

EMPLOYEE PERFORMANCE IMPROVEMENT THROUGH COMPENSATION AND DISCIPLINE AT PT. XYZ IN LANDAK DISTRICT

*Peningkatan Kinerja Karyawan melalui Kompensasi dan Disiplin Kerja
di PT. XYZ di Kabupaten Landak*

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ABSTRACT

Human resources are central in an institution or company. So that management activities run as desired, the company must have employees who are knowledgeable, qualified skills, and ability to manage their businesses as much as possible so that employee performance will increase. The level of success of a company can be judged based on performance. Employee performance increases if the provision of adequate compensation and good work discipline. Through this research is to analyzes the influence of compensation and discipline on employee performance at PT. Ichtiar Gusti Pudi, Landak Regency. The location of this research at Pagong Hamlet, Amboyo Inti Selatan Village, Ngabang District, Landak Regency. This study is a population study by giving a questionnaire to the entire population of 108 people consisting of maintenance employees in all parts of the company. The data were obtained using a questionnaire with a Likert scale 1-5 scoring technique. The method of analyzing data using SEM is assisted by LISREL 8.80 software. The results show that compensation has an effect on employee performance. It appears that the t-value of the compensation variable is $3.05 > 1.96$. Work discipline has an effect on employee performance, with the t-value of the variable being $2.28 > 1.96$.

Keywords: agriculture, company, human resources management

ABSTRAK

Sumber daya manusia adalah tokoh sentral pada lembaga ataupun perseroan. Supaya kegiatan manajemen berjalan sesuai yang diinginkan, perusahaan harus mempunyai pegawai yang berilmu, skill yang mumpuni dan kemampuan manage usaha dengan baik agar memenuhi tujuan. Tingkat keberhasilan suatu perusahaan dapat dilihat dari kinerjanya. Kinerja karyawan dapat ditingkatkan jika didukung oleh pemberian kompensasi yang memadai dan disiplin kerja baik. Melalui penelitian ini ingin menganalisis pengaruh dari kompensasi dan disiplin kerja pada kinerja karyawan Ichtiar Gusti Pudi Kabupaten Landak. Penelitian ini dilaksanakan di Kabupaten Landak. Penelitian ini adalah penelitian populasi dengan pada karyawan yang berjumlah 108 karyawan yang merupakan seluruh karyawan tetap perusahaan. Data diambil menggunakan skala likert yaitu 1-5. Metode menganalisa data dengan SEM dibantu software LISREL 8.80. Hasil menunjukkan bahwa kompensasi berpengaruh terhadap kinerja karyawan, terlihat bahwa t-value variabel kompensasi adalah sebesar $3.05 > 1.96$. Disiplin kerja mempunyai pengaruh terhadap kinerja karyawan, terlihat bahwa t-value variabel disiplin kerja sebesar $2.28 > 1.96$.

Kata Kunci: manajemen sumber daya manusia, pertanian, perusahaan

INTRODUCTION

A company certainly has a supporting factor for the company's success in achieving company goals. One of the factors supporting the company's success is human resources. Human resources who will manage the company so that it continues to achieve good goals. Good human resource management is very necessary for a company in order to achieve company goals. The company's activities will run well if the company has human resources who are knowledgeable, skilled, and have the desire to manage the company as optimally as possible. Every company certainly requires the presence of potential human resources in every field, both leaders and employees in the pattern of tasks and supervision which are the determinants of achieving company goals.

Human resources management is the most important factor in an organization. In order for management activities to run smoothly, to improve employee performance, a company must have employees who are knowledgeable and have high skills. Adequate compensation and good work discipline will improve employee performance. To obtain high employee performance, the company must issue compensation in the form of costs (Yamin & Kurniawan, 2009). Employee performance is important as a tool to increase the company's success in running a business. The more employee performance increases, the faster the company achieves success in running a business and vice versa. Employee performance can be improved if it is supported by adequate compensation and good work discipline.

Compensation is an award or income in the form of money, goods directly or indirectly received by employees in return for services provided to the company because the workforce has contributed energy and thoughts for the progress of the company in order to achieve the goals that have been set. While discipline as an ideal situation in supporting the implementation of tasks according to the rules in order to support work optimization.

The problem related to compensation based on complaints by several employees is negligence in giving salaries to employees for almost 3 months. This delay in wages has an impact on the survival of employees and their families resulting in reducing employee performance. The purpose of employees working is to earn wages in accordance with expectations, the benefits of these wages are to meet the needs of life for a month, if the salary is paid slowly it will interfere with employee performance. Employees are not passionate and enthusiastic about carrying out their work. Compensation should be paid on time considering that employees have life needs that must be met. Insufficient compensation also has an impact on employee performance, so it is a must for companies to provide compensation on time and in an appropriate amount (Saragih, 2017; Sasangka, 2018)

One of the performance factors is work discipline. Good Work Discipline will result in good quantity, quality, and working time, which play a role in encouraging better performance in the future (Rifani & Febriadi, 2020; Sumarsasi, 2017) The condition of the level of discipline at PT XYZ is still not optimal. Indiscipline and lack of professionalism in some employees, for example, not using a mask when spraying and not fertilizing according to the recommended procedure, this is based on the author's observations in the field, of course, this will harm the company.

