

The Influence of Work Discipline and Compensation to the Employee Performance: A Case Study of PT Temasindo Intipratama, South Jakarta

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Abstract. This research will examine the work discipline and compensation in a PT Temasindo Intipratama at one of the branch offices in Kebayoran Baru, South Jakarta of Indonesia. This research is a type of causality and uses a quantitative approach. The sampling involved 78 employees at PT Temasindo Intipratama, who worked in offices. This research assesses to measure employee performance use a statistical inferential, i.e., multiple regression linear analysis. The following yields are obtained: (1) Work Discipline has positive and an insignificant impact and also Compensation has also an insignificant impact on the Employee Performance at PT Temasindo Intipratama, Wijaya Grand Centre; and (2) Work Discipline and Compensation have a negligible impact to the Employee Performance at PT Temasindo Intipratama, Wijaya Grand Centre simultaneously. The contribution of Employee Performance is only affected by Work Discipline and Compensation factors by 20 percent.

Key words: work discipline, compensation, employee performance.

Introduction

In an enterprise, there must be factors that support the enterprise's success in achieving company goals. One of them is human resources. Good management is vital for an enterprise to achieve company goals. Enterprise activities will run well if human resources have the knowledge, skills, and desire to manage the enterprise as best as possible. Every enterprise certainly needs potential human resources in every field, both leaders and employees, in the patterns and supervision that determine the achievement of company goals (Farchan, 2016: 49). Management is a regulatory process carried out by a group of individuals or business entities in achieving goals by working together to utilize resources owned by elements of the organization or enterprise.

Human resource management is a science and art of regulating the workforce's relationship and role to be effective and efficient to help achieve the enterprise's object, employees, and society (Hasibuan, 2017: 10). Enterprises' problems require companies to find fast, precise, and accurate solutions, especially human resources problems. The employee is the lifeblood needed to function properly by an enterprise, which cannot be denied.

The performance of an enterprise or organization is the accumulated performance of all individuals who work in it. In other words, efforts to improve enterprise performance are by increasing each individual's performance (Abdulaali, 2018: 10). The existence of a real threat to economic and enterprises' stability is the workforce that is not ready to face the challenges or changes around them. This factor is inseparable from the discipline of each employee. Discipline is the awareness and willingness of a person to obey all companies' rules and the prevailing social norms. Meanwhile, the meaning of consciousness is that the mind is functioned according to the heart's desire. High discipline will stimulate and encourage morale to perform well per what the organization wants (Pfeiffer, 1998: 291-292).

Efforts to improve enterprises' performance are by improving each individual's performance attached to the enterprise's compensation policy, the other factors (Hamid, 2017: 150). Compensation is an expense and expense for the enterprises. The enterprises expect that the compensation paid will get a more significant work performance reward than the employee. Therefore, the employee's work enterprise value must be greater than the payment that must be paid by the enterprises so that the company gets a profit and guaranteed organizational continuity (Wukir, 2013: 84). The level of education is a major factor in formulating compensation in achieving effective employee performance. The enterprise must be competitive enough with some balance to hire, maintain, and reward each performance in the organization.

The enterprise's findings include that it still employs first-line staff positions with an average salary of IDR 4 million per month based on the regional minimum wage (UMP, known as Indonesia). Company regulations that apply to many private enterprises in general. Based on the results of observations from the pre-survey, the company is considered to have deficiencies in the types of direct compensation in the form of financial, including:

Table 1. Types of Compensation

No.	Financial Type of Compensation	Explanation
1	BPJS Health Benefits	Enterprises give away
2	Health and Work Safety Insurance	
3	Feast Day Allowance	
4	Overtime Pay	
5	Presence incentive	
6	Severance Pay	
<i>Source: Data Enterprises' from Author's (2019)</i>		

The data above provides information that the compensation provided by the enterprises has met the welfare of organizations. The enterprises have implemented the company regulations and the Minister of Labors' Laws in Indonesia for workers' comfort and peace. Compensation is based on differences in the educational background of different employees. Another problem faced by enterprises with direct observation, i.e.:

- (1) employees only receive net wages (net), and without food allowance, transportation allowances, and/or other benefits, except for certain positions at the management level;
- (2) There are still employees who are not disciplined while in the work environment;
- (3) Not all employees are mentally healthy when facing problems at work;
- (4) There are still many reprimands from superiors if the work is not per work regulations; this will impact the overall performance.

