Impact of compensation, Leadership, and Discipline on Employee Performance

Ifa Fitri Anita1, Anis Turmudhi2

[1,2,] STIE Totalwin Semarang
Email: [1]ifafitrianita@gmail.com, [2]anis@stietotalwin.ac.id

ARTICLE INFO

ABSTRACT

This study aims to identify factors that affect the performance of MSME employees of Kripik Tahu Walik Cemara Kembar Magelang City Regency. This study tests 3 (three) hypotheses, namely: The following factors affect employee performance: compensation, leadership, and work discipline. The location of the survey was MSMEs Tahu Walik Chips. The data of this study was collected through a questionnaire from 53 employees. The method for analyzing data uses the classic hypothesis test, Multiple linear regression. The study results show that compensation, leadership, and work discipline improve employee performance. Based on the study's results, it is proposed that managers need to participate in decision-making so that employees can succeed. More attention must be paid to salary offers, allowances, and facilities, which need improvement. Performance should be improved by prioritizing attendance, Discipline, and achieving goals.

INTRODUCTION

The progress of a company can be measured from the level of human resources quality of human resources. The company will determine whether it succeeds in maintaining the quality of its human resources in the future. In carrying out operational activities, the company must be able to utilize, manage, and develop its human resources to achieve a good level of employee performance and improve its overall performance.(Darmawan, 2022),(Cipta, 2023), This research focuses on micro, small, and medium sector companies (MSMEs) having the capacity to absorb a large amount of labor, allowing small and medium enterprises (MSMEs) to develop and compete with capital-intensive companies. MSMEs have shown their ability to develop and survive as one of the drivers of the economy in the coming years.

In the MSMEs Tahu Chips Walik Cemara Kembar Magelang Regency, more than 50 workers are in the tofu factory; however, more than this number is often needed to face high market demand. It can

be caused by the indiscipline of members or personnel, especially in maintaining punctuality during working hours. A lack of understanding of the importance of Discipline and time management can negatively impact performance, especially in completing tasks and executing production processes. The workforce is sometimes insufficient MSMEs of the Walik Cemara twin tofu chips factory in Magelang City Regency produce tofu chips of 500 kg/day, require labor to print tofu 6-8 people, but the employees present are only 4, making performance ineffective, and takes longer. The packing section is only done by two people with a high enough level of demand that it can take up more time, cannot maintain punctuality during working hours, or is not disciplined. Inadequate skills can cause many employees in charge of the tofu turning department so they work slowly and will hinder the production process and overall performance.

Many factors affect it, ranging from poor work discipline to leadership that could be more firm in setting working hours for its employees. The decline in performance is likely caused by a relatively low salary factor, where the system of giving his work wages is based on the number of jobs he does. Workers in charge of turning tofu are paid 4000 rupiah per basket, workers in charge of printing tofu are paid 12,000 per cook, workers in charge of packaging recap in the bookkeeping department are given more responsibility in the factory are given a wage of 50-70 thousand per day (10 hours of work) employees often complain because there has never been such a thing as a salary increase in the factory for many years. This can result in decreased work discipline, making the work more optimal. This study aims to determine how managerial remuneration, work discipline, and leadership impact employee performance. MSMEs Tahu Walik Cemara Kembar Chips Magelang City Regency.

LITERATURE REVIEW
Employee Performance
Employee performance results from their work for some time in carrying out their duties or responsibilities based on competence, seriousness, time, and experience. (Ibrahim et al., 2021),(Rimawati; et al., 2022). According to (Arif Syafi'ur Rochman, Niswan Bayu Syasindy, 2021), (No et al., 2022), (Astono et al., 2020). All human resources, managers, and employees test the organization's performance. A workplace that shares facilities can motivate employee performance to achieve industry goals. According to (AMRI, 2022), "Success is the result of professional work and behavior obtained in carrying out the tasks and responsibilities given over some time." Employee performance measurement can be based on 6 (six) indicators, namely Quantity *(Quantity)*Quality *(Quality)*Time *(Duration),* Partner Collaboration, Cost Reduction, and Control.

Compensation
Compensation is a kind of salary paid to a company. By (Cahya et al., 2021), (Turmudhi & Kurdaningsih, 2022), (Aprilia et al., 2023). Direct allowance is a payment to employees through salaries, bonuses, or commissions. Direct wage, also known as basic wage, is a fixed salary or wage of a worker which can be in the form of monthly wage (salary) or weekly wage or wage for each hour worked (hourly wage). According to (Hidayat et al., 2019),(and Angreni Haeruddin et al., 2023) Compensation *(compensation)*, compensation remuneration is a reward given to an individual for their contribution to work, either in the form of financial or non-financial remuneration or both. According to (Cahya et al., 2021) Compensation indicators include Wages and salaries, benefits, benefits, and facilities.

