EFFECT OF FINANCIAL COMPENSATION, JOB SATISFACTION AND DISCIPLINE ON EMPLOYEE PERFORMANCE

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Abstract

The purpose of the research is to examine and analyze the effect of financial compensation, job satisfaction and work discipline on the performance of employees at PT. Continental Library. PT. Pustaka Benua is a company engaged in the sale of office stationery. Financial compensation has a salary discrepancy with the 2020 UMR and no health benefits, job satisfaction is still low, employee discipline at the company is still not optimal and employee performance is not optimal. The population is all employees of PT. Benua Library with a total of 64 employees and a sample of 64 employees. The research method uses multiple linear regression analysis techniques. The research reaction is financial compensation and discipline partially affecting the performance of employees at PT. Pustaka Benua. Job satisfaction partially does not affect the performance of employees at PT. Continental Library. Financial compensation, job satisfaction and discipline jointly affect the performance of employees at PT. Continental Library.

Keywords: Financial Compensation, Job Satisfaction, Discipline, Employee Performance.

INTRODUCTION

Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Therefore, employee performance needs to be considered in an effort to achieve maximum goals. The success of employee performance in achieving maximum goals requires the provision of appropriate financial compensation, taking into account the level of employee job satisfaction and employee work discipline[1][2][3].

PT. Pustaka Benua is a company engaged in the sale of office stationery. One of the high and low performance of employees in a company can be seen from the company's sales results in a certain period. The following table shows total sales and product sales targets in 2020[4][5].

Month	Target	Realization	Persentage
January	600.000.000	587.694.450	97,95%
February	600.000.000	584.178.400	97,36%
March	600.000.000	580.754.500	96,79%
April	600.000.000	450.457.750	75,08%
May	600.000.000	444.748.900	74,12%
June	600.000.000	454.478.750	75,75%
July	600.000.000	448.697.450	74,78%
August	600.000.000	451.781.400	75,30%
September	600.000.000	421.685.400	70,28%
October	600.000.000	406.781.500	67,80%
November	600.000.000	384.785.900	64,13%
December	600.000.000	201.458.900	33,58%

Table 1. Sales Table

From table 1 it can be seen that sales in 2020 tend to decrease and sales targets are not achieved because most customers carry out activities online or work from home (WFH) causing the need for office stationery to decrease. Because it is suspected that the factors of financial compensation, job satisfaction and discipline are the causes of the decline in sales, and it is necessary to analyze these factors.

Compensation is very important for employees because the size of the compensation is a measure of employee performance. Employees always expect a more adequate income. The provision of financial compensation to current employees is felt by employees to be inappropriate because the amount of financial compensation for old employees and new employees is almost equal so that it affects employee performance.

Meanwhile, based on the UMR for the city of Medan in 2020 it is IDR 3,222,526 and the 2021 UMR has increased to IDR 3,329,867, but in 2021 all employees will not receive a salary increase. For more details, see the data presented below:

Position	Number of employees	Salary range	Transport allowance	Meal allowance	Insentif
Sales	9	2.500.000 s/d 3.000.000	100.000,-	200.000,-	3% of sales turnover
Cashier	4	2.000.000 s/d 2.200.000	100.000,-	200.000,-	
Drivers and goods delivery	10	1.800.000 s/d 2.200.000	100.000,-	200.000,-	
Warehouse	15	1.800.000 s/d 2.200.000	100.000,-	200.000,-	
Admin	8	2.000.000 s/d 2.500.000	100.000,-	200.000,-	
Bookkeeping	5	200.000 s/d 2.500.000		200.000,-	
Finance	4	2.500.000 s/d 2.800.000	100.000,-	200.000,-	
Audit	2	3.500.0		200.00	

staff	00	0,-	
Tax Staff	1	3.500.0 00	200.00 0,-
Sales	6	2.200.0 00 s/d 2.500.0 00	100.00 0,-	200.00 0,-
Total	64		

Table 2. Financial Compensation Data

Based on the data above, it can be seen that incentives are only given to the sales department, while salary compliance with the 2020 UMR is 28 employees who are in accordance with the UMR and 36 employees who are not in accordance with the UMR. Another problem with financial compensation is that there are no health benefits in the form of health insurance/BPJS, not all employees get incentives for food and transport money[7][8][9][10].

Job satisfaction is an emotional situation associated with positive and negative employee ratings of the work situation in the company. In general, job satisfaction can be observed in employee work activities such as satisfaction with superiors, satisfaction with compensation, and satisfaction with working conditions. Each of these determinants of job satisfaction will give employees a sense of satisfaction and dissatisfaction with the company's working conditions. The existence of problems with employee job satisfaction can be seen from the following employee turnover rates[5][6]:

Month	Number of Employees	leaving	Reason of Leaving
January	71	3	- absence of medical benefits
February	72	2	
March	71	1	
April	71	1	- Salary that does not match UMR
May	72	2	
June	73	1	
July	75	1	- errors in
August	75	5	opening invoices that cause the difference to be borne by the employee
September	71	4	
October	68	3	
November	66	3	
December	66	3	- no career ladder - no promotion for promotion - leaders who always scold their employees so that employees are less comfortable at work -too monotonous work -Employees who have just entered work are paid the same salary as employees who have worked for almost 2 years - no annual leave - no clear division of tasks - not all employees get incentives

Table 3. Employee Turnover Data

From the employee turnover data, it can be seen from the reason the employee quit, indicating if there is a problem with employee job satisfaction, for example, an employee who has just entered work turns out to be the same salary as an employee who has worked for almost 2 years, no health benefits, no annual leave, mistakes
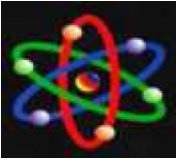
opening invoices that cause the difference to be borne by employees, there is no clear division of tasks, leaders who always scold their employees so that employees feel uncomfortable at work.