Good human resource management's role in retaining their best employees utilizing their welfare, besides in enterprises, also has an important role in broader consumer involvement in its "brand." The determination of a fair amount of compensation that will be felt by each employee following the expected amount of work to yield a good working relationship (Husain, 2019: 69 ; Sudaryana, 2020: 491-492).

The company encourages employees to follow standard work procedures and rules, and fraud can be prevented. The main goal is to encourage employees to arrive on time according to applicable rules and be responsible for their work. By coming to the office on time and carrying out tasks under their duties, it is expected that work performance will increase. Besides, the company expects that the compensation paid earns a greater

work performance reward than the employees. Therefore, the employee's work performance value must be greater than the compensation that must be paid by the organization so that it gets a profit, and continuity is guaranteed. By coming to the office on time and carrying out tasks in accordance with their duties, it is expected that work performance will increase.

This research will examine the work discipline and compensation in a PT Temasindo Intipratama at one of the branch offices in Kebayoran Baru, South Jakarta of Indonesia. The enterprise is engaged in the trading of electronic telecommunication equipment and electrical equipment fittings, which domicile at Wijaya Grand Center. The importance of this study is conducted to find out factors above to employee performance.

Theoretical Framework and Hypothesis Development

Management is a science and art that regulates human resources and other resources effectively and efficiently to achieve a certain goal. "In its application, management is a science and art as a means of managing the organization's resources to achieve a purpose (Hasibuan, 2017: 9). In accordance with Stephanie Barnes and Nick Milton (2015), visualization of organizational strategy according to Kaplan's map begins with a vision, strategic elements, customers, finance, learning processes and activities or other goals that support it (Hasani et al., 2020: 37). Furthermore, Human resource management is the process of obtaining, training, assessing, and compensating employees and managing labor relations, health, and safety, as well as matters related to justice (Dessler, 2015: 3).

One aspect of the strength of the Human Resources (HR) may be reflected in the attitudes and actions of discipline because the discipline has a strong impact on an organization to reach success in the pursuit of objectives that are planned (Baharuddin et al., 2015: 24). Discipline is a management action to implement a standards organization (Mangkunegara, 2017: 129). According to Handoko (2015), work discipline partition into three types: preventive discipline, corrective discipline, and progressive discipline. Employee discipline can support employee performance efforts through tools based on prevention, handling, and sanctions (Sonjaya et al., 2019: 24).

Compensation is a remuneration received by employees for their contributions to their work, whether in financial forms, such as basic salary; variable compensation such as commissions, incentives, and bonuses; as well as in non-financial firms such as awards, career development, social security, and others (Bangun, 2012: 255). Payments in all forms, either directly (financial, such as allowances, incentives, wages, bonuses, and commissions) or indirectly (non-financial, such as health insurance, leave rights, and others) due to an employment relationship (Dessler, 2015: 46). Compensation is overall the earning in monetary items, items directly or indirectly accepted by employees as a reward for services rendered to the enterprise (Hasibuan, 2017: 108). The compensation system for performance must be considered because the higher the employee's performance is achieved, the higher the compensation he receives (Baharuddin et al., 2015: 30).

According to the previous research yields, about work discipline and compensation, i.e.:

(1) A paper by Neslihan Ozkan about relation on the CEO pay and performance employing at 390 UK non-financial firm stated that such as the Greenbury Report (1995) that objectives CEO compensation is more closely linked to performance, suggesting the enhancement effect of CEO tenure;

(2) Research by Aris Baharuddin et al. (2015) on the impact of compensation, work

discipline, and training employee job performance in PT. PLN (Persero) Service area and Network, Malang involve 44 respondents calculate with Slovin' sampling technique. The yield shows that the three variables above have a partial and simultaneous impact on employee job performance;

(3) Research by Zeeshan Hamid (2017) on the impact of work systems on SME's performance by mediating human resource development on 205 managerial staff respondents provides evidence that work systems positively impact export-oriented SMEs' performances;

(4) Research by Angga Pratama (2018) on the impact of organizational commitment and compensation by mediating job satisfaction factor in Sub Directorate of Customs and Rites Enforcement, which involved 100 respondents. The yield shows that the overall factors are a positive and significant influence on employee performance;

(5) Conference by S. Sonjaya et al. (2019) analyzed the impact of discipline, compensation, and training on employee performance at Pardic Jaya Chemicals Company who involved 85 samples. The yield shows that discipline, payment, and training influence performance. It's solely that the impact of performance payment is minimal and does not directly impact performance;

(6) Research by Ismet Sulila (2019) on the influence of work motivation and discipline on employee performance at BTPN Gorontalo, which shows that the second variable above has a partial and simultaneous impact on employee performance;

(7) Research by Yayan Sudaryana (2020) on the influence of compensation and career development on employee performance at PT Bennese Indonesia shows that the second variable above has a partial and simultaneous impact on employee performance.

