

EFFECT OF COMPENSATION, LEADERSHIP, AND WORK DISCIPLINE ON EMPLOYEE PERFORMANCE AT PT RONGOH ABADI

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ABSTRACT

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The purpose of the study was to examine and analyze the effect of Compensation, Leadership, and Work Discipline on Employee Performance at PT Rongoh Abadi. The decline in the performance of PT Rongoh Abadi's employees is caused by unsatisfactory compensation, ineffective leadership and low employee discipline. The population is 138 employees of PT Rongoh and the number of samples is 103 employees of PT Rongoh. The sampling technique used is simple random sampling. The data analysis technique in this study uses multiple linear regression analysis. Partial test results obtained $t_{count} > t_{table}$ or $3.765 > 1.984$ and significant obtained $0.000 < 0.05$, meaning that compensation has a positive and significant effect on employee performance at PT Rongoh Abadi. Partial test results obtained $t_{count} > t_{table}$ or $2.533 > 1.984$ and significant obtained $0.013 < 0.05$, meaning leadership has a positive and significant effect on employee performance at PT Rongoh Abadi. Partial test results obtained $t_{count} > t_{table}$ or $4.029 > 1.984$ and significant obtained $0.000 < 0.05$, meaning that work discipline has a positive and significant effect on employee performance at PT Rongoh Abadi. The test results simultaneously obtained the calculated F value ($22.672 > F_{table} (2.70)$) and a significance probability of $0.000 < 0.05$, meaning that compensation, leadership, and work discipline have a positive and significant effect on employee performance at PT Rongoh Abadi. Employee performance that can be explained by variations in compensation variables.

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1. Introduction

In an effort to improve employee performance within the company, the company must play a more role in preparing employee performance in order to create reliable and professional employees in carrying out their duties so that they can achieve company goals in accordance with the assigned duties and responsibilities. At the company PT Rongoh Abadi is engaged in heavy equipment rental services and contractors, mining, and general trading. This company provides physical products in the form of Excavators, Bulldozers, Sakai Compactors, and others for rent to consumers. In order to deal with this, PT Rongoh Abadi must be able to meet good performance in the services offered to consumers. That way, companies must be able to improve employee performance and innovation, so that work can be more effective and efficient.

Employee performance is a picture of the leadership results of a leader in leading the company. At PT Rongoh Abadi, there was an increase in employee absenteeism and delays in work. In leading a company, the leader must be firm in giving sanctions to employees who are not disciplined so as not to cause high absenteeism rates that affect the quantity, quality, and time targets set by the company.

Compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company. Providing compensation in accordance with the results of the work, can make employees work effectively and efficiently. At PT Rongoh Abadi the compensation system

applied is only limited to basic salary and allowances. The system of giving prizes, bonuses and awards for outstanding employees has not been implemented by the company's leadership.

Leadership is the ability to direct others to cooperate with others, to be willing to give new ideas to the organization to achieve common goals. The leadership in PT Rongoh Abadi that is not firm is one of the factors causing the decline in employee performance. To get optimal work results, leaders must be able to direct employees to be willing to do what the company wants.

Discipline is a trait or ability of a person to control himself and obey the rules or values that have been agreed upon. The lack of discipline of the employees of PT Rongoh Abadi causes high absenteeism rates that affect the quantity, quality, and targets set by the company. Leaders must be firm in responding to this, such as providing sanctions for undisciplined employees so that employees can be more disciplined at work. Based on the background, the researcher is interested in conducting research related to employee performance with the title of the thesis "The Effect of Compensation, Leadership, and Work Discipline on Employee Performance at PT Rongoh Abadi".

