

The Effect of Compensation and Work Discipline on Employee Performance at PT Jas Mulia Palm Oil Mill North Luwu Utara

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Abstract

Human resources are the factors that plan, mobilize and supervise all activities at PT. Jas Mulia Palm Oil Mill, North Luwu Utara. Because human resource factors are very important, every company must try to improve the performance of its employees to make them more productive and of better quality. The purpose of this research is to see how compensation and work discipline influence employee performance at PT. Jas Mulia Palm Oil Mill, North Luwu Utara. This research uses a quantitative approach, the population in this research is employees at PT. Jas Mulia Palm Oil Mill, North Luwu Utara, as many as 74 people. The sampling technique for this research uses a probability sampling technique by determining the number of samples using a saturation formula so that a sample size of 74 respondents is obtained. The research results show that work discipline and compensation variables have a significant effect on employee performance, and compensation has a significant effect on employee performance at PT. Jas Mulia Palm Oil Mill, North Luwu Utara.

Keywords: Compensation; work discipline; Employee Performance

1. Introduction

With the growth of human resources, effective HR management is very important to produce high-quality human resources or labor productivity that can help achieve the Company's goals. They become planners, controllers, and always participate in changes in their thoughts, feelings, and desires, which have an impact on the way they behave as a whole. This attitude determines the personality, dedication and love for the work given. Strengthening human resources will help companies overcome unstable competition. Therefore, the biggest problem is the effort to improve human resources because the success of achieving the company's goals and its survival depends on the quality of work produced by human resources. All businesses strive to achieve maximum results; How a company manages to achieve its goals is also influenced by how well its human resources are. To achieve company goals, reliable human resources will increase employee productivity and maximize results. One way to increase employee productivity is to compensate work accordingly.

Work discipline is another factor that can affect employee productivity. Work discipline is the attitude and behavior of a person who shows obedience, obedience, loyalty, order, and order to the rules and social norms that apply in the company or organization. The company requires work discipline. Work discipline will ensure that the business runs well and runs smoothly, thus achieving optimal results. However, for employees, work discipline leads to a pleasant working atmosphere, which makes them more motivated to do their jobs. (Butar Butar & Nuridin, 2022) Lack of work discipline habits will have an impact on work efficiency and productivity. In addition to the level of discipline exhibited by workers, the compensation provided by the company can also have an impact on overall performance. In human resources, compensation is one of the most important components. By compensating

employees, they will feel valued for their work. If employees feel valued, they will be more motivated to work harder to achieve company goals. Therefore, compensation must be given periodically to employees as a reward for their performance.(Nawa & Kempa, 2017)

With compensation that meets expectations and optimal work discipline, employee performance will improve. Improving the overall performance of employees in a company will improve the smoothness of work processes, which in turn will make it easier for companies to achieve their goals.(Dwikristianto et al., 2017) The purpose of this study was to find out how compensation and work discipline impact the performance of PT workers. Jas Mulia Palm Oil Mill North Luwu Utara.

Based on several theoretical descriptions, a conceptual framework of research was made through the hypothesis H1 Allegedly compensation has a significant positive effect on employee performance, H2 It is suspected that work discipline has a significant positive effect on employee performance, H3 It is suspected that compensation and work discipline have a significant positive effect on employee performance

PT. Jas Mulia Palm Oil Mill is the first palm oil processing plant (PKS) in North Luwu Utara. It was established in Minanitchlu Village, Sukamaju District, and has been operating since March 2017, and is located in Minanitchlu Village, Sukamaju District, with a production capacity of 30 tons / hour. It is hoped that the presence of this mill will encourage the economic growth of the community, especially oil palm farmers. Today North Luwu Utara, South Sulawesi, is known as a producer of crude palm oil (CPO), which is part of Indonesia's role in providing this largest commodity in the world.

This study aims to understand and analyze the extent of the effect of compensation and work discipline on employee performance at Pt Jas Mulia Palm Oil Mill, North Luwu Utara. The results of this research can provide insights and recommendations that can be used by companies to maximize their potential.

2. Methodology

(Sugiyono, 2008) states that quantitative research focuses more on causal (causal), so there are independent and dependent variables in their research. Next, it is seen how much influence the independent variable (performance and compensation) has on the dependent variable. In (Dwikristianto et al., 2017).

Research location

The research location is the place where the research is conducted. This research took place at PT. Jas Mulia Palm Oil Mill located in Minanitchlu Village, Sukamaju District, North Luwu Utara. The population is all employees totaling 74 employees.

Population

According to (Isvandiari & Fuadah, 2017) A population is a set of units of analysis with information you want to know. Whereas, according to (Sugiyono, 2003)"Population is a generalized area consisting of objects / subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions.". In this study, 74 employees of PT. Jas Mulia Palm Oil Mill North Luwu involved.

