus of the study, considering that variables such as communication skills, job satisfaction, and subjective well-being tend to develop through extended work experience and reflective practice. A higher level of education also supports a deeper understanding of compensation, not only as a form of financial reward but also as recognition of professionalism. Therefore, this respondent profile strengthens the conceptual validity of the relationships between communication skills, compensation, psychological conditions, and nurse performance explored in this study. This study firstly, reports the fit indicators for the employed model as in Table 3.

Table 3. Goodness-of-Fit Indicators

Indikator	Saturated Model	Estimated Model
SRMR	0.1122	0.1495
d_ULS	3.1831	5.6532
d_G	0.8638	0.9897
Chi-square	667.81	726.54
NFI	0.6081	0.5736

The SRMR value for the saturated model (0.1122) and the estimated model (0.1495) exceeds the ideal threshold of ≤ 0.08, which is generally considered the benchmark for model adequacy. However, in PLS-SEM, models with SRMR ≤ 0.10 are still acceptable under exploratory conditions. The NFI values (0.6081 for the saturated model and 0.5736 for the estimated model) indicate a moderate level of model fit. Although not perfect, these values remain within the acceptable tolerance range for predictive models, such as those used in the PLS-SEM approach. Therefore, this model is considered to have sufficient fit to proceed with further testing of relationships among variables through the measurement and structural models. This study then followed this by revisiting the employed scales, and remove those with low loading as in Table 4.

Table 4. Items' Removal Findings

Construct	Indicator	Loading	Decision	Reason
Subjective well-being	ANA	0,421	Dropped	Below 0.50 threshold (Hair et al., 2019)
Work satisfaction	AUT	0,434	Dropped	Below 0.50 threshold
Work satisfaction	PAY	0,265	Dropped	Below 0.50 threshold
Compensation	FAC	0,259	Dropped	Below 0.50 threshold
Compensation	WAG	0,443	Dropped	Below 0.50 threshold

The requirement for convergent validity is that the loading factor must be significant, i.e., greater than 0.70. A loading value between 0.50–0.60 is still considered acceptable. Based on the bootstrapping results (Figure 2), several indicators such as ANA (0.421) under the Subjective Well-Being variable, AUT (0.434) and PAY (0.265) under the Work Satisfaction variable, and FAC (0.259) and WAG (0.443) under the Compensation variable, have loading values below 0.50. Therefore, these indicators must be removed and excluded from further analysis. Figure 2 presents the final employed model as in Smartpls output. This study also performs the cross-loading analysis, and average variance extractor as in Table 5.