Leadership
Leadership is an important factor in an organization/agency (Rumbiak et al., 2023),(Tampubolon et al., 2020). Leadership is a person's ability or strength to influence and guide others to achieve a predetermined goal. (Dwi Wahyuni et al., 2023), (amri, 2022),(Imron & Suhardi, 2019) A leader's ability to persuade his team members to work toward organizational goals. According to (Rumbiak et al., 2023), there are four indicators of leadership(Rumbiak et al., 2023)(Rumbiak et al., 2023): Directive, Supportive, Participatory, and Achievement-oriented leadership.

Work Discipline

According to (Rahayu & Dahlia, 2023)(Astono et al., 2020), Discipline is a quality that develops in individuals or employees, directing them to follow or make decisions to be organized based on their own will and follow work values and ethics. In this case, Discipline can have an effect in the form of an increase in the implementation of duties and responsibilities given to workers. According to (Arif Syafi'ur Rochman, Niswan Bayu Syasindy, 2021) (Turmudhi & Kurdaningsih, 2022) Discipline is the behavior of an individual's willingness or willingness to implement and comply with standards, regulations, or regulations that apply to the industry. According to (Rahayu & Dahlia, 2023), Work Discipline Indicators are Attendance, Compliance with employment standards, High vigilance, and Work ethics.

Research design

The research design uses descriptive and quantitative calculations; the variables used here are the research findings.
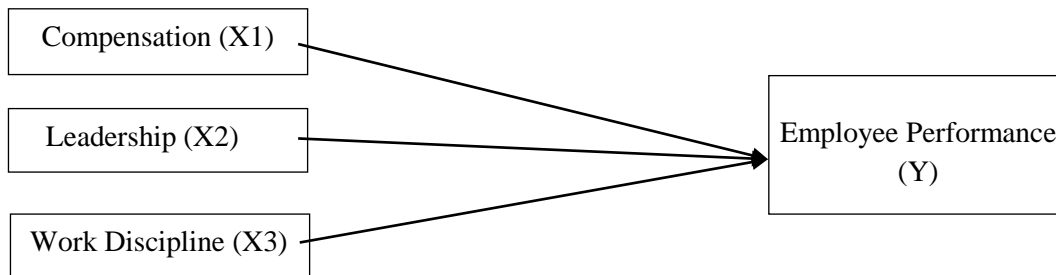

Figure 1.

METHOD

This study is quantitative. The data was collected using the questionnaire distribution method and then analyzed using the linear regression method using the SPSS 27 program. A total of 53 production workers were included in the study population. By using a saturated sample, or the population as a whole. With multiple linear regression equations

$$Y = a + b1X1 + b2X2 + b3X3 + e$$

RESULT AND DISCUSSION
Description Respondens

Table 1. Respondents Based on Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Laki	13	24.5	24.5	24.5
	Perempuan	40	75.5	75.5	100.0
	Total	53	100.0	100.0	

Table 1. shows that 40% of respondents were women, or 75.5%, and 13%, or 24.5%, were men.

Validity and Reliability

Table 2. Validity Test

Variabel	Item	rhitung	rtabel	Keterangan
Kompensasi	1	0,878	0,270	Valid
	2	0,881	0,270	Valid
	3	0,885	0, 270	Valid
	4	0,893	0, 270	Valid
Kepemimpinan	1	0,617	0, 270	Valid
	2	0,534	0, 270	Valid
	3	0,583	0, 270	Valid
	4	0,526	0, 270	Valid
	5	0,685	0, 270	Valid
	6	0,692	0, 270	Valid
	7	0,720	0, 270	Valid
	8	0,581	0, 270	Valid
Disiplin Kerja	1	0,762	0, 270	Valid
	2	0,822	0, 270	Valid
	3	0,795	0, 270	Valid
	4	0,786	0, 270	Valid
	5	0,779	0,270	
Kinerja karyawan	1	0,623	0, 270	Valid
	2	0,572	0, 270	Valid
	3	0,708	0, 270	Valid
	4	0,651	0, 270	Valid
	5	0,816	0, 270	Valid
	6	0,440	0, 270	Valid

The variables of Compensation Leadership, Work Discipline and Employee Performance have a value of r calculation greater than r in the table. This suggests that questions about measuring all variables can be considered valid.