Based on the previous study above, the importance of work discipline and compensation factors are related to an enterprise's performance. This study continues to make a conceptual model and hypothesis testing. Charles D. Kirkpatrick's and Julie Dahlquist (2011) modeling can function by scientific multidisciplinary in context to analyze, evaluating each measurement model whether it meets the criteria or not, (according to procedures) or technical calculations (Husain, 2019: 1). The model must then be estimated with the best approach to describe reality, the criteria for determining whether the equation model's estimation is per the theory being tested (Ghozali and Ratmono, 2017: 7). The research model is designed as follows:

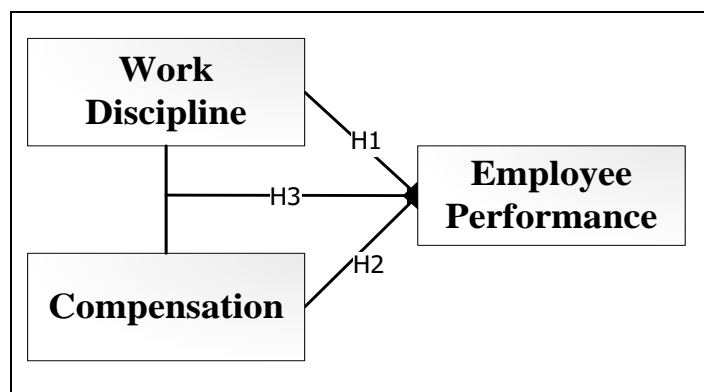


Fig 1. Research Model

Against reply to the research aim, the following alternative hypothesis is formulated:

1. The impact of Work Discipline and Employee Performance

Work discipline is essential to achieve company goals. This condition in various organizations should be given special attention. Several research findings stated that

work discipline's positive effect impacts the work employee performance (Baharuddin et al., 2015; Sonjaya et al., 2019; Sulila, 2019). This means that the better the work discipline applied to the organization, the better the impact on employee performance. Therefore, the first alternative hypothesis will try again as follows:

H1 Work Discipline has positive and significant impact to the Employee Performance

2. The impact of Compensation and Employee Performance

Another important factor besides work discipline is the amount of compensation received by employees. The compensation received will provide short-term and long-term hope for completing the tasks given by the organization. Several research findings stated that the positive effect of payment impacts the work employee performance-based on the Greenbury Report (1995), which begins at the CEO level, it will receive compensation closely related to performance (Ozkan, 2011) and the other research about employee performance (Baharuddin et al., 2015; Sonjaya et al., 2019; Pratama, 2018; Sudaryana, 2020). This means that the high the compensation is received from the organization, the better the impact on employee performance. Therefore, the second alternative hypothesis will try again as follows:

H2 Compensation has positive and significant impact to the Employee Performance

3. The impact of Work Discipline and Compensation and Employee Performance

The assumption is that there is a link between work discipline and compensation variables together on employee performance. Based on the research results that have been stated above, each variable has a positive influence on employee performance as any research (Baharuddin et al., 2015; Sonjaya et al., 2019). Work discipline and compensation variables have a positive impact on employee performance, which will be examined further through the formulation of a third alternative hypothesis as follows:

H3 Work Discipline and Compensation have positive and significant impact to the Employee Performance

Research Methods

This research is a type of causality to test the hypothesis about the influence of one or several variables (independent variable) on other variables or dependent variables (Sugiyono, 2017: 62). This research is also using a quantitative approach based on constructivism. The objectives prove empirically the research objectives that can clarify the description of the object under study and the story of the thing, and later conclusions can be drawn about the problem under study (Goundar, 2012: 16).