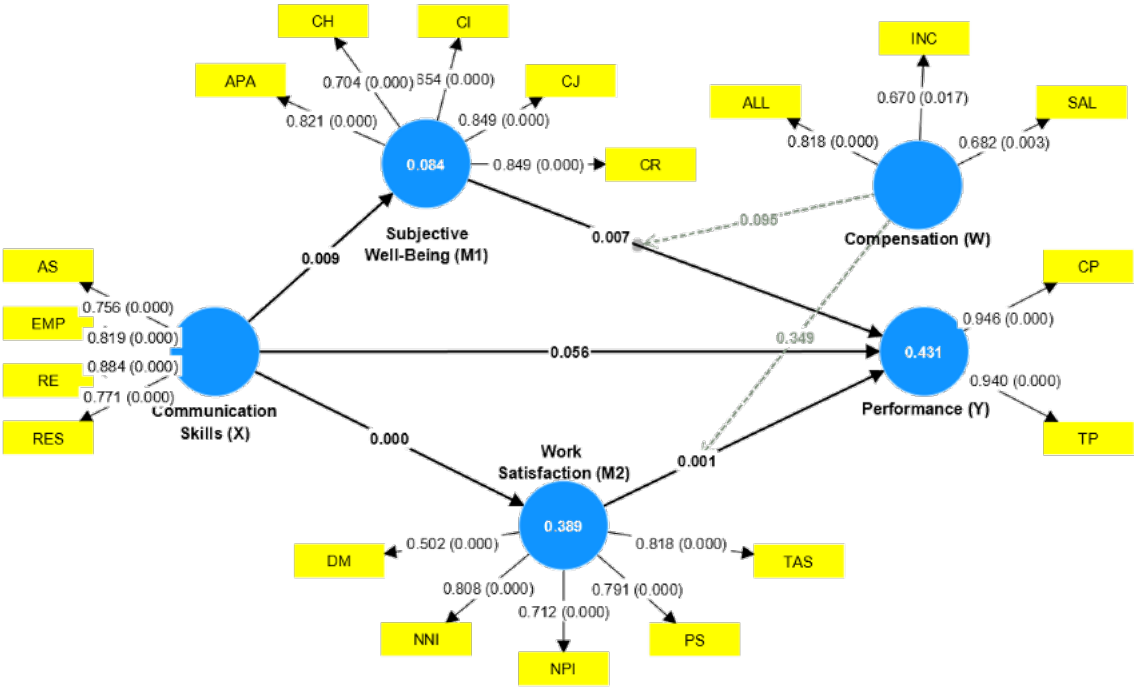

Figure 3. Path Result

Tabel 5. Cross Loading dan AVE

Indicators	Comm. Skills	Comps.	Work Sats.	SWB	Perform.	AVE construct	Decision
AS	0,756	0,124	0,455	0,192	0,147	0,654	Valid
RE	0,884	0,361	0,538	0,179	0,090		Valid
EMP	0,819	0,199	0,523	0,194	0,092		Valid
RES	0,771	0,243	0,495	0,355	0,203		Valid
SAL	0,311	0,682	0,285	0,266	0,119	0,528	Valid
INC	0,229	0,670	0,223	0,127	0,188		Valid
ALL	0,153	0,818	0,275	0,340	0,233		Valid
NPI	0,524	0,365	0,712	0,397	0,262	0,890	Valid
TAS	0,469	0,403	0,818	0,483	0,422		Valid
DM	0,153	0,130	0,502	0,316	0,255		Valid
NNI	0,527	0,114	0,808	0,446	0,403		Valid
PS	0,506	0,259	0,791	0,379	0,417		Valid
APA	0,178	0,288	0,363	0,821	0,509	0,607	Valid
CH	0,107	0,121	0,345	0,704	0,457		Valid
CI	0,274	0,464	0,356	0,654	0,330		Valid
CJ	0,317	0,208	0,551	0,849	0,527		Valid
CR	0,244	0,283	0,497	0,849	0,438		Valid
TP	0,095	0,243	0,418	0,532	0,940	0,541	Valid
CP	0,217	0,249	0,495	0,574	0,946		Valid

Based on the cross-loading calculations, all indicators in the model showed loading values greater than 0.50 and AVE values above 0.50, indicating that convergent validity is satisfied. Moreover, each indicator's highest loading was found within its respective construct, confirming that discriminant validity was also fulfilled. This study analyzes the convergent validity of the latent variables is by examining the Cronbach's Alpha coefficient as presented in Table 5.

Table 6. Cronbach alpha dan Composite reliability

Construct	Cronbach's Alpha	Composite Reliability (CR)	Description
Communication Skills	0.823	0.825	Reliable
Work Satisfaction	0.784	0.817	Reliable
Subjective Well-being	0.835	0.852	Reliable
Compensation	0.567	0.561	Reliable*
Performance	0.876	0.878	Reliable

The threshold for construct reliability is generally 0.70. However, Cronbach's Alpha values between 0.50 and 0.70 are still considered acceptable in exploratory research. In this study, the reliability values for compensation ($\alpha = 0.567$; CR = 0.561) fall within this range. Therefore, the construct can still be retained for analysis, but its relatively low reliability represents a limitation. The collinearity test was conducted to ensure that no bias occurred in the regression results, through the calculation of the Variance Inflation Factor (VIF) values. Table 7 provides the VIF scores.

Table 7. Variance Inflation Factor (VIF)

Predicting Constructs	VIF Value	Decision
Communication skills → Performance	1,688	No multicollinearity
Communication skills → Subjective well-being	1,000	No multicollinearity
Communication skills → Work satisfaction	1,000	No multicollinearity
Compensation → Performance	1,357	No multicollinearity
Subjective well-being → Performance	1,747	No multicollinearity
Work satisfaction → Performance	2,194	No multicollinearity
Compensation x Subjective well-being → Performance	2,186	No multicollinearity
Compensation x Work satisfaction → Performance	2,212	No multicollinearity

All VIF values fall below the commonly accepted multicollinearity threshold (typically 3–5), indicating that the model does not suffer from multicollinearity among constructs. Ideally, VIF values should be close to or below 3. The next step is to analyze the structural model as presented in Table 8.