Table 3. Reliability Test

Variabel	Cronbach Alpha	Tanda	Batas α	Keterangan
Kompensasi	0,904	>	0,6	Reliabel
Kepemimpinan	0,769	>	0,6	Reliabel
Disiplin Kerja	0,847	>	0,6	Reliabel
Kinerja karyawan	0,712	>	0,6	Reliabel

Table 2. calculated the Alpha Cronbach value for each of the study variables, namely the variables of Compensation, Work Discipline Leadership and Employee Performance has shown results higher than the value of 0.6, indicating that the respondents' answers from each of the variables of the study can be considered reliable. Therefore, the questionnaire can be considered reliable and can be used for subsequent research.

Test Results

Table 1. Multiple Linear Regression

Type	nstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	1.582	2.565		.617	.540
Compensation	.189	.074	.221	2.537	.014
Leadership	.386	.088	.483	4.407	.000
Work Discipline	.348	.103	.372	3.386	.001

a. Dependent Variable: Performance

All independent variables showed positive regression coefficients, as shown in Table 1 of the data analysis results. The resulting multiple linear regression equation is Y = 1.582 + 0.189X1 + 0.386X2 + 0.348X3 + 2.565. As a result, the equation found in Table 1 can be concluded as follows: The

The coefficient of the compensation variable (X1) is 0.189, which indicates a positive relationship between compensation and employee performance level, indicating that reasonable compensation will improve employee performance. The coefficient of leadership variables (X2) is 0.386, which indicates that good leadership also improves employee performance. The coefficient of work discipline variables (X3) of 0.348 indicates that work skills or work discipline positively impact employee performance. In other words, the more disciplined the employee, the better the performance

Hypothesis Test (T-Test)
Based on the t-test in Table 1, the explanation of the influence of each variable is tested as follows: The First Hypothesis Test (H1) says that the value of the beta coefficient for the compensation variable is 0.189, the calculated t is 2.537 higher than the t table 1.676 (the one-way t table with alpha 0.05 and df = N – K = 49 is 1.676), and the significance value is 0.014 less than 0.05. This shows that compensation affects employee performance significantly, so the results of the Hypothesis 1 test can be accepted.

In the second hypothesis test (H2), the results of Table 1 show that the value of the beta coefficient for the leadership variable is 0.386, the calculated t of 4.407 is higher than the t table of 1.676 (the one-way t table with alpha 0.05 and df = N – K = 49 is 1.676). The significance value of 0.000 is less than 0.05. This proves that employee performance is greatly influenced by leadership. This is to ensure that the results of the Hypothesis 2 test are acceptable.

Third Hypothesis Test (H3): Table 1 illustrates that the value of the beta coefficient for the work discipline variable is 0.346; the calculated t of 3.386 is higher than the t table of 1.676 (one-way t table with alpha 0.05 and df = N – K = 49 1.676), and the significance value of 0.001 is lower than 0.05. This proves that an employee's work discipline significantly affects his or her performance. to ensure that the hypothesis 3 test results are acceptable.

(Test F)
The feasibility of the model is assessed through the F-test *Goodness of Fit* (Aryanto, 2018). Using a five percent significance level with the degree of freedom df = (n-k-1) where n = the number of findings, k = the total variable if f is calculated > f table, and the significance level < 0.05.

Table 2 Test F
ANOVAa

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	299.067	3	99.689	28.915	.000b
	Residual	168.933	49	3.448		
	Total	468.000	52			

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Leadership, Compensation, Work discipline

Based on the tests that have been carried out, the value of f count = 28.915 is higher than f table = 2.79, which shows that the regression method of this study is suitable for testing a hypothesis, or in other words, this study is suitable for measuring the readability of the annual report.

R^2 Test or Coefficient of Determination.
The determination coefficient (R^2) is used to determine the best level of precision in the regression analysis step; this is evidenced by the determination coefficient (R2) ranging from 0 (zero) to 1, the independent variable can be said to affect the dependent variable if the determination coefficient is close to 1. Furthermore, the independent variable (X), which is the cause of the change in the bound variable (Y), can also be known using the determination coefficient.

Based on the results of the determination coefficient, the *Adjusted R Square* value is 0.67 or if it is a percentage of 61.7%. So, it can be proven that the Compensation, Leadership, and Work Discipline variables influence 61.7% of employee performance variables. Meanwhile, the remaining 38.3% were influenced by other alternatives not mentioned in this study.

