



The Influence of Compensation and Work Discipline on Employee Performance at PT Pacific Indah Pratama

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ABSTRACT

Human resource development and coaching is one of the right efforts to deal with a company's problems or challenges related to strategic environmental changes. This study aims to determine the effect of compensation and work discipline on employee performance at PT. Pacific Indah Pratama employees. The sample in this study was 81 people using saturated sampling techniques. The analysis method used is descriptive and verification methods. Data collection techniques through questionnaires, observations, interviews and literature studies. The data analysis used is multiple linear regression analysis. The results of this study are Compensation and work discipline have a positive and significant influence on employee performance

INTRODUCTION

Performance has become a factor in the success or failure of a company, in this case it is known that PT.Pacific Indah Pratama (PIP) experienced a decline caused by several factors, the following is the target achievement from 2016 to 2020:

Table 1. Achievement of Production Targets of PT Pacific Indah Pratama Jakarta

Year	Production Quantity (Units)	Annual Production Target (Goods)	Percentage of Target Achievement (%)	Information
2016	433,481	650,000	66.68	Not achieved
2017	313,334	650,000	48.20	
2018	440,329	650,000	67.74	
2019	401,667	650,000	61.79	
2020	244,937	650,000	37.68	
Amount	1,833,748	3,250,000	282.09	
Average	366,749.6	650,000	56.41	Not achieved

Source: PT Pacific Indah Pratama Jakarta, 2020

On average, the percentage of production target achievement rate for 5 years is 56.41%, so it can be stated that it has not been achieved. This is caused by several possible problems that occur in the company PT. Pacific Indah Pratama, namely the alleged lack of work enthusiasm which is suspected by the level of compensation given which has not been met according to employee expectations.

The factor that caused the company not to achieve its targets was thought to be the compensation given by PT.Pacific Indah Pratama (PIP) results the interview stated that the compensation in the form of take home pay (salary + meal allowance + attendance allowance) given has not yet reached the Provincial Minimum Wage (UMP) set by the government. This means that the compensation is still below the UMP and is not in accordance with the laws and regulations Article 81 number 25 of Law Number 11 of 2020 concerning Job Creation.

Next is work discipline, employee absenteeism in 2020 reached 4.2%, which means it exceeds the company's tolerance limit, In addition to the problem of absenteeism, there is also a problem with the level of employee tardiness. Delays are caused by several reasons including national holidays such as Eid al-Fitr so that they arrive home at night or in the morning from going back to their hometown and personal interests.

LITERATURE REVIEW

- X1 : According to Sofyandi (2013) compensation is all income in the form of money, goods directly or indirectly received by employees as compensation for services provided to the company, the indicators include 1) Direct Compensation; 2) Indirect Compensation
- X2 : According to Sinambela (2018) Work discipline is a tool used by leaders to communicate with employees so that they are willing to change their behavior to follow the rules that have been set. The indicators include 1) Frequency of Attendance; 2) Level of Alertness; 3) Compliance with Work Standards; 4) Compliance with Work Regulations; 5) Work Ethics
- Y : According to Hasibuan (2016) Employee performance is a work result achieved by someone in carrying out the tasks assigned to him based on skills, experience and sincerity as well as time. Performance can also be interpreted as work achievement or work implementation and results. The indicators include 1) Loyalty; 2) Work Performance; 3) Honesty; 4) Discipline; 5) Creativity; 6) Cooperation

Hypothesis Development

H1 : There is a positive and significant influence of compensation and work discipline on employee performance.

H2 : There is a positive and significant influence of compensation on employee performance.

H3 : There is a positive and significant influence of work discipline on employee performance.

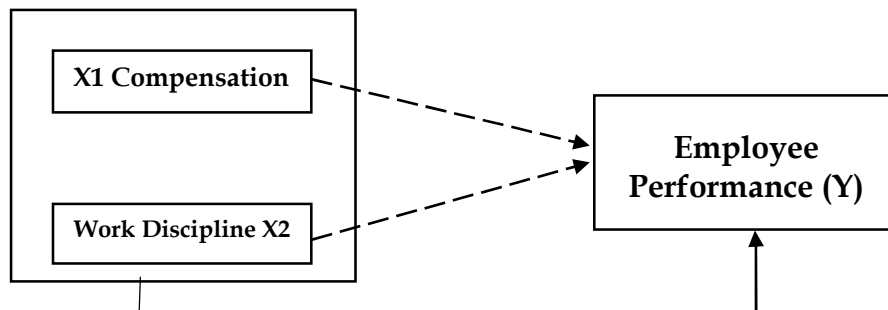


Figure 1. Framework of Thought

METHODOLOGY

This study aims to describe and analyze the influence of compensation and work discipline on employee performance at PT Pacific Indah Pratama, thus using a descriptive verification method. The research variables are divided into 2, namely dependent variables (performance) and independent variables (compensation and work discipline). Respondents in this study were 81 people, data collection through primary and secondary data. The testing method passed the validity test, reliability, classical assumptions and linear regression.