The sampling involved 78 employees at PT Temasindo Intipratama who worked at the Wijaya Grand Center, Kebayoran Baru. Data collection methods in this study are library and field research. Data analysis simplifies data into a form that is easier to read and interpret become modeling. In science, to analyze data, This research assesses to measure employee performance use a statistical inferential, i.e., multiple regression linear analysis. The regression equation is formulated viz.:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

Y = Employee Performance

α = Constant

β_1 = Coefficient of the independent variable: Work Discipline (X1)

β_2 = Coefficient of the independent variable: Compensation (X2)

e = error term

Results

Starting with activities as an extension of PT Gajah Tunggal Kabel Indonesia at PLN and Telkom, PT Temasindo Intipratama moves fast enough and is well known among the two government enterprises. Armed with PT Gajah Tunggal Kabel Indonesia's trust and through its professional staff in a short-time, PT Temasindo Intipratama has entered into a sale and purchase agreement with the two companies. Verifying yield use multiple linear regression analysis to predict of impact employee performance from work discipline and compensation factors, which show the relationship between the independent variable and the dependent variable through t-test yields as follow Table 2.

Table 2. The Regression Coefficients

	Score		
	t-Statistics	Probability Significance	Results
Work Discipline (X1)	1.323	0.190	H ₁ Reject
Compensation (X2)	1.469	0.149	H ₂ Reject
<i>Source: Data Calculated (2020)</i>			

Table 2 above shows the produce at-statistics each of 1.323 and 1.469, t-table (dF: 77 = 1.9913), is less than this score. This means each of the variables viz. Work Discipline and Compensation has a positive and insignificant impact on Employee Performance at PT Temasindo Intipratama, Wijaya Grand Centre - South Jakarta. This yield can also view the probability significance as more than 0,05, i.e., 0.190 and 0.149, which H₁ and H₂ are rejected.

Table 3. The Determination and F-Tests

	Determination of Coefficients	Score		
		F-Statistics	Probability Significance	Results
Model	0.20	1.602	0.206	H ₃ Reject
<i>Source: Data Calculated (2020)</i>				

Table 3 above shows the produce an F-statistics is 1.602, or probability significance is more than 0,05, i.e., 0.206. This means variable Work Discipline and Compensation simultaneously positively and significantly impact Employee Performance at PT Temasindo Intipratama, Wijaya Grand Centre - South Jakarta (H₃ is rejected).

Discussion

Accordance with on the data processing from software and the following yields are obtained:

1. The impact of Work Discipline and Employee Performance, from table 2 test yields show that insignificant influence with more than 0,05 probability score, which these means are no support the previous findings with evidence a positive and significant impact to the employee performance (Baharuddin et al., 2015; Sonjaya et al., 2019; Sulila, 2019). These findings mean that the high or low work discipline applied at PT Temasindo Intipratama, Wijaya Grand Center - South Jakarta no impact on the overall employee performance. This may be due to the management's lack of control over

employees by conducting evaluations once a week on employee work activities, especially regarding the difficulty of being on-time attendance, which impacts employee performance.

2. The impact of Compensation and Employee Performance, from table 2 test yields show that insignificant influence with more than 0,05 probability score, which these means are no support the previous findings with evidence a positive and significant impact to the employee performance (Baharuddin et al., 2015; Sonjaya et al., 2019; Pratama, 2018; Sudaryana, 2020). These findings mean that the magnitude of compensation gives at PT Temasindo Intipratama, Wijaya Grand Center - South Jakarta no impact on the overall employee performance. This may be due to the management's less evaluation and improving the compensation that has been to employees. With this, it is expected that the enterprise will continue to establish the right work motivation, which will support an increase in employee performance.

3. The impact of Work Discipline and Compensation and Employee Performance, from table 3 test yields show that insignificant influence with more than 0,05 probability score, which these means are no support the previous findings with evidence a positive and significant impact to the employee performance (Baharuddin et al., 2015; Sonjaya et al., 2019). These findings mean that the coefficients of determination score in only 0.20, which is that the contribution of Employee Performance is only affected by Work Discipline and Compensation by 20 percent, the 80 percent of remaining are influenced by other factors not examined.

Conclusion

According to the results and discussions, the conclusion as follows:

1. Work Discipline has a positive and insignificant impact on Employee Performance.

2. Compensation also has a positive and insignificant impact on Employee Performance.

3. Work Discipline and Compensation have an insignificant impact on Employee Performance.

4. The contribution of Employee Performance is only affected by Work Discipline and Compensation factors by 20 percent.

Future researchers who want to develop and continue this research should add other variables because many factors affect PT Temasindo Intipratama employees' performance, employees' performance such as incentives, work environment, training, and development. The future agenda is expected to measure the extent to which each theory's role is a better alternative in assessing employee performance.

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