In addition to the problem of financial compensation and job satisfaction, another problem is regarding employee work discipline, where there is a violation of regulations set by the company due to the indiscipline of its employees.

There is a problem with financial compensation, which can be seen from the salary discrepancy with the 2020 UMR and the absence of health benefits in the form of health insurance/BPJS and not all employees receive incentives. Job satisfaction is still low, as can be seen from the many reasons why employees quit because there is no clear division of tasks, there is no promotion for promotion, employees who have just entered work are paid the same salary as employees who have worked for almost 2 years and other reasons. Employee discipline at the company is still not optimal as can be seen from the existence of warning letters given to employees every month. Employee performance was not optimal, as seen from the failure to achieve sales targets and a decline in sales throughout 2020.

planning a good compensation system will have a double impact on the organization because on the one hand compensation will have an impact on operational costs, on the other hand compensation will affect the behavior and work behavior of employees in accordance with the wishes of the organization so that employees can improve their performance. This is understandable because one of the goals of a person working is to expect compensation from the organization where

he works, while the company expects employees to provide the best performance for the organization[11][12].

Employee discipline is a form of training that seeks to improve and shape the knowledge, attitudes and behavior of employees so that these employees voluntarily try to work cooperatively with other employees and improve their work performance. Stating good discipline reflects the magnitude of one's responsibility for the tasks assigned to him. This will encourage work passion, morale, and the realization of organizational goals.

RESEARCH METHODS

This research was held at PT. Benua Library which is located on Jalan Bandung No. 24/33 Medan, while the research is held from June to December 2021. The research approach used 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. Descriptive research is a research design that is structured in order to provide a systematic description of scientific information originating from research subjects/objects.

The population of this study are all employees of PT. Benua Library with a total of 64 employees. In the need for data collection, the techniques used are:

1. Observations and interviews
   This method is done so that researchers get an overview of the problems that occur in the variables studied
2. Questionnaire

This method is done by making a questionnaire based on a Likert scale.

3. Documentation study

This method is done by collecting various previous research journals related to this research and theories related to the variables studied.

RESULTS AND DISCUSSION

AGE (years)	NUMBER (people)	PERCENTATION (%)
< 20	10	16,0
20-30	20	31,0
31-40	25	39,0
41-50	5	9,0
>50	4	6,0
TOTAL	64	100,0

Table 4. Age Distribution of PT. Continental Library

In Table above it can be seen that there are 10 respondents aged <20 years (16.0%), 20 respondents aged between 20-30 years (31%), respondents aged between 31-40 years 25 people (39%), respondents aged 41-50 years were 5 people (9%). Respondents aged > 50 years were 4 people (6%). Characteristics of respondents based on gender can be seen in table bellow. the following :

GENDER	TOTAL (people)	PERCENTATION (%)
Man	34	53
Woman	30	47
TOTAL	64	100,0

Table 5. Gender Distribution of PT. Continental Library

Table shows the gender distribution of employees. Respondents were dominated by 34 men (53%) and 30 women (47%).

The characteristics of respondents based on education can be seen in table below. the following :

Education Level	Number of Employees (people)	Percentation (%)
SLTA	12	19
D3	15	23
S1	35	55
S2	2	3
TOTAL	64	100,0

Table 6. Distribution of Employee Education Levels at PT. Continental Library

Table above shows the distribution of education levels, most of the respondents were at the high school level, namely 12 people (19%), D3 level, namely 15 people, S1 level, namely 35 (55%) people, and Masters level, 2 people (3%) .
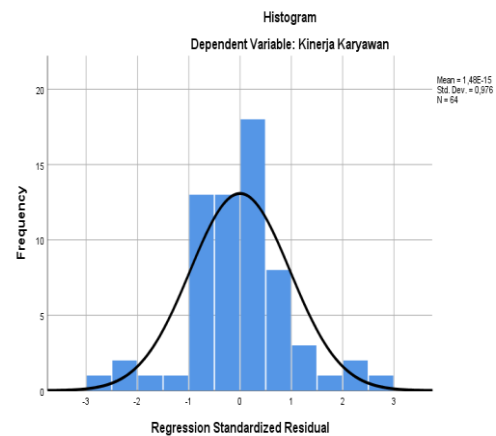

Figure 1. Histogram

This figure proves that the histogram diagram shows high beams based on curved line patterns making mounds, thus the histogram diagram gives normal data distribution.
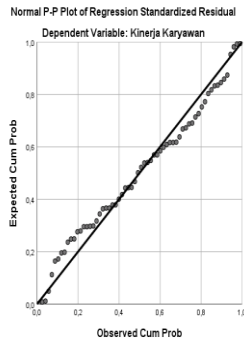

Figure 2. P-P Plot

The figure proves that the distribution of points around the diagonal line and the distribution is close to the diagonal line, so it can be concluded that they are normally distributed.