PT XYZ is a business entity in the field of oil palm plantations located in Arnboyo Inti Selatan Village, Ngabang Sub-District, Landak District. In this company, there are three types of employees, namely permanent employees, casual employees, and flexible employees. The author wants to do research at PT. XYZ because based on the author's observations that at PT. XYZ is currently considered the ineffectiveness of the role of performance due to the lack of compensation and work discipline, especially for permanent employees maintaining the maintenance of oil palm plantations.

In this study, the authors focus on permanent maintenance employees' PT. XYZ. Permanent employees of oil palm plantations are considered to have not performed well due to a lack of work discipline and timeliness in providing compensation by the company to permanent employees of oil palm plantations at PT. XYZ. Violations from employees due to low work discipline and delays in paying compensation such as not complying with the working hours set by the company can be seen from the work schedule that does not comply with the

rules. This has an impact on achieving targets at work, and not using work attributes that have been recommended by the company.

Based on the description of the background above, this is the basis for this research in order to produce solutions for the realization of efforts to improve and improve the performance of employees in the company. This study aims to determine the contribution of compensation and work discipline in influencing the performance of maintenance employees at PT. XYZ

RESEARCH METHOD

This research is located at PT. XYZ is one of the largest companies in Landak District. This research is a census study on 108 maintenance employees at PT. XYZ Landak District. Analysis tool using SEM with LESREL 8.80 software. Data were collected through interviews, questionnaires, observation, and literature study. The variables in this study are compensation with five indicators, work discipline variable with four indicators is the independent variable, and employee performance with five indicators is the dependent variable. The Likert scale is used to measure the variables studied.

RESULT AND DISCUSSION

Respondent Characteristics

The description of employee respondents can be classified based on gender, age, length of work, and education, which are permanent employees who work at PT. XYZ Landak District.

Based on gender, it shows that most of them are male because male employees are stronger than female employees. Research by (Febrinawati et al., 2015) conclude that male employees are superior in the field. The respondent's age shows that the most dominant is 25-30 years. The most productive age at work is 25-30 (Zein, 2016). Based on work experience showed that the most employee have 10 - 12 year experiences due to the age of the company was relatively young, which was around 14 years. Based on the education of the respondents, it shows that the dominant one is at the junior high school level. The low level of education of most workers is due to the long distance to go to school. The salary to be received must be in accordance with the education level of an employee, if the education is low then the results or wages will also be low (Yulihartika, 2018).

Table 1. Respondent Characteristics

Respondent characteristics	Description	Amount	Percentage (%)
Gender	Male	65	60.2
	Female	43	39.8
Age (year)	25-30	40	37
	31-36	32	29.7
	37-42	27	25.0
	43-48	9	8.3
Length of work (year)	4-6	21	19.4
	7-9	31	28.7
	10-12	45	41.7
	13-15	11	10.12
Education	Elementary school	42	38.9
	Junior high school	45	41.7
	Senior high school	21	19.4

Source: primary data, 2020

Analysis of Performance Estimates through Compensation and Work Discipline

The test of the validity of the indicator variables can be seen in (SLF) on each latent variable with its indicators. To see the validity of a good variable, the $SLF > 0.50$ (Hair et al., 1998). All indicators have values above 0.50 therefore nothing is excluded from the model. Based on the model fit test, it is considered good and there are only 2 criteria, namely the PNFI and CN values are not good. After the model was re-specified, there were several improvements to the value of the GOF size criteria almost all criteria are good.

Based on the results of Figure 1, the variable affects the t-value 1.96. so that the exogenous variable is said to affect the endogenous variable. In other words, compensation and discipline affect the performance of PT. XYZ.

Each indicator that measures the performance variable has shown a strong relationship with various values. The highest indicator is 3.16, namely the timeliness indicator. The main choice in improving employee performance is how employees can complete tasks on time and so that employees do not procrastinate so that employee performance gets better. Research (Satedjo & Kempa, 2017) also proves that employee performance is influenced by compensation and discipline.

