

The Influence of Financial Compensation and Work Discipline on Employee Performance PT. Indah Logistik Internasional

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Abstract

This study aims to determine the effect of financial compensation and work discipline on employee performance at PT. Indah Logistik Internasional. The Sample was selected using the saturated sample technique. The data in this study was 50 respondents. Data collection techniques utilized questionnaire. This study utilized multiple linear regression method to analyze the data. The results of the study prove that financial compensation has no significant effect on employee performance and work discipline has a negative and significant effect on employee performance partially. Simultaneously, financial compensation and work discipline have a positive and significant effect on employee performance at PT. Indah Logistik Internasional. The results of this study are expected to provide benefits for PT. Indah Logistik Internasional to improve employee performance through financial compensation and work discipline.

Keywords: financial compensation, work discipline, employee performance

1. Pendahuluan

According to Kempa (2017), human resources are very important for companies in managing, organizing and utilizing employees so that they can function productively to achieve company goals. Companies need to carry out strategies to optimize human resource management in order to produce competent human resources so that they can improve employee performance. One of the strategies carried out by companies to improve employee performance is by providing rewards or work compensation. HRM includes necessary practices and policies to carry out aspects of each employee in organization or company. Wijaya et al., (2019) states that compensation is a reward for employees' regular work contributions from an organization or company. Research results from (Triyonowati, 2020), show that compensation encourages someone to make improvements in performance, and the size of the compensation received by workers will have an impact on employee performance. Compensation itself has a direct impact on the level of performance. If the compensation received by workers is small, of course the employee's performance level tends to decrease.

Apart from financial compensation, work discipline is also a factor that can influence employee performance. According to (Pasaribu et al., 2020), work discipline is a form of employee self-control and regular implementation and shows the level of seriousness of the work team in an organization in the form of regulations and laws made by the company with the aim that employees are careful in work to solve a problem. Employees who have high discipline will have good performance, when compared to employees who are lazy because they do not use their work time as well as possible to complete their work.

2. Literature Review

2.1 Financial Compensation

According to (Amboningtyas, 2017), financial compensation is all forms of appreciation or rewards given by organizations or companies to their workers as a form of compensation for their performance which consists of forms of financial compensation such as basic salary, incentives and other benefits. According to Hendro (2018), compensation will be measured using the following indicators:

a. Direct Compensation

Direct compensation is an award in the form of salary or wages, which is paid based on a fixed period of time.

1) Basic Salary

2) Variable Salary

b. Indirect Compensation

Reward program for employees as part of company benefits.

2.2 Work Discipline

According to Triyonowati (2020), discipline is a form of action in obeying and adhering to existing rules and social norms that have been established in each company. According to (Ajimat, 2018), indicators that influence employee discipline levels are:

a. Waskat

Waskat (attached supervision) is the real and most effective action in realizing discipline in company employees.

b. Punishment Sanctions

Punishment sanctions play an important role in maintaining employee discipline.

c. Firmness

Leaders who dare to act firmly in implementing punishments for employees who are indisciplined will be respected and recognized for their leadership by their subordinates.

2.3 Employee Performance

According to (Kenelak et al., 2016), performance is a manifestation of the work carried out by employees which is usually used as a basis for evaluating employees or organizations, so efforts need to be made to improve performance. Employee performance indicators according to (Fauzi, 2020), namely:

1. Work quality

2. Working quantity

3. Working time

3. Research Methods

Time This research lasted approximately 4 months . The place of research was carried out at PT. Indah Logistik International which is located on Jl. Soekarno Hatta, Karya Baru, Kec. Alang-Alang Lebar, Palembang City, South Sumatra 30961. According to (Sugiyono, 2018), research data sources are divided into two, namely primary data sources and secondary data

sources. Primary Data Primary data is a data source that directly provides data to data collectors. Researchers will use this data source, this data source can be obtained through questionnaires which have been asked questions with a score/scale of 1-5, and interviews conducted by researchers at PT. Indah Logistik Internasional. Secondary Data is a data source that does not directly provide data to data collectors, for example through other people or through documents.

Data collection techniques use questionnaires. According to (Sugiyono, 2018), a questionnaire is a data collection technique that is carried out by giving a set of written questions/questions to respondents for them to answer. The questionnaire was given to all employees of PT. Indah Logistik Internasional. The scale used in this research is the *Likert scale*.

Sugiyono (2018) population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. The population in this study were all employees of PT. Indah Logistik Internasional, numbering 50 people. Samples were taken from all members of the population, namely employees of PT. Indah Logistik Internasional, totaling 50 respondents.

4. Findings and Discussions

This chapter will discuss the analysis of data obtained from questionnaires that were distributed to 50 respondents consisting of PT. Indah Logistik Internasional, in analyzing this data the researcher used SPSS V23 to obtain research results.

