Can Compensation Mediate Discipline in Improving the Performance of Government Employees?

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Abstract
Performance is the achievement of work results obtained in various ways that are expected in accordance with organizational goals. This study aims to examine the direct and indirect effects of work discipline and compensation on employee performance, work discipline on employee performance through compensation mediation. The research location is in a government agency in Probolinggo Regency. The sample used was 63 people from government agencies. The mediation analysis model uses the Jamovi application. The results showed that compensation was not able to mediate work discipline on employee performance, but compensation was able to have a direct effect on employee performance. Likewise, work discipline can have a direct effect on employee performance so that work discipline has a total positive and significant influence on employee performance after being mediated by compensation. Increasing discipline by paying attention to timeliness of work, increasing work compensation by providing adequate incentives and increasing employee performance by fostering a greater sense of responsibility the goal.

Keywords: Compensation, Employee Performance, Jamovi Application, Work Discipline

Introduction
Agency performance is part of employee performance but with different indicators (Sudnickas, 2016). Employee performance is achieved when they possess motivation and capability (Cleveland et al., 2019). To accomplish tasks, efficient job completion emphasizes the future expectations on the roles, functions, and motivation of employees within an agency (Sudnickas, 2016; Sulistyan, 2017). Employees within an agency are essential assets as no other resources can replace their roles and functions. Even with the utilization of modern technology, it becomes meaningless without the presence of competent human resources. To achieve optimal performance, employees must be managed effectively to ensure the agency's resources feel comfortable executing their tasks and attaining optimal results (Hermanto, 2019; Sulistyan et al., 2020).

An organization, as an institution, must be able to carry out its activities effectively. It should pay attention to one of its resources that directly play a role in generating performance and can be beneficial to the organization. The resource referred to here is employees as human resources (Hermanto, 2016). The primary purpose of managing human resources in the workplace is to develop their capabilities, to survive and improve their quality of life, utilizing their skills, creativity, time, and...
energy, either for compensation or to achieve recognition (Malayu, 2016).

Compensation is the total amount of rewards given to employees as a reward for their services, with the general purpose of attracting, retaining, and motivating employees (Iswanto & Yusuf, 2015). Compensation is important as it reflects the organization’s effort to retain and enhance employee productivity (Pawirosumarto & Iriