The Effect of Compensation and Work Discipline on Employee Performance in PT. Mahanusa Graha Persada

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Abstract

The purpose of this study was to determine the effect of compensation and work discipline on employee performance at PT Mahanusa Graha Persada either partially or simultaneously. The method used is the associative method. The sampling technique used is a saturated sample using a sample of 60 respondents. Data analysis used validity test, reliability test, classical assumption test, regression analysis, correlation coefficient analysis, determination coefficient analysis and hypothesis testing. The result of this study is that compensation has a significant effect on employee performance with the regression equation $Y = 24.376 + 0.426X1$, the correlation coefficient value is 0.426, meaning that both variables have a moderate level of relationship with a coefficient of determination of 21.7% and hypothesis testing is obtained t count > t table or (4,010 > 2,001). Work discipline has a significant effect on employee performance with the regression equation $Y = 0.674 + 0.953X2$, the correlation coefficient value is 0.953, meaning that both variables have a strong relationship with a coefficient of determination of 73.5% and hypothesis testing is obtained t count > t table or (12,672 > 2,001). Compensation and Work Discipline simultaneously have a significant effect on employee performance with the regression equation $Y = 0.398 + 0.221X1 + 0.940X2$. The correlation coefficient values obtained are 0.221 (X1) and 0.940 (X2), meaning that the compensation variable (X1) has a moderate level of relationship and work discipline (X2) has a strong relationship level to employee performance (Y). The hypothesis test is obtained that the value of Fcount > Ftable or (79.067 > 3.16) thus Ho is rejected and H3 is accepted. This means that there is a simultaneous significant effect between compensation and work discipline on employee performance at PT. Mahanusa Graha Persada.

Keywords: Compensation, Work Discipline, Employee Performance.

1. Introduction

The company prioritizes improving service quality and developing human resources in order to compete in the business world. With this, the company is in dire need of competent and quality human resources. Human resources are one of the important factors in a company to achieve its goals and objectives. Employee performance is a description of the work or level of achievement of a person or group of people in a company or organization. In addition, performance can also be a benchmark in the company to assess its employees in carrying out their duties and responsibilities properly and correctly. The quality of employee performance will increase by taking into account the rights and obligations of employees such as the provision of compensation and the application of work discipline. Employee performance measurement is used as a management tool to analyze the

implementation of activities or policies and it is hoped that the good quality of performance can increase the company's competitive advantage.

In fact, employee performance often gets less attention from every company. One of them is PT. Mahanusa Graha Persada which is the basis for the research, PT. Mahanusa Graha Persada which was established in 2017 as a company engaged in the property and investment industry. PT. Mahanusa Graha Persada is located at Menara 165, Jl. TB Simatupang Kav 01 Cilandak, South Jakarta. In order to improve quality, the management of PT. Mahanusa Graha Persada has made various kinds of business breakthroughs. Some of the efforts made to improve quality are by developing human resources in order to maximize their performance. Therefore, to realize this mission, it is necessary to improve the quality of work which is assessed through employee performance.

Table 1. Employee Performance PT. Mahanusa Graha Persada

No	Indicator	Result	Information
1.	Work quality	Good	In accordance with the standards set by the company
2.	Working Quantity	Good	In accordance with company goals
3.	Task Implementation	Not Good	In carrying out their duties, there are still employees who are not careful and are not agile with new assignments.
4.	Responsibility	Not Good	Completion of work has not been in accordance with the time set

Source: Pre-Survey

This shows that the performance of employees of PT Mahanusa Graha Persada still needs to be improved in order to achieve the target as expected by the company. To improve employee performance, the company requires several important aspects in order to keep employees trying to improve their performance, including compensation and employee work discipline. With these aspects, employees are required to have good quality work and discipline in meeting the work standards that have been set. Based on the description described above, the authors are interested in conducting further research with the title "The Effect of Compensation and Work Discipline on Employee Productivity at PT. Mahanusa Graha Persada Jakarta"

2. Literature Review

Compensation

According to Suparyadi (2015: 271) compensation is the overall compensation received by employees as a reward for contributions made to the organization, both financial and non-financial. Compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company (Hasibuan 2012: 118). Compensation Indicator According to Simamora (2015:445) compensation indicators are: Wages and Salaries, Incentives, Allowance and Facilities.