RESULT AND DISCUSSION

Testing is carried out in stages starting from:

1. Employee Character

A recapitulation of employee characteristics can be seen in the following table:

Table 2. Employee Characteristics Recapitulation

Information	Type Characteristics	Number of people)	Percentage (%)
Gender	Man	62	76
Age	21-30	32	40
Education	High School/Vocational School	25	31
Length of work	>4 Years	33	41
Income	Rp. 3,000,001 - Rp. 4,000,000	43	53

Source: Processed Primary Data, 2022

2. Validity and Reliability Test

All variables can be declared valid and reliable, as can be seen below:

Table 3. Validity Test Results

Indicator	Correlation Coefficient (r count)	Provisions (r table)	Information
X1-1	0.318	0.3	Valid
X1-2	0.385	0.3	Valid
X1-3	0.395	0.3	Valid
X1-4	0.541	0.3	Valid
X1-5	0.378	0.3	Valid
X1-6	0.571	0.3	Valid
X1-7	0.381	0.3	Valid
X1-8	0.305	0.3	Valid
X2-1	0.525	0.3	Valid
X2-2	0.423	0.3	Valid
X2-3	0.646	0.3	Valid
X2-4	0.579	0.3	Valid
X2-5	0.522	0.3	Valid
X2-6	0.544	0.3	Valid
X2-7	0.555	0.3	Valid
X2-8	0.546	0.3	Valid
X2-9	0.688	0.3	Valid
X2-10	0.431	0.3	Valid
Y-1	0.495	0.3	Valid
Y-2	0.310	0.3	Valid
Y-3	0.553	0.3	Valid
Y-4	0.434	0.3	Valid
Y-5	0.712	0.3	Valid

Y-6	0.574	0.3	Valid
Y-7	0.767	0.3	Valid
Y-8	0.692	0.3	Valid
Y-9	0.517	0.3	Valid
Y-10	0.442	0.3	Valid
Y-11	0.435	0.3	Valid
Y-12	0.447	0.3	Valid
Y-1	0.495	0.3	Valid
Y-2	0.310	0.3	Valid
Y-3	0.553	0.3	Valid
Y-4	0.434	0.3	Valid
Y-5	0.712	0.3	Valid
Y-6	0.574	0.3	Valid
Y-7	0.767	0.3	Valid
Y-8	0.692	0.3	Valid
Y-9	0.517	0.3	Valid
Y-10	0.442	0.3	Valid
Y-11	0.435	0.3	Valid
Y-12	0.447	0.3	Valid

Source: Processed Primary Data, 2022.

The results of the reliability test in this study are as follows:

Table 4. Results of Research Instrument Reliability Test

Variables	Cronbach's Alpha	Provision (a)	Information
Compensation (X1)	0.635	0.6	Reliable
Work Discipline (X2)	0.728	0.6	Reliable
Employee Performance (Y)	0.733	0.6	Reliable

Source: Processed Primary Data, 2022.

3. Classical Assumption Test

Testing is divided into 3 stages such as:

- Normality Test

The regression model has normal distribution data because it has a sig value of 0.200. The results of the normality test using a histogram graph are as follows:

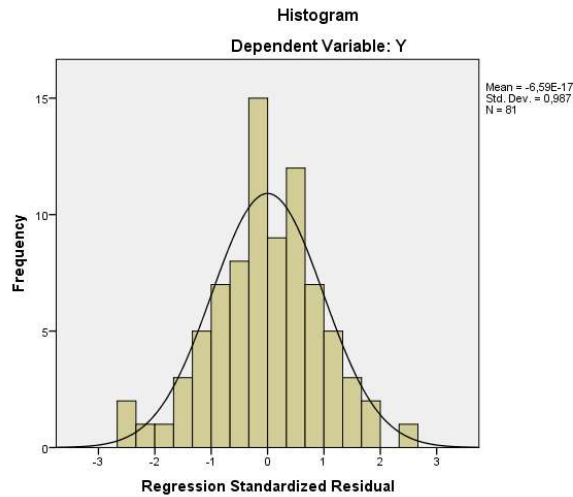


Figure 2. Normality Test Results with Histogram Graph

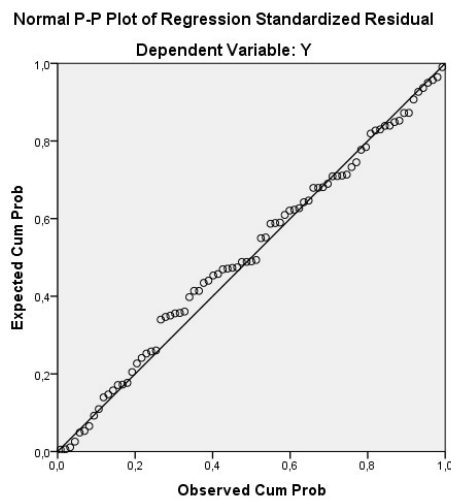


Figure 3. Results of Normality Test with Normal Probability Plots
Source: Processed Primary Data, 2022