The statistical normality test can use the K-S non-parametric statistical test, the criteria for testing are:

1. if the sig number <0.05, then the data does not give a normal distribution
2. if the sig number > 0.05, then the data gives a normal distribution

The normality test results with the Kolmogorov-Smirnov model are:

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		64
Normal Parameters[a,b]	Mean	0,0000000
	Std. Deviation	0,39130640
Most Extreme Differences	Absolute	0,090
	Positive	0,071
	Negative	0-,090

Test Statistic	0,090
Asymp. Sig. (2-tailed)	0,200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Table 7. Normality Test Results

Table above shows the results of the normalization test stating that a significant value is 0.200. This means that it has a normal distribution, because statistically sig > 0.05.
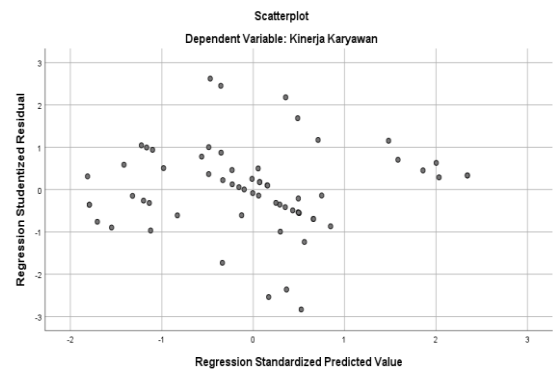

Figure 3. Scatter plots

Figure above shows that the scatterplot graph shows that the random distribution of the points p creates a certain pattern and the distribution is both above and below 0 on the Y axis. Whether heteroscedasticity occurs or not can be observed from the probability of significance, if the significance number is more than the 5% confidence level, it can be concluded that there is no heteroscedasticity. The results of the heteroscedasticity test with the glejser method are:

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
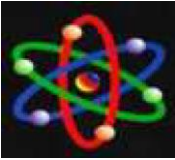
		B	Std. Error	Beta		
1	(Constant)	0,679	0,470		1,443	0,154
	Kompensa si Financial	-0,122	0,066	-0,229	-1,837	0,071
	Kepuasan Kerja	-0,039	0,066	-0,073	-0,588	0,559
	Disiplin	0,057	0,072	0,099	0,792	0,432

a. Dependent Variable: ABS_RES

Table 8. Results of the Glejser Method

Table above explains that the glejser test score with a significant figure for financial compensation with a significant value at 0.071. Glejser test value of job satisfaction with a significant value at 0.559. Discipline glejser test value with a significant value at 0.432. This does not occur heteroscedasticity in the regression model so that the regression model is feasible to use in this study, because the significance of financial compensation, job satisfaction, and discipline > 0.05 statistically.

From these data, the regression equation influences financial compensation, job satisfaction and discipline on employee performance at PT. Continent Libraries are:

Y = 0.049 + 0.261 Financial Compensation - 0.007 Job Satisfaction + 0.732 Discipline

The coefficients in the multiple linear regression equation are:

a. Constant value (a) of 0.049 units means financial compensation, job satisfaction and discipline on the performance of employees at PT. Continental Library of 0.049 units.

b. The regression coefficient of the financial compensation variable (b1) is 0.261 units. This proves that an increase in one unit of financial compensation will lead to an increase in the performance of employees at PT. Continental Library of 0.261 units.

c. The regression coefficient of the variable quality of job satisfaction (b2) is -0.007 units. This proves that an increase in one unit of job satisfaction will lead to a decrease in the performance of employees at PT. Continental Library of 0.007 units.

d. The regression coefficient of the discipline variable (b3) is 0.732 units. This proves that an increase in one disciplinary unit will lead to an increase in the performance of employees at PT. Continental Library of 0.732 units.

CONCLUSION

1. Financial compensation partially affects the performance of employees at PT. Continental Library. This can be seen from the significant value of 0.013 <0.05 or the value of 2.570> 1.99773.

2. Job satisfaction partially does not affect the performance of employees at PT. Continental Library. This can be seen from the significant value of 0.944 > 0.05 or the value of -0.070 < 1.99773.
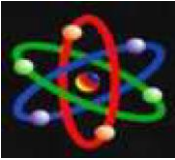
3. Discipline partially affects the performance of employees at PT. Continental Library. This can be seen from the value 0.000 <0.05 or the value 6.662> 1.99773.

4. Financial compensation, job satisfaction and discipline jointly affect the performance of employees at PT. Continental Library. This can be seen from the value of 17.053> 2.75 with a significance of 0.000 <0.05.

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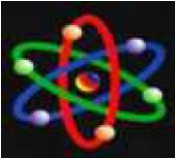
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