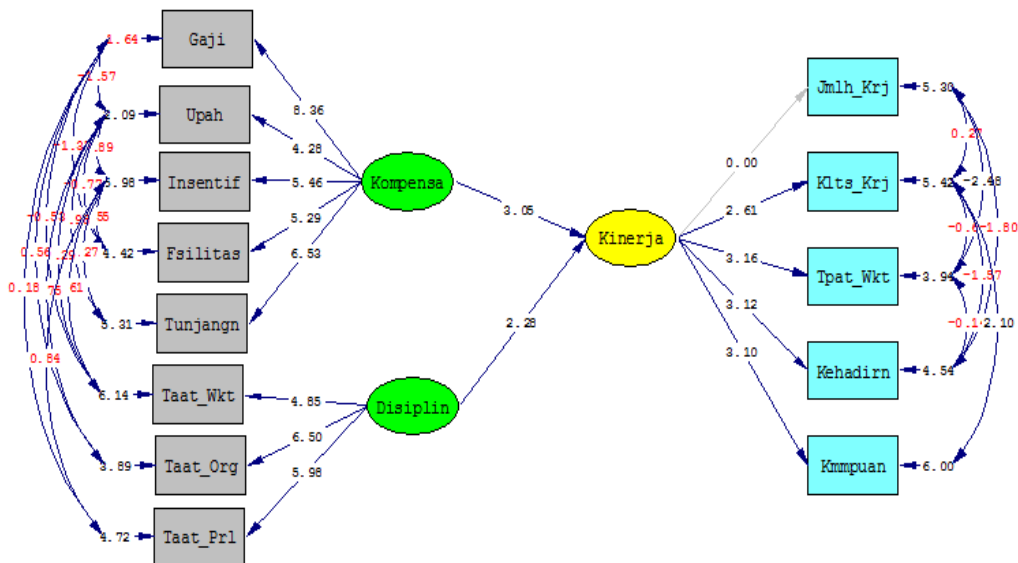


Figure 1.
Variable relation with SEM

Effect of compensation on employee performance

Based on the path diagram from the model test, it can be seen that the t-value of the compensation variable is $3.05 > 1.96$ with a loading factor coefficient of 0.57 which means that compensation has an effect on employee performance. This means that if the compensation is increased by 1% it will increase employee performance by 0.57%. The compensation variable is measured by indicators of salary, wages, incentives, facilities, and allowances. The wages are used to finance and provide for someone and their family's life and as a stimulus for increased productivity (Tain et al., 2020).

Each indicator that measures the compensation variable contributes with various values. The highest value of 8.36 is the salary indicator. This means that the more punctual payment of salaries, the greater the effect of compensation in improving employee performance. According to (Kresmawan et al., 2021; Lenni, 2014; Maheswari & Lutvy, 2017; Martinus, 2016; Maryani et al., 2020; Syah et al., 2021) compensation has a positive influence on employee performance. Direct compensation has an effect on employee performance and indirect compensation has no effect (Fauziah et al., 2016) while according to (Firmandari, 2014)

allowances and salaries have a positive effect on employee performance but bonuses have no effect .

The effect of discipline on employee performance

The path diagram from the model test shows that the t value of the work discipline variable is $2.28 > 1.96$, there is an influence of the work discipline variable on employee performance. The loading factor coefficient value of 0.40 indicates an increase in employee performance by 40% due to an increase in work discipline of 1%. Work discipline is measured by indicators of obeying the rules of time, obeying organizational rules, and obeying the rules of behavior at work. The highest value load, which is 6.50, is found in the indicator of compliance with organizational rules. This means that the better or the more obedient to the rules of the organization, it will have a major effect on discipline in improving employee performance.

Discipline has a positive influence on employee performance. This means that employee performance will be better if it is influenced by obedience to time, organizational rules, and rules of behavior at work (Sobariah et al., 2018; Arda, 2017, Meilany & Mariaty, 2015; Pebrianti, 2013). Providing training, punishment, reward and conditioning environmental comfort are efforts that can improve employee work discipline (Yuliawati, 2018).

CONCLUSION AND SUGGESTION

Conclusion

Employee performance is influenced by compensation and work discipline factors. The positive effect shown by compensation is because compensation is an important part of employee performance. The highest influence is found in the salary indicator. A positive influence is also shown by work discipline because work discipline is an important part to realize good performance. The highest influence is found in indicators of compliance with organizational rules.

Suggestion

PT. XYZ needs to pay attention to indicators that influence policymaking to increase compensation and work discipline for employees so that employee performance gets better, especially in compensation for PT. XYZ must be more punctual in paying employee salaries because this indicator is the highest value in the compensation variable, if the salary is given on time it will greatly affect employee performance, and employees will work hard and employee performance will increase.

PT. XYZ also has to look at indicators that have a major influence on k discipline in influencing employee performance, namely obeying organizational rules, in this case how the company can influence employees to always wear uniforms at work, be polite at work, and always obey standard operational procedures of the company.

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