Sample

According to (Arikunto, 2010) "The study sample is a portion or representative of the population studied" inside (Isvandiari & Fuadah, 2017). Meanwhile, according to Sugiyono (Sugiyono, 2003)"The sample is part of the number of characteristics shared by that population". For this problem where the number of subjects is less than 100 people i.e. 74 people and it is better to take all samples therefore, this study was conducted by collecting samples from 74 respondents from the production section of PT. Noble Suit Palm Oil Mill. hence it is called a saturated sample.

Data Types and Sources

Primary and secondary data are the types of data in this study, which were collected through questionnaire methods and also from other sources. Primary data is obtained from employees working at PT. Jas Mulia Palm Oil Mill, based on questionnaires regarding compensation, work discipline and employee performance. Secondary data obtained from Journal books and the internet related to the problem studied,

3. Result and Discussion

3.1. Result

Data that has been collected and data analysis will be carried out, the data analysis carried out will be explained in the section below:

Validity Test

This data is considered valid if the value of the correlation coefficient of the score with the total score r is greater than 0.05, but it is invalid if the value of the correlation coefficient of the grain score with the total score r is less than 0.05. In this study, the sample used to test the validity and reliability of statements was 74 employees. Here are the results of the validity test of the statement item

Reliability Test

After the validity test, a reliability test was conducted to ensure that the questionnaire used in this study was correct and reliable as a data collection tool. Reliability tests are conducted to determine how consistent questionnaires or questionnaires are to measure research variables. If the cronchbach alpha result is greater than 0.6, this research instrument can be considered realistic. The results of the reliability test are presented here.

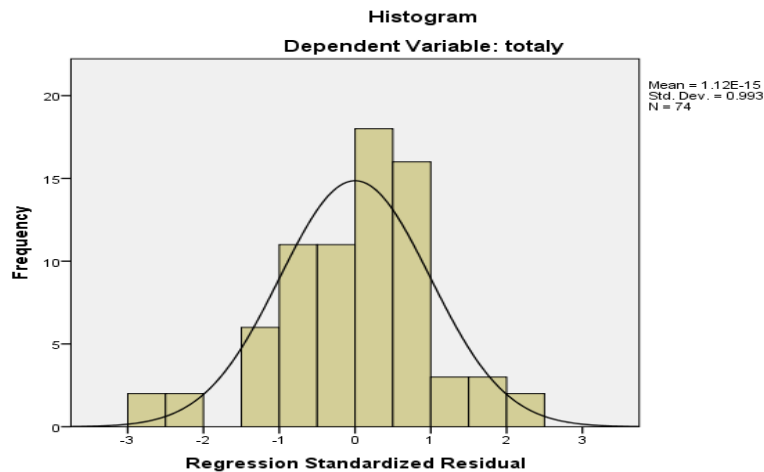
Variabel	Cronbach's alpha	Standar	Keterangan
Kompensasi (X1)	0,846	0,6	Reliabel
Disiplin Kerja(X2)	0,901	0,6	Reliabel
Kinerja Karyawan (Y)	0,872	0,6	Reliabel

Source: SPSS 25

From the table above, it can be explained that Cronbach's Alpha value is more than 0.6 which indicates that the variables X1, X2, and Y can be considered reliable.

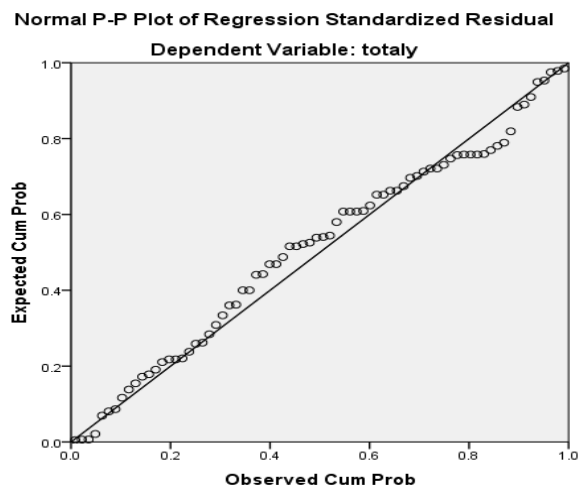
Normality Test

The normality test uses histogram graph analysis that compares observational data with distributions close to the normal distribution and the komovrov test. This will produce the following results:



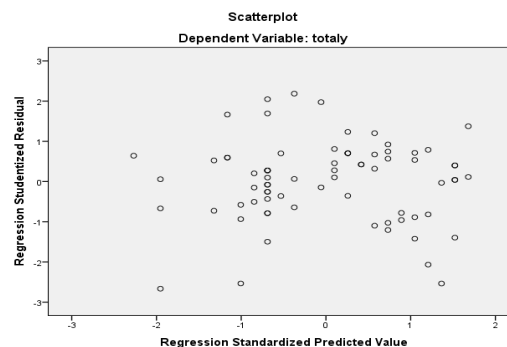
In the image above, the graphic histogram shows the residue is normally distributed, symmetrical in shape, and not tilted to the right or left.