Work Discipline

According to Hasibuan (2016: 193), discipline is the awareness and willingness of a person to obey all company regulations and applicable social norms. Discipline has two meanings. The first meaning involves learning or molding behavior by applying rewards or punishments. The second meaning, more narrowly, is that this discipline is only related to punitive actions for wrong behavior (Sutrisno 2016:87). Work Discipline Indicator There are several indicators that determine work discipline according to Veithzal Rivai quoted by Septiawati (2014: 1817), namely: Presence, Compliance with work regulations, Adherence to work standards, High level of vigilance, and Work Ethically

Employee Performance

According to Siswanto (2015:11) performance comes from the word job performance which means work performance achieved by someone in carrying out the tasks and work assigned to him. According to Kasmir (2016: 182) performance is the result of work and work behavior that has been achieved in completing the tasks and responsibilities given within a certain period. Employee Performance Indicator According to Mangkunegara (2017:75), employee performance indicators include: Quality of work, Quantity of work, Task execution dan Responsibility
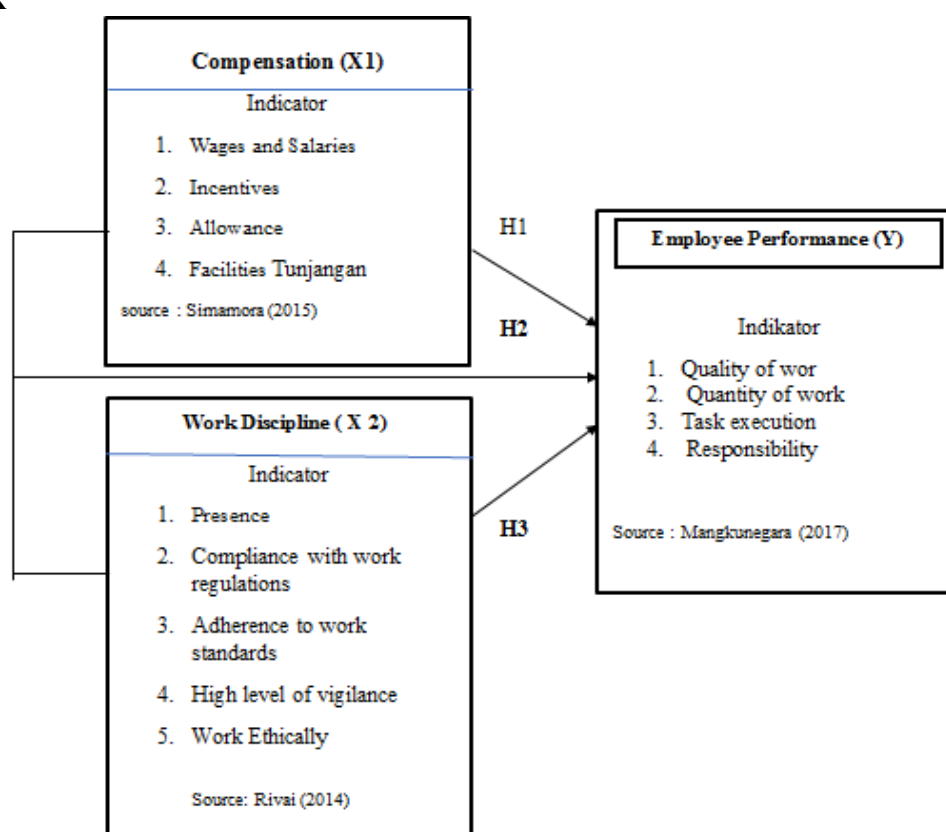.

Framework

Figure 1. Research Framework

Hypothesis:
H1: Compensation has a positive and significant effect on employee performance
H2: Work Discipline has a positive and significant effect on employee performance.