- Multicollinearity Test
There is no problem because it has the following results:

Table 5. Multicollinearity Test Results

Model	Collinearity Statistics		Decision
	Tolerance	VIF	
Compensation	0.795	1,258	Free from Multicollinearity
Work Discipline	0.795	1,258	Free from Multicollinearity

Source: Processed Primary Data, 2022

- Heteroscedasticity Test
 There were no problems and it was suitable for use with the following results:

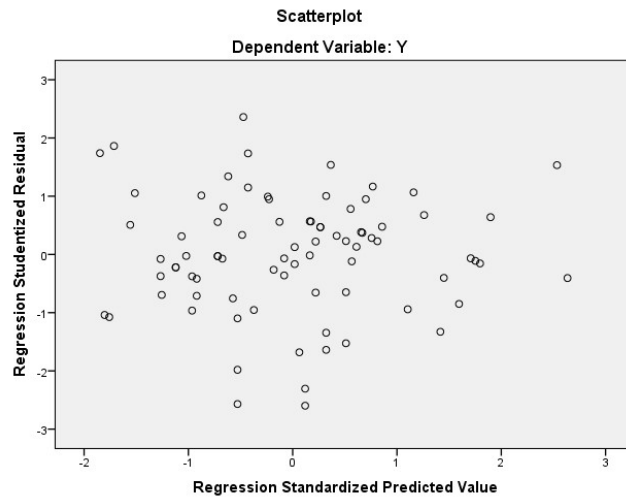


Figure 4. Heteroscedasticity Test Results with Scatterplot Graph
 Source: Processed Primary Data, 2022

4. Linear Regression Test

Multiple Linear Regression Analysis is used to predict how the value of the independent variable will change if the dependent variable is increased or decreased in value. Through several stages as follows:

Table 6. Linear Regression Testing

Coefficientsa						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1 (Constant)	4,361	4,818		,905	,368	
X1	,337	,153	,200	2,202	,031	
X2	,823	,127	,587	6,485	,000	
Thitung	-	-	-	1,911	-	
R	,701					
R2	,509					
F Table	37,623				,000	
F Count	3.11					
Trust Level	0.05					

Source: Processed Primary Data, 2022.

The research results can be described as:

- The regression coefficient of each variable means that an increase in each variable will be followed by an increase in the employee performance variable. On the contrary, it will result in low employee performance.

- The R value is 0.701, so it is known that there is a strong relationship between compensation and work discipline variables on employee performance.
- The R² value is 0.509 or 50.9%. This shows that the percentage of contribution or contribution of the influence of compensation and work discipline variables on employee performance is 50.9%, while the remaining 49.1% is influenced by other factors not included in the study.
- The F count value is 37.623 which means it is greater than F table 3.11 (37.623 > 3.11). From these two criteria, it can be concluded that H₀ is rejected and H_a is accepted, which means that the compensation and work discipline variables have a positive and significant simultaneous effect on employee performance.
- Both independent variables, namely compensation and work discipline, have a positive and significant effect on employee performance. This is indicated by the t-value of each variable being greater than the t-table value.

RESULT AND DISCUSSION

The compensation given by PT. Pacific Indah Pratama is in a fairly good condition according to the average value, which is 3.40. The provision of indirect compensation is in accordance with expectations. While the lowest score is in the salary indicator. This matter The salary received is sufficient to meet the minimum daily needs of employees because it is still below the government's minimum wage and the salary given is sufficient to suit the employee's experience and length of work, meaning that the amount of salary is adjusted to the employee's experience and length of work.

The work discipline of PT. Pacific Indah Pratama employees is in good condition with an average value of 3.88. The lowest score is on the frequency of attendance indicator and it can be said to be quite good, but the company must also pay attention to employee attendance and tardiness in order to reduce employee attendance to be even better.

Employee performance of PT. Pacific Indah Pratama employees averaged a score of 3.79 and was categorized as high. The lowest score in the fairly high category was in the discipline indicator.. This means that discipline is one of the things that employees need to improve.

CONCLUSION AND RECOMMENDATIONS

Simultaneous and partial testing of each variable in the study had a positive and significant influence on employee performance. Here are some suggestions that can be considered such as: The Company should provide health benefits faster than the 15-year work period requirement. The percentage of employee delays is 0.48% and there are employees who are absent from work without explanation. This sanction can be in the form of a warning by the leader or by implementing a salary cut. The company instills more honest values in working, either in the form of a campaign or leaders can uphold honesty while working.

FURTHER STUDY

For further research, it can be conducted using different methods and number of respondents.

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