DISCUSSION
The Effect of Compensation on Employee Performance

Based on the results of processing questionnaire information using the SPSS version 27 program, the researcher found that the compensation had a coefficient value of 0.189 (positive value), a t-count value of 2.537 greater than 1.676 (t-table), and a sig value. by 0.014 is smaller than 0.05. The results of the study showed that the compensation variable (X1) had a positive and significant impact on the performance of employees (Y) of MSMEs Chips Tahu Walik Cemara Kembar Magelang City Regency. Therefore, H1 is accepted. This shows that the employee's opinion about the company's compensation is sufficient. The results of this study are in line with the research conducted by (Poluakan et al., 2019), which shows that if the compensation provided by the company is better, then employees will be more motivated to work better and help the company move forward.

The Influence of Leadership on Employee Performance

Based on the results of processing questionnaire information using the SPSS version 27 program, the researcher found that leadership had a coefficient value of 0.386 (positive value), a t-count value of 4.407 greater than 1.676 (t-table value), and a sig value. 0.000 is less than 0.05. The results of the study showed that the leadership variable (X2) had a positive and significant effect on employee performance (Y), so H2 was accepted. This shows that the employee's opinion of leadership in the company is sufficient. According to this study, employee performance is greatly influenced by leadership, as previous research has shown (Darmawan, 2022).

The Effect of Work Discipline on Employee Performance

The researcher found that work discipline had a coefficient value of 0.348 (positive value), a t-count value of 3.386 greater than 1.676 (t-table value), and a sig value. 0.001 is smaller than 0.05. The results of the study showed that the compensation variable (X3) had a positive and significant impact on the performance of employees (Y) of MSMEs Chips Tahu Walik Cemara Kembar Magelang City Regency. Therefore, H3 is accepted. Other studies (Adriant & Pernando, 2022) found that work discipline has a positive impact on employee performance.

CONCLUSION
Based on the description of the results of the research on the effect of management salary on the work discipline of MSMEs Tahu Walik Cemara Kembar Chips in Magelang City Regency, the following conclusions were obtained:

Allowances or compensation affect employee performance, so the better the benefits provided at work, the better the employee's performance will increase

Leadership qualities affect employee performance. In this case, the leadership or attitude of the employee leaders in the MSMEs Chips Tahu Walik Cemara Kembar Magelang City Regency affects its employees' performance.

In addition, work discipline affects employee performance. The more employees apply a disciplined attitude at work, the higher the success rate; vice versa, the low implementation of Discipline influences the low success rate.

REFERENCES

Adriant, R., & Pernando, D. (2022). Pengaruh disiplin dan kerjasama tim terhadap kinerja pegawai pada dinas pemadam kebakaran dan penyelamatan kabupatenogan komering ulu. *Journal.Unbara.Ac.Id*, *15*(2). http://journal.unbara.ac.id/index.php/fe/article/view/1775

amri, ulil & K. (2022). Pengaruh Kepemimpinan, Disiplin Kerja dan Team Work. *Studi Manajemen Fakultas Ekonomi Universitas Tridinanti*, *3*(5), 370–380.

Angreni Haeruddin, T., Ilham Wardhana Haeruddin, M., Sahabuddin, R., Darmawan Natsir, U., Kunci, K., Kerja, M., & Karyawan, K. (2023). Jurnal Mirai Management Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Kinerja Karyawan Pada Pt. Midi Utama Indonesia Tbk. *Jurnal Mirai Management*, *8*(2), 126–137.

Aprilia, R., B, A. T., Purwasih, R., & Maimunah, S. (2023). *Work Productivity: Compensation, Communication and Work Discipline Risma*. 349–360. https://doi.org/https://doi.org/10.1007/978-3-031-40971-4_33

Arif Syafi'ur Rochman, Niswan Bayu Syasindy, R. I. (2021). Analisa Pengaruh Disiplin Kerja Terhadap Kinerja Karyawan Dimediasi Oleh Kompensasi Di Pt Abc. *Gema Ekonomi*, *10*(Juli), 30–41.

Aryanto, U. (2018). Bab III - Metode Penelitian Metode Penelitian. *Metode Penelitian*, *1*, 32–41.

Astono, A. D., Turmudhi, A., & Astohar. (2020). Pengaruh Motivasi Kerja Dan Disiplin Kerja Terhadap Kinerja Karyawan Yang Dimoderasi Oleh Budaya Organisasi Pada Primer Kpri Anggota Pkpri Kota Semarang. *Proceeding Seminar Nasional & Call For Papers*, *November 2020*, 20–30.