Data Normality Graph Results



The data (points) are scattered around the diagonal line and follow the direction of the diagonal line, which indicates the normal distribution of data. Because this study meets the assumption of normality, it can proceed with further analysis.

Heteroscedasticity Test Results



The figure above shows that the dots above and below the number 0 are scattered on the Y-axis without a clear pattern. Therefore, this regression model is suitable for using compensation variables and work discipline to interpret performance variables, because heteroscedasticity does not occur in this regression model.

Linear Regression Analysis Test

T Test Results

The t test is conducted to determine whether compensation and work discipline affect employee performance variables partially or not.

Variable	T Calculate	Sig Value	Sig
X1	3.035	0.003	0.05
X2	2.995	0.004	0.05

When viewed from the table above, testing the effect of compensation on employee performance results in a calculated t value of 3.035 with a significant value of 0.003, which is less than 0.05, while the calculated t value for testing the effect of Work Discipline on Employee Performance is 2.995, with a significance value of 0.004, and a significance value of less than 0.05. Then it can be concluded that compensation and work discipline have a significant effect on employee performance at PT. Noble Suit Palm Oil Mill.

Hypothesis Testing (H1)

It is known that the sign value for the effect of X1 on Y is $0.003 < 0.05$ and the calculated t value is $3.035 > t$ table 1.996, so it can be concluded that H1 is accepted which means there is an influence of X1 on Y.

Hypothesis Testing (H2)

It is known that the sig value for the effect of X2 on Y is $0.004 < 0.05$ and the calculated t value is $2.995 > t$ table 1.996, so it can be concluded that H2 is accepted which means there is an influence of X2 on Y.

F Test Results

The F test is performed to determine whether compensation and work discipline variables affect employee performance variables. The independent variable and the dependent variable in this study were also calculated.

Variable	F Count	Sig Value	Sig
X1 and X2 to Y	22.342	0.000	0.05

Third hypothesis testing (H3)

It is known that the significant value for the simultaneous effect of X1 and X2 on Y is $0.000 < 0.05$ and the calculated F value is $22.342 > 3.12$ so that it can be concluded that H3 is accepted which means that there is a simultaneous influence of X1 and X2 on Y.

3.2. Discussion

The Effect of Compensation on Employee Performance

The results showed that compensation has a positive and significant influence on employee performance. The result shows a calculated t of 3.035 with a significant value of

0.003 which is less than 0.005. Thus, it can be concluded that compensation has a significant effect on the performance of PT. Noble Suit Palm Oil Mill.

The results of this study show that employee performance can improve with appropriate compensation. This is because employee salaries and salaries can meet the needs of the family. The results of this study are in line with (Jeremiah & Nuridin, 2022) with the title The Effect of Compensation and Work Discipline on Employee Performance. The results of this study show that it analyzes the effect of compensation on employee performance. And research done previously by (Economics et al., 2019) with the title The Effect of Compensation on Employee Performance at PT. Jaeil found that Contribution to employee performance had a significant influence. In other words, compensation can improve employee performance if compensation is higher.

The Effect of Work Discipline on Employee Performance

The results showed that work discipline has a positive and significant influence on employee performance. The results showed that work discipline strictly affects the performance of PT. Jas Mulia Palm Oil Mill, with a t count of 2.995 and a significant value of 0.004 which is less than 0.005.

The results of this study show that work discipline can encourage employee performance improvement. This is because employees arrive on time to complete tasks, The results of this study are in line with the research conducted by (Jeremiah & Nuridin, 2022). And research done previously by (Aromega et al., 2019) which found that work discipline on persial has a positive and significant influence on employee performance.

The effect of compensation and work discipline on employee performance

The results showed that compensation and work discipline together (simultaneously) affect the performance of PT. Noble Suit Palm Oil Mill. This can be seen from the compensation and work discipline that gives a calculated F value of 22,342 with a significance value of 0.000 which is less than 0.05. The results show that compensation and work discipline affect the performance of PT employees. Jas Mulia Palm Oil Mill North Luwu Utara.

The results of this study are in line with previous research conducted by (Aromega et al., 2019) which found that the relationship between the two independent variables (compensation and work discipline) simultaneously with employee performance was included in very strong criteria. And research conducted previously by (Tindow, 2014) which found that employee performance is strongly influenced by compensation and work discipline, both separately and simultaneously.

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