4.1 Validity Test

Table 1. Validity of the Financial Compensation Variable (X_1)

Statement	R-count	R-table	Information
X1.1	0.810	0.2787	Valid
X1.2	0.696	0.2787	Valid
X1.3	0.687	0.2787	Valid
X1.4	0.816	0.2787	Valid
X1.5	0.632	0.2787	Valid
X1.6	0.743	0.2787	Valid

Based on table 1, it is known that the value obtained from the correlation test results (calculated r) for all research questionnaire instrument items, consists of 6 items for the financial compensation variable instrument (X_1) with each instrument having a value of 0.632 – 0.816 greater than the r value table ($r_{count} > r_{table}$ 0.2787). So these results indicate that at a significant level of 0.05 (5%) all items of the questionnaire instrument are declared valid and meet the requirements as a research measuring tool.

Table 2. Validity of the work discipline variable (X_2)

Statement	R-count	R-table	Information
X2.1	0.729	0.2787	Valid
X2.2	0.799	0.2787	Valid
X2.3	0.760	0.2787	Valid

X2.4	0.811	0.2787	Valid
X2.5	0.688	0.2787	Valid
X2.6	0.756	0.2787	Valid
X2.7	0.660	0.2787	Valid
X2.8	0.714	0.2787	Valid

Based on table 2, it is known that the value obtained from the correlation test results (calculated r) for all research questionnaire instrument items, consists of 8 items for the work discipline variable instrument (X2) with each instrument having a value of 0.660 – 0.811 which is greater than the r value table ($r \text{ count} > r \text{ table } 0.2787$). So these results indicate that at a significant level of 0.05 (5%) all items of the questionnaire instrument are declared valid and meet the requirements as a research measuring tool.

Table 3. Validity of employee performance variables

Statement	R-count	R-table	Keterangan
Y1	0,739	0,2787	Valid
Y2	0,754	0,2787	Valid
Y3	0,821	0,2787	Valid
Y4	0,829	0,2787	Valid
Y5	0,758	0,2787	Valid
Y6	0,822	0,2787	Valid

Based on table 3, it is known that the value obtained from the correlation test results (calculated r) for all research questionnaire instrument items, consists of 6 items for the employee performance variable instrument (Y) with each instrument having a value of 0.739 – 0.829 which is greater than the r value in the table. ($r \text{ count} > r \text{ table } 0.2787$). So these results indicate that at a significant level of 0.05 (5%) all items of the questionnaire instrument are declared valid and meet the requirements as a research measuring tool.

4.2 Reliability Test

Table 4. Reliability test results

Variable	Cronbach's Alpha	Reliability Standards	Information
Financial Compensation (X ₁)	0.825	0.60	Reliable
Work Discipline (X ₂)	0.875	0.60	Reliable
Employee Performance (Y)	0.876	0.60	Reliable

Based on table 4 of the *Reliability Statistics results*, it is known that the Cronbach's alpha value for each variable is 0.825 (X₁), 0.875 (X₂), and 0.876 (Y), where all variables show a *Cronbach's alpha value* that is greater than the reliability standard (0.60). So it can be concluded that all variables are reliable

4.3. Hypothesis test results

Table 5. Results of the t test for financial compensation variables

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,038	4,182		2,878	,006
	Total_X1	,515	,155	,432	3,321	,002

a. Dependent Variable: Total_Y

Based on table 5, the t test results are associated with the hypothesis proposed in this research. Criteria for accepting a hypothesis is if:

a. If t count > t table, sig < 0.05. So H₁ is accepted

b. Real level = 5%, degrees of freedom (df) = ($\alpha/2$; nK-1) = (0.05/2 ; 50-3-1) = (0.025 ; 46) = 2.013

Information :

K = number of variables

n = number of samples

H₁ : It is suspected that financial compensation has an influence on employee performance.

It is known that the calculated t value is 3.321 > t table 2.013 and the sig value is 0.002 < 0.05, so it can be concluded that H₁ is accepted, which means that Financial Compensation (X₁) partially has a positive and significant effect on Employee Performance at PT. Indah Logistik Internasional

Table 6. Results of the t test for work discipline variables

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9,338	3,531		2,645	.011
	Total_X2	,485	.103	,562	4,704	,000

a. Dependent Variable: Total_Y

Based on table 6, the t test results are associated with the hypothesis proposed in this research. Criteria for accepting a hypothesis is if:

a. If t count > t table, sig < 0.05. So H₂ is accepted

b. Real level = 5%, degrees of freedom (df) = ($\alpha/2$; nK-1) = (0.05/2 ; 50-3-1) = (0.025 ; 46) = 2.013

Information :