Cahya, A. D., Damare, O., & Harjo, C. (2021). Pengaruh Kompensasi dan Disiplin Kerja terhadap Kinerja Karyawan Warung Padang Upik. *Economics and Digital Business Review*, *2*(2), 214–221. https://doi.org/10.37531/ecotal.v2i2.86

Cipta, A. (2023). Manajemen Sumber Daya Manusia. In *Repository Alungcipta* (Vol. 1, Nomor 1). https://doi.org/10.59000/ra.v1i1.4

Darmawan, A. (2022). Pengaruh Budaya Organisasi, Kepemimpinan, Lingkungan Kerja Dan Disiplin Kerja Terhadap Kinerja Karyawan. *Journal of Applied Managerial Accounting*, *6*(1), 21–32. https://doi.org/10.30871/jama.v6i1.3960

Dwi Wahyuni, A., Sapto Bagaskoro, D., Ramadhani, N., Nur Pangestu, R., Ramadhan, S., & Zen, A. (2023). Faktor-faktor yang mempengaruhi Kinerja, Pengambilan Keputusan : Kepemimpinan, Komunikasi dan Motivasi (Literature Review Pengambilan Keputusan Manajerial). *Jurnal Ekonomi Manajemen Sistem Informasi*, *4*(6), 975–989. https://doi.org/10.31933/jemsi.v4i6.1616

Hidayat, S., Lubis, A. R., & Majid, M. (2019). Pengaruh Gaya Kepemimpinan, Kerjasama Tim Dan Kompensasi Terhadap Kinerja Karyawan Melalui Kepuasan Kerja Pada Pt.

Dunia Barusa Banda Aceh. *Jurnal Perspektif Ekonomi Darussalam*, *5*(1), 84–98. https://doi.org/10.24815/jped.v5i1.14088

Ibrahim, F. E., Djuhartono, T., & Sodik, N. (2021). Pengaruh Kerjasama Tim Terhadap Kinerja Karyawan Di Pt Lion Superindo. *Jurnal Arastirma*, *1*(2), 316. https://doi.org/10.32493/arastirma.v1i2.12369

Imron, & Suhardi. (2019). Pengaruh Gaya Kepemimpinan, Kerjasama Tim, Dan Budaya Organisasi Terhadap Prestasi Kerja Dan Dampaknya Kepada Kinerja Pegawai. *JEM: Jurnal Ekonomi dan Manajemen STIE Pertiba Pangkalpinang*, *5*(1), 64–83.

No, V., Tahun, J., Forum, B. M. T., Gunung, L., Quraisy, M., Istiqomawati, R., & Ristanti, I. (2022). *Investasi : Jurnal Ekonomi dan Bisnis Pengaruh Kepemimpinan dan Upah terhadap Kinerja Karyawan (Study pada*. *2*(2), 45–49.

Poluakan, A. K., Runtuwene, R. F., & Sambul, S. A. P. (2019). Pengaruh Kompensasi Terhadap Kinerja Pegawai PT. PLN (Persero) UP3 Manado. *Jurnal Administrasi Bisnis*, *9*(2), 70. https://doi.org/10.35797/jab.9.2.2019.25114.70-77

Rahayu, S., & Dahlia, D. (2023). Pengaruh Disiplin Kerja, Motivasi Kerja Dan Komitmen Organisasi Terhadap Kepuasan Kerja dan Kinerja Pegawai. *Jesya*, *6*(1), 370–386. https://doi.org/10.36778/jesya.v6i1.925

Rimawati;, L. S., Djaelani Abd. Qodir;, & Slamet, A. R. (2022). Pengaruh Gaya Kepemimpinan, Komunikasi, Dan Kerjasama Tim Terhadap Kinerja Karyawan (Studi Pada PT. Jawara Bangun Persada Karangploso Malang). *Jurnal Ilmiah Riset Manajemen*, *11*(23), 52–63.

Rumbiak, G. C. L., Rante, Y., & Wanma, J. (2023). Analisis Pengaruh Kepemimpinan, Pelatihan, Dan Motivasi Kerja Terhadap Kinerja Karyawan. *Jurnal Manajemen dan Bisnis*, *7*(1), 7–12. https://doi.org/10.55264/jumabis.v7i1.96

Tampubolon, M. R., Calen, Simamora, B. A., & Ongko, J. A. (2020). Pengaruh Disiplin Kerja dan Kerjasama Terhadap Kinerja Pegawai pada Kantor Badan Pengelolaan Pajak dan Retribusi Daerah Propinsi Sumatera Utara UPT. Pematangsiantar. *Jesya: Jurnal Ekonomi & Ekonomi Syariah*, *3*(1), 219–229.

Turmudhi, A., & Kurdaningsih, D. M. (2022). Improving the performance of BUMDes employees through work discipline and organizational culture. *International journal of health sciences*, *6*(April), 4680–4686. https://doi.org/10.53730/ijhs.v6ns5.9572