Table 8. The Summary of Correlation

Path	Effect	t-value	p-Value	Result
Communication → Job Satisfaction	0.607	11.482	0	H1 Accepted
Communication → Subjective Well-being	0.356	2.622	0.009	H2 Accepted
Communication → Performance	-0.109	0.948	0.343	H3 Rejected
Work Satisfaction → Performance	0.341	2.789	0.005	H4 Accepted
Communication → Performance (via Job Satisfaction)	0.207	2.654	0.008	H5 Accepted
Subjective Well-being → Performance	0.356	2.42	0.016	H6 Accepted
Communication → Performance (via Subjective Well-being)	0.127	1.818	0.069	H7 Rejected
Compensation × Communication → Job Satisfaction	-0.194	1.167	0.243	H8 Rejected
Compensation × Communication → Performance	0.238	1.343	0.179	H9 Rejected
Endogenous Construct	**R^2**	**Adj. R^2**	**Q^2**	**Interpretation**
Job Satisfaction	0.478	0.458	0.264	Moderate explanatory
Subjective Well-being	0.460	0.446	0.277	Moderate explanatory
Performance	0.625	0.605	0.404	Substantial explanatory

The structural model demonstrates strong explanatory and predictive validity. Performance achieved substantial explanatory power, with more than sixty percent of its variance accounted for by the psychological and communication variables, while job satisfaction and subjective well-being displayed moderate explanatory strength. This indicates that nurses' performance is shaped not by a single driver but through the layered influence of attitudinal and psychological mechanisms. Predictive relevance tests reinforce this conclusion, particularly for performance, where the model demonstrates notable forecasting capacity. In practical terms, these results affirm that psychological constructs serve as decisive conduits linking communication skills to performance outcomes in healthcare organizations. Communication skills were shown to meaningfully enhance both satisfaction and well-being, highlighting interpersonal competence as a foundational HRM resource. In turn, both satisfaction and well-being significantly improved performance, resonating with organizational behavior theories that stress the role of positive psychological conditions in sustaining productivity, resilience, and commitment. Notably, the direct pathway from communication to performance was insignificant, underscoring that communication functions indirectly by shaping satisfaction and well-being rather than serving as a standalone determinant of performance.

The hypothesized role of compensation as a moderator was not supported, either in its direct influence on performance or in amplifying the effects of satisfaction and well-being. This divergence from studies in transactional sectors suggests that in a psychiatric care context, intrinsic drivers—such as empathy, recognition, and relational quality—carry more weight than financial incentives. Such findings refine the HRM literature by challenging the assumption of compensation's universal effectiveness, instead pointing to the context-sensitive nature of motivational levers. The model thus contributes theoretically by illustrating how Hayes' conditional process framework integrates mediation and moderation to reveal underlying psychological pathways while simultaneously highlighting the boundaries of compensation's utility. For practice, the implications are clear: health organizations should treat compensation as a necessary baseline condition but not a sufficient driver of performance. Strategic emphasis should instead be placed on enhancing communication competence, cultivating satisfaction, and reinforcing psychosocial well-being, which together represent more sustainable levers for elevating performance in healthcare settings.

DISCUSSION

The structural model demonstrates strong explanatory and predictive validity. Performance displayed substantial explanatory power, with over sixty percent of its variance accounted for by communication skills, job satisfaction, subjective well-being, and their interaction with compensation, while job satisfaction and subjective well-being each showed moderate explanatory strength. This pattern underscores that performance is not shaped by a single driver but rather through layered psychological mechanisms (Hoang Dang et al., 2025; Judge et al., 2001). Predictive relevance values further confirmed the robustness of the model, particularly for performance as the primary outcome. Importantly, communication skills were shown to significantly enhance both satisfaction and well-being, affirming interpersonal competence as a foundational HRM resource (Alqudah et al., 2022; Riggio & Taylor, 2000). Both psychological states, in turn, contributed positively to performance, resonating with organizational behavior theories that emphasize the role of positive psychological conditions in sustaining commitment and productivity (Wright & Cropanzano, 2000; Curado et al., 2022). The direct path from communication to performance, however, was not supported, illustrating that communication operates indirectly through attitudinal mechanisms—especially job satisfaction—rather than as a direct determinant of performance.