H3: Compensation and Work Discipline have a positive and significant effect on employee performance.

3. Methods

This type of research is a quantitative method with an associative approach. According to Sugiyono (2017:8) "quantitative research is a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative or statistical, with the aim of testing predetermined hypotheses". So, the population and sample of this research are all employees of PT. Mahanusa Graha Persada totaling 60 employees. According to Sugiyono (2014:131) secondary data is a data source that does not directly provide data to data collectors, for example through other people or through documents. In this study, secondary data were obtained from various library materials such as books, journals, and articles from the internet that can support and complement this research. To test the quality of primary data, the researchers tested the validity and reliability. In this study, the classical assumption tests used include: Normality Test, Multicollinearity Test, Autocorrelation Test, and Heteroscedasticity Test, and Hypothesis Test.

4. Results and Discussion

Validity Test

This validity test is used to test the questions or statements on each statement item on the questionnaire can be said to be valid or not. Furthermore, to process this validity test, the researcher uses the SPSS version 25 application program with the following criteria. If r count > r table then the statement is validBased on the results of data processing, here are the results of the validity test in this study.

Table 2. Validity Test

Variables	Item	Validity
Compensation	10	Valid
Work Discipline	10	Valid
Employee Performance	10	Valid

Based on the data in the table above, all variables obtained by the value of r count > r table (0.254), thus all questionnaire items are declared valid. For this reason, the questionnaire used is feasible to be processed as research data.

Reliability Test

Reliability test is used to measure that the variables used are completely free from errors so as to produce consistent results even though they have been tested many times. The results of the reliability test will produce Cronbach's Alpha. A variable is said to be reliable if the Cronbach's Alpha value 0.60 (Ghozali, 2014:47). The results of the reliability test can be seen in the table below:
   a. if the Cronbach Alpha value > 0.60, then the instrument is reliable.
   b. if the Cronbach Alpha value < 0.60, then the instrument is not reliable.

Table 3. Reliability Test

Variables	Alpha Cronbach	Validity
Compensation	0,925	Reliable
Work Discipline	0,910	Reliable
Employee Performance	0,920	Reliable

Based on the test results in the table above, it shows that the compensation variable (X1), work discipline (X2) and employee performance (Y) are declared reliable, this is evidenced by each variable having a Cronbach Alpha value greater than 0.600.

Multiple Linier Regression

Table 4. Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.398	3.386		.118	.907
	Kompensasi	.022	.073	.024	.297	.767
	Disiplin Kerja	.940	.089	.845	10.557	.000

a. Dependent Variable: Kinerja Karyawan

Based on the results of the analysis of the regression calculations in the table above, it can be obtained the regression equation Y = 0.398 + 0.022X1 + 0.940X2. From the above equation, it can be concluded as follows:

1) The constant value of 0.398 means that if the compensation variable (X1) and work discipline (X2) does not exist, then there is an employee performance value (Y) of 0.398.
2) The compensation value (X1) 2.2% means that if the constant is fixed and there is no change in the work discipline variable (X2), then every 1 unit change in the compensation variable (X1) will result in a change in employee performance (Y) of 2 ,2%.
3) The value of work discipline (X2) 94% means that if the constant is fixed and there is no change in the compensation variable (X1), then every 1 unit change in the work discipline variable (X2) will result in a change in employee performance (Y) of 94% .

Partial Test

In this study, a significance criterion of 5% (0.05) was used by comparing t count with t table, namely as follows:
(a) If the value of t arithmetic table means H0 is accepted and Ha is rejected
(b) If the value of t-count table means that H0 is rejected and Ha is accepted
As for determining the magnitude of the t table, it is sought using the following formula:
t-table = tα.df (Level Alpha x Degree of Freedom) = 5% real rate df = (n-2), then obtained (60-2) = 58, then t-table = 2,001

Table 5. Hypothesis Test

No.	Variables	t-value	Sig	t-table
1.	Compensation	4,010	0,000	2,001
2.	Work Discipline	12,672	0,000	2,001

Based on the test results in the table above the first obtained the value of t count> t table or (4.010 > 2.001) This is also strengthened by the value of value <Sig.0.05 or (0.000 <0.05). Thus, H0 is rejected and Ha1 is accepted, this shows that there is a partially significant effect between compensation on employee performance at PT Mahanusa Graha Persada.and the second value of t count> t table or (12,672 > 2,001). This is also reinforced by the value of value < Sig. 0.05 or (0.000 < 0.05). Thus, H0 is rejected and Ha2 is accepted, this shows that there is a partially significant influence between employee work discipline on employee performance at PT Mahanusa Graha Persada.