The aims of this study are: (1) To examine and analyze the effect of compensation on employee performance at PT Rongoh Abadi. (2) To test and analyze the influence of Leadership on Employee Performance at PT Rongoh Abadi. (3) To test and analyze the effect of Work Discipline on Employee Performance at PT Rongoh Abadi. (4) To examine and analyze the effect of Compensation, Leadership, and Work Discipline on Employee Performance at PT Rongoh Abadi. The benefits of this research can be obtained by various parties, namely: (1) For Researchers As an increase in knowledge and insight for researchers in the field of Human Resource Management, especially those related to the influence of Compensation, Leadership, and Work Discipline on Employee Performance. (2) For PT Rongoh Abadi As a consideration for PT Rongoh Abadi to further improve Compensation, Leadership, and Work Discipline on Employee Performance. (3) For the Faculty of Economics, Prima Indonesia University, as material for scientific studies and adding research references for the S-1 Management Study Program, Faculty of Economics, Prima Indonesia University. (4) For Further Researchers As a reference for further researchers who want to conduct researchers with the same research variables.

2. Research Methods

This research approach is based on a quantitative approach because this research has a clear and orderly flow. This type of research is a type of quantitative descriptive research. The nature of this research is descriptive explanatory.

3. Results and Discussion

3.1 Research result

3.1.1 Descriptive statistics

The descriptive statistics in this study are:

TABLE 1
DESCRIPTION STATISTICS
DESCRIPTIVE STATISTICS

	N	Minimum	Maximum	mean	Std. Deviation
Compensation	103	8	40	22.55	10,816
Leadership	103	9	40	19.97	8,272
Work Discipline	103	8	40	26.87	10,874
Employee performance	103	10	50	25.72	12,098
Valid N (listwise)	103				

Source: SPSS Processed Data, 2022

Table 1 can be seen descriptive statistics of compensation variables with a sample of 103 respondents having an average of 22.55 with a minimum value of 8 and a maximum value of 40 and a unit with a standard deviation of 10,816. The statistical descriptive of the leadership variable with a sample of 103 respondents has an average of 19.97 with a minimum value of 8g and a maximum value of 40 and a unit with a standard deviation of 8,272. The statistical descriptive of the work discipline variable with a sample of 103 respondents has an average of 26.87 with a minimum value of 8 and a maximum value of 40 and a unit with



a standard deviation of 10,874. Statistical descriptive of employee performance variables with a sample of 103 respondents having an average of 25.72 with a minimum value of 10 and a maximum value of 50 and a unit with a standard deviation of 12,098.

3.2 Classic Assumption Test

3.2.1 Normality Test

The normality test aims to find out the distribution of the data in the variables that will be used in the study. Good data and suitable for use in research are data that have a normal distribution.

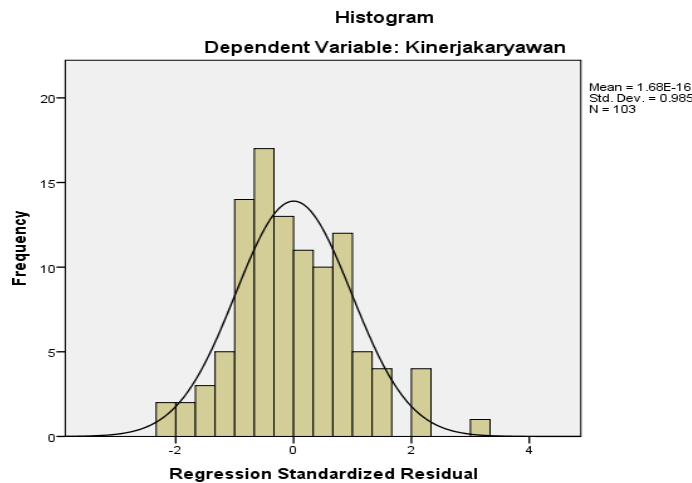


Figure 1. Normality Test With Histogram Graph
Source:SPSS Processed Data, 2022

Real data form a symmetry (U) that does not deviate to the left or to the right that the data is normally distributed.