The discussion of these findings reveals both expected and novel insights. Consistent with earlier research, communication skills emerged as central to establishing a positive work climate and enabling productivity (Vermeir et al., 2018; Pouragha et al., 2020). Yet the analysis clarifies that the effect is primarily indirect: job satisfaction, more than subjective well-being, serves as the pivotal conduit through which communication translates into performance. This distinction is theoretically significant. While subjective well-being reflects a broad sense of life quality, it appears less powerful in high-pressure contexts such as psychiatric nursing, where task-related satisfaction exerts stronger motivational force (Diener et al., 2018). The results thereby enrich

HRM scholarship by differentiating the relative weight of psychological conditions in bridging interpersonal competence and work outcomes.

The hypothesized moderating role of compensation was not substantiated, diverging from studies that position financial incentives as key performance levers (Gerhart & Fang, 2015; Kim, Fulmer, & Gerhart, 2023). In the present context, compensation neither directly improved performance nor strengthened the influence of psychological states. Several explanations are plausible. First, in a government-regulated hospital setting, compensation structures are largely standardized, leaving insufficient variation to trigger meaningful interaction effects. Second, the construct itself showed low reliability, suggesting measurement limitations may have diluted observable effects. Third, compensation in public hospitals may be perceived less as motivational reinforcement than as a normative entitlement, thereby carrying little psychological salience for performance (Chen et al., 2023). These findings highlight that, in caregiving settings, intrinsic motivators such as empathy, recognition, and workplace belonging outweigh material incentives, further underscoring the primacy of psychosocial resources over extrinsic rewards (Deci et al., 2017).

These insights advance HRM theory and practice. Theoretically, the application of Hayes' Conditional Process Model illustrates the complex interplay of mediation and moderation, offering a nuanced account of how interpersonal and psychological factors shape performance (Hayes, 2018). Practically, the results suggest that hospital leaders and HR managers should not rely on compensation as the principal lever of motivation. Instead, investments in communication training, psychosocial support, and mechanisms that foster job satisfaction are likely to yield more sustainable improvements in nurse performance (Kuvaas et al., 2017). This study therefore contributes to a richer understanding of HR dynamics in healthcare, while providing actionable guidance for the design of human resource strategies in high-stress professional contexts.

This study advances HRM scholarship by clarifying the psychological mechanisms through which communication skills influence performance in healthcare organizations. Moreover, the study challenges the assumed universality of compensation as a moderating factor. Thus, for practitioners, the findings suggest that performance improvements among psychiatric nurses are best achieved through relational and psychosocial interventions rather than compensation schemes. Hospital leaders should prioritize programs that strengthen communication competence, since effective interpersonal exchange fosters satisfaction and, in turn, performance.

CONCLUSION AND FURTHER STUDY

This study demonstrates that communication skills play a pivotal role in shaping nurse performance, operating most strongly through the mediating effect of job satisfaction. Subjective well-being, while positively associated with communication, did not emerge as a robust mediator, and compensation failed to demonstrate a moderating role in strengthening psychological influences on performance. These findings highlight the layered and context-specific nature of performance drivers in psychiatric hospitals, where relational competence and task satisfaction outweigh financial incentives. Nevertheless, several limitations must be acknowledged. The single-site, cross-sectional design limits causal inference and generalizability, while the homogeneity of compensation structures in a public institution constrained the capacity to detect moderating effects. Moreover, the measurement of compensation exhibited weak reliability, pointing to the need for refined instruments. These limitations suggest that the conclusions, while theoretically valuable, should be interpreted cautiously and examined across broader contexts. Building on these insights, future research should explore compensation effects in more heterogeneous institutional settings, contrasting public and private healthcare environments where pay variation may alter motivational dynamics. Longitudinal designs could illuminate how psychological conditions and performance evolve over time, while incorporating constructs such as burnout or emotional exhaustion as competing mediators would enrich the understanding of mechanisms linking communication and performance.

CONFLICT OF INTERESTS

The author declares no conflict of interest.

ETHICAL DISCLOSURE

This study was conducted in accordance with established ethical research standards as approved by the Ethical Committee from Dadi Regional Hospital, South Sulawesi, Indonesia.

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