Goodness of Fit

Simultaneous Hypothesis Testing (Test F). To test the effect of the variable Compensation and Work Discipline simultaneously on Employee Performance at PT Mahanusa Graha Persada, the F statistic test (simultaneous test) was carried out with a significance of 5%. In this study, the 5% (0.05) significance criterion was used, namely comparing the calculated F value with the F table with the following conditions:
(a) If the calculated F value > F table: it means that H0 is accepted and H3 is rejected
(b) If the calculated F value < F table: it means that H0 is rejected and H3 is accepted
To determine the magnitude of Ftable, it is sought with the provisions of df = (n-k-1), then obtained (60-2-1) = 57, so Ftable = 3.16

Table 6. ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1312.540	2	656.270	79.067	.000^b
	Residual	473.110	57	8.300		
	Total	1785.650	59			

a. Dependent Variable: Kinerja Karyawan

b. Predictors: (Constant), Disiplin Kerja, Kompensasi

Based on the test results in the table above, the calculated F value > Ftable or (79.067 > 3.16), this is also reinforced by value < 0.05 or (0.000 < 0.05). Thus, H0 is rejected and H3 is accepted, this shows that there is a simultaneous significant influence between compensation and work discipline on employee performance at PT Mahanusa Graha Persada

Discussion

The discussion of the results of this study is intended to discuss the influence and significance:

1. Effect of Compensation (X1) on Employee Performance (Y).

Based on the results of the analysis, the value of the regression equation $Y = 24.376 + 0.426X_1$, the correlation coefficient of 0.426 means that the two variables have a moderate level of relationship. Hypothesis testing is obtained by the value of t arithmetic > t table or (4.010 > 2.001) This is also reinforced by the value of value < Sig.0.05 or (0.000 < 0.05), thus H0 is rejected and H1 is accepted, meaning that there is a significant effect partially between compensation and employee performance at PT Mahanusa Graha Persada.

2 Effect of Work Discipline (X2) on Employee Performance (Y)

Based on statistical results, the regression equation value of $Y = 0.674 + 0.953 X_2$., correlation coefficient of 0.953 means that the two variables have a very strong relationship level.. Hypothesis test obtained value of t count > t table or (12,672 > 2,001). This is also reinforced by the value of value < Sig. 0.05 or (0.000 < 0.05) thus H0 is rejected and H2 is accepted, meaning that there is a partially significant influence between employee discipline on employee performance at PT Mahanusa Graha Persada.

3. Effect of Compensation (X1) and Work Discipline (X2) on Employee Performance (Y).

Based on the results of the study, it shows that compensation (X1) and employee discipline (X2) have a positive effect on employee performance with the regression equation $Y = 0.398 + 0.221X_1 + 0.940X_2$. Hypothesis testing is obtained by calculated F value > Ftable or (79.067 > 2.001), this is also strengthened by value < Sig 0.05 or (0.000 < 0.05). Thus H0 is rejected and H3 is accepted. This means that there is a simultaneous significant influence between compensation and work discipline on employee performance at PT Mahanusa Graha Persada.

5. Conclusion

Based on the descriptions in the previous chapters, and from the results of the analysis and discussion of the effect of compensation and work discipline on employee performance, as follows Compensation has a significant effect on employee performance at PT Mahanusa Graha Persada., Work Discipline has a significant effect on employee performance at PT Mahanusa Graha Persada and Compensation and work discipline have a significant effect on employee performance at PT Mahanusa Graha Persada

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