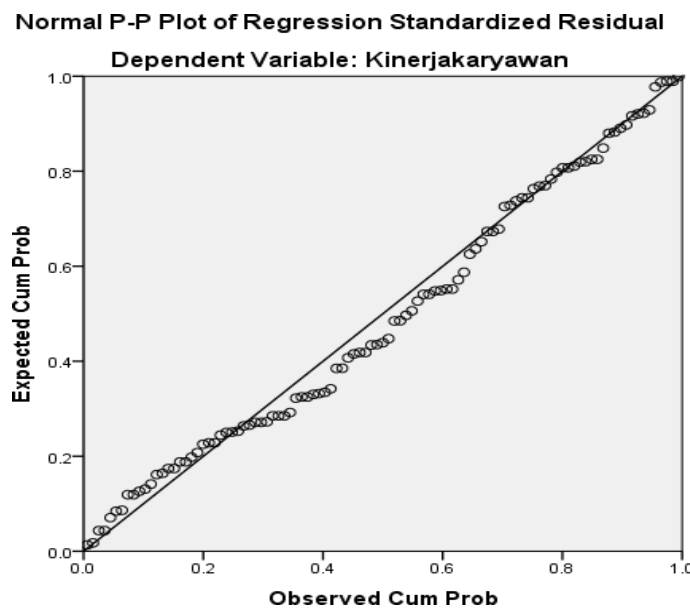


Figure 2. Normality Test with PP Plot Graph
Source:SPSS Processed Data, 2022

Figure 2. Data spreads around the diagonal line and spreads closer to the diagonal line. This means that the data is normally distributed.

TABLE 2
KOLMOGOROV SMIRNOV NORMALITY TEST
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		103
Normal Parameters, b	mean	.0000000
	Std. Deviation	9.31433886
Most Extreme Differences	Absolute	.078
	Positive	.078
	negative	-.048
Test Statistics		.078
asympt. Sig. (2-tailed)		.135c

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
Source:SPSS Processed Data, 2022

Table 2 shows a significant value of $0.135 > 0.05$. Thus, the results of the Kolmogorov Smirnov test show that the data is normally distributed.

3.2.2 Multicollinearity Test

The results of the multicollinearity test are:

TABLE 3
MULTICOLLINEARITY TEST
COEFFICIENTS^A

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	1.450	3.115			.466	.643		
	Compensation	.350	.093	.313		3,765	.000	.869	1.151
	Leadership	.316	.125	.216		2,533	.013	.824	1.214
	Work Discipline	.375	.093	.337		4.029	.000	.856	1.169

a. Dependent Variable: Employee Performance
Source:SPSS Processed Data, 2022

Table 3 shows that the tolerance value for the independent variable is > 0.1 while the VIF value for the independent variable is < 10 . Thus, in the multicollinearity test there is no correlation between the independent variables.

3.2.3 Heteroscedasticity Test

Test for heteroscedasticity with g how todetect the presence or absence of heteroscedasticity:

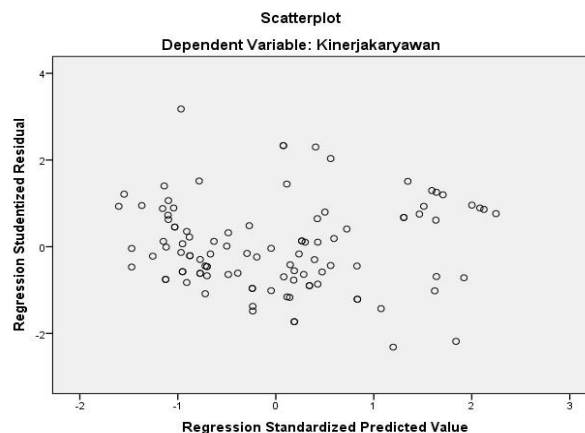


Figure 3. Heteroscedasticity Test with Scatterplot Graph
Source:SPSS Processed Data, 2022

The points spread with an unclear pattern on the Y axis, do not gather in one place that there is no heteroscedasticity in the regression model. The criteria for the Glejser test are: (a) If $\text{sigg} > 5\%$ then there is no heteroscedasticity. (b) If $\text{sigg} < 5\%$ then heteroscedasticity occurs.

TABLE 4
GLETGER TEST
COEFFICIENTS^A

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	3.166	1,811		1,748	.084
	Compensation	.051	.054	.099	.944	.347
	Leadership	.075	.072	.111	1.031	.305
	Work Discipline	.060	.054	.117	1,110	.270

a. Dependent Variable: ABSUT
Source:SPSS Processed Data, 2022

Table 4 above shows the significant value of the compensation independent variable of $0.347 > 0.05$, the leadership variable of $0.305 > 0.05$ and the work discipline independent variable of $0.270 > 0.05$. Thus, from the Gletjer test results, it can be said that there is no heteroscedasticity problem.

3.3 Results of Research Data Analysis

3.3.1 Research Model

Multiple regression is as follows:

TABLE 5
MULTIPLE LINEAR REGRESG ANALYSIS RESULTS
COEFFICIENTS^A

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.450	3.115		.466	.643
	Compensation	.350	.093	.313	3,765	.000
	Leadership	.316	.125	.216	2,533	.013
	Work Discipline	.375	.093	.337	4.029	.000

a. Dependent Variable: Employee Performance
Source:SPSS Processed Data, 2022

$$Y = 1.450 + 0.350 X_1 + 0.316 X_2 + 0.375 X_3 + e \quad (1)$$

The explanation of the multiple linear regression above is:

1. The constant value of 1.450 which shows the compensation, leadership and work discipline variables is considered zero (0) so the employee's performance is 1.450.
2. The value of the compensation regression unit is 0.350 which means that for every 1 increase, the employee's performance will increase by 0.350 units.
3. The leadership regression unit value is 0.316, which means that for every 1 increase, the employee's performance will increase by 0.316g units.
4. The work discipline regression unit value of 0.375 states that for every increase of 1, the employee's performance will increase by 0.375 units.

3.3.2 Hypothesis Determination Coefficient

The determination of the results are:

TABLE 6
DETERMINATION COEFFICIENT TEST
SUMMARYB MODEL

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.638a	.407	.389	9.45441

a. Predictors: (Constant), Work Discipline, Compensation, Leadership

b. Dependent Variable: Employee Performance

Source:SPSS Processed Data, 2022



Table 6 employee performance which can be explained by variations in compensation, leadership and work discipline variables by 38.9% while the remaining 61.1% (100% - 38.9%) is explained by other variables not examined in this study, such as development career, promotion, job training and so on.

3.3.3 Simultaneous Hypothesis Testing (F Test)

Hypothesis testing using the F tester is:

TABLE III.7
SIMULTANEOUS TEST (TEST F)
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6079,630	3	2026,543	22.672	.000b
	Residual	8849,205	99	89,386		
	Total	14928,835	102			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Work Discipline, Compensation, Leadership

Source:SPSS Processed Data, 2022

Table 7 is seen from the calculated F value (22.672) > F table (2.70) with a significance probability of 0.000 <g 0.05, meaning that H4 is accepted, Ho is rejected, compensation, leadership, and work discipline have a positive and significant effect on the performance of employees at PT Rongohg Abadi.

3.3.4 Partial Hypothesis Testing (T Test)

Hypothesis testing using the t tester is:

TABLE 8
PARTIAL TEST (T TEST)
COEFFICIENTSA

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.450	3.115		.643
	Compensation	.350	.093	.313	3,765
	Leadership	.316	.125	.216	2,533
	Work Discipline	.375	.093	.337	4,029

a. Dependent Variable: Employee Performance

Source:SPSS Processed Data, 2022

Partial hypothesis testing is

1. The partial test results obtained the value of tcount > ttable or 3.765 > 1.984 and the significance obtained was 0.000 <g 0.05, meaning that H1 was accepted as Ho was rejected, namely compensation had a positive and significant effect on employee performance at PT Rongoh Abadi.
2. The partial test results obtained the value of tcount > ttable or 2.533 > 1.984 and the significance obtained was 0.013 <0.05, meaning that H2 was accepted by Ho rejected, namely leadership has a positive and significant effect on employee performance at PT Rongoh Abadi.
3. The partial test results obtained the value of tcount > ttable or 4.029 > 1.984g and the significance obtained was 0.000 <g 0.05.g, meaning that H3 was accepted. Hog was rejected, that is, work discipline has a positive and significant effect on employee performance at PT Rongoh Abadi.