K = number of variables

n = number of samples

It is known that the calculated t value is 4.704 > t table 2.013 and sig is 0.000 < 0.05 so it can be concluded that H₂ is accepted, which means Work Discipline (X₂) has a positive and

significant effect on Employee Performance (Y) at PT. Indah Logistik Internasional

Simultaneous test (F-test)

Simultaneous tests are used to determine the joint influence of the variables Financial Compensation and Work Discipline on Employee Performance. The test results can be seen in the following table:

Table 7. Simultaneous test results (*F-test*)

ANOVA ^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	116,297	2	58,149	11,935	,000 ^b
	Residual	228,983	47	4,872		
	Total	345,280	49			

a. Dependent Variable: Total_Y

b. Predictors: (Constant), Total_X2, Total_X1

The simultaneous test is said to have an effect if $F_{\text{count}} > F_{\text{table}}$. On the other hand, if the calculated F value $< F_{\text{table}}$ then it can be said to have no effect. F_{table} obtained from $k = 2$ (number of independent variables) and $nk-1 = 50-2-1 = 47$ is 3.20. Meanwhile, a variable is said to be significant if the significant value is < 0.05 .

Table 7 can be seen that the significant value is $0.000 < 0.05$ and the calculated F value is $11.935 > F_{\text{table}} 3.20$, then H_3 is accepted, which means that the variables financial compensation (X_1) and work discipline (X_2) simultaneously/jointly influence positive and significant on the performance of PT. Indah Logistik Internasional.

4.4 Discussion

Based on the results of joint/simultaneous hypothesis testing, it shows that there is a positive and significant influence between the variables financial compensation (X_1), and work discipline (X_2) on employee performance (Y) PT. Indah Logistik Internasional. This is shown from the results of the F test in the table, obtained $F_{\text{count}} 11.935 > F_{\text{table}} 3.20$ and a significant value of $0.000 < 0.05$.

The Effect of Financial Compensation on Employee Performance PT. Indah Logistik Internasional Palembang

The influence of financial compensation on the performance of PT. Indah Logistik Internasional Palembang shows that the results of financial compensation (X_1) have a positive and significant effect on employee performance (Y) at PT. Indah Logistik Internasional. This is proven by the results of the t calculation of the financial compensation variable (X_1) of $3.321 > t_{\text{table}} 2.013$ with a significance value of 0.002, which means the hypothesis is accepted. Financial compensation in this research was proven to partially provide a significant contribution in influencing employee performance at PT. Indah Logistik Internasional Palembang, in this case all indicators of financial compensation which include receiving salaries on time, allowances provided by the company, bonuses and overtime pay given in accordance with the employee's workload, as well as providing additional facilities from the company for employees can improve employee performance, this shows how much the financial compensation given to employees affects their performance. In accordance with previous research conducted by Marliani (2016), the Influence of Direct Financial Compensation, Indirect Financial Compensation and Non-Financial Compensation on

Employee Performance at PT. Telkom Manado. The research results concluded that providing direct and indirect financial compensation partially had a significant effect on the performance of PT employees. Telkom Manado.

The Influence of Work Discipline on Employee Performance PT. Indah Logistik Internasional Palembang

The influence of work discipline on the performance of PT employees. Indah Logistik Internasional Palembang City shows that the results of work discipline (X_2) have a positive and significant effect on employee performance (Y) at PT. Indah International Logistics Palembang City, this is proven by the results of the calculated t count of the work discipline variable (X_2) of $4.704 < t \text{ table } 2.013$ and $\text{sig } 0.000 < 0.05$, so the results are significant and mean the hypothesis is accepted. The results of this research are in line with previous research conducted by (Pratama, 2020), The Influence of Compensation and Work Discipline on Employee Performance at PT Pos Indonesia DC Ciputat, the results of which stated that work discipline has a positive and significant effect on employee performance at PT Pos Indonesia DC Ciputat, this relationship is interpreted as if the higher an employee's discipline, the higher his performance, and vice versa.

5 . Conclusion

Based on the results of the research and discussion in the previous chapter, the following conclusions can be drawn:

1. T test of variable X_1 partially, the variable Financial Compensation (X_1) has a positive and significant effect on Employee Performance (Y) at PT. Indah Logistik Internasional. This is proven by the sig value of $0.002 < 0.05$ and the calculated t value of $3.321 > t \text{ table } 2.013$. The variable discipline (X_2) has a positive and significant effect on employee performance (Y) by the sig value of $0,000 < 0,05$ dan the calculated t value of $4,704 > t \text{ table } 2,013$.
2. Simultaneously, the financial compensation and work discipline variables have a significant effect on employee performance, this is proven by a significant value of $0.000 < 0.05$ and a calculated F value of $11.935 > F \text{ table } 3.20$ so that the financial compensation and work discipline variables simultaneously have a positive effect and significant impact on the performance of PT. Indah Logistik Internasional.

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