3.4 Discussion of Research Results

3.4.1 The Effect of Compensation on Employee Performance

The partial test results obtained the value of tcount > ttable or 3.765 > 1.984 and the significance obtained was 0.000 <g 0.05, meaning that compensation has a positive and significant effect on employee performance at PT Rongoh Abadi. This result is in line with Hasibuan (2012: 118), the compensation



program reflects the organization's efforts to maintain its human resources. Providing better compensation will encourage employees to work better and more productively. In addition, it is also in line with research conducted by Calving (2017)g that receiving compensation has a positive and significant effect on employee performance. Compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services rendered to the company. Providing compensation in accordance with the results of the work, can make employees work effectively and efficiently. At PT Rongohg Abadi the compensation system applied is only limited to basic salary and allowances. The system of giving prizes, bonuses and awards for employees who excel has not been implemented by the company leadership.

3.4.2 The Effect of Leadership on Employee Performance

The partial test results obtained the value of $t_{count} > t_{table}$ or $2.533 > 1.984$ and the significance obtained was $0.013 < 0.05$, meaning that leadership has a positive and significant effect on employee performance at PT Rongoh Abadi. This result is in line with the opinion of John Dang Gregory (2012) which states that leadership plays an important role in motivating employees, and employee motivation has an impact on employee performance. In addition, it is also in line with the research conducted by Juan (2018), which found that leadership has a positive and significant effect on employee performance. Leadership is the ability to direct others to cooperate with others, to be willing to give new ideas to the organization to achieve common goals. The lack of firm leadership in PT Rongohg Abadi is one of the factors causing the decline in employee performance. To get optimal work results, leaders must be able to direct employees to be willing to do what the company wants.

3.4.3 The Effect of Work Discipline on Employee Performance

The partial test results obtained the value of $t_{count} > t_{table}$ or $4.029 > 1.984$ and the significance obtained was $0.000 < 0.05$, meaning that work discipline had a positive and significant effect on employee performance at PT Rongoh Abadi. This result is in line with the opinion of Sinambela (2012: 239). Work discipline is the most important operative function of human resource management that needs to be considered by the company, because the better the discipline of employees, the better their performance. Without good discipline, it is difficult for a company organization to achieve optimal results. In addition, it is also in line with research conducted by Indah (2019), which found that work discipline has a positive and significant effect on employee performance. Discipline is a trait or ability of a person to control himself and comply with agreed rules or values. The lack of discipline of the employees of PT Rongohg Abadig causes high absenteeism rates which affect the quantity, quality, and targets set by the company. Leaders must be firm in responding to this, such as providing sanctions for undisciplined employees so that employees can be more disciplined at work.

4. Conclusion

The conclusions from the results of this study are: (1) The partial test results obtained the value of $t_{count} > t_{table}$ or $3.765 > 1.984$ and the significance obtained is $0.000 < 0.05$, meaning that compensation has a positive and significant effect on employee performance at PT Rongoh Abadi. (2) Results Partial testing obtained the value of $t_{count} > t_{table}$ or $2.533 > 1.984$ and the significance obtained was $0.013 < 0.05$, meaning that leadership has a positive and significant effect on employee performance at PT Rongoh Abadi. (3) The partial test results obtained the value of $t_{count} > t_{table}$ or $4.029 > 1.984$ and the significance obtained was $0.000 < 0.05$, meaning that work discipline has a positive and significant effect on employee performance at PT Rongoh Abadi. (4) The test results simultaneously obtained the calculated F value (22,

Suggestions that are useful for employee performance at PT Rongoh Abadig are: (1) For researchers It is hoped that they can practice the results of research at the company where the researcher works and obtain a Bachelor of Management degree. (2) For the company PT Rongoh Abadi a. Increase employee compensation in accordance with their duties and positions. b. Improving leadership that is more optimal, such as being able to motivate employees. c. Improve rules and sanctions stricter company rules. 3. For the Faculty of Economics, Prima Indonesia University, it is recommended to publish the results of this study which can later be used as reference material for further researchers. (4) For further researchers, it is recommended to add other variables outside of the variables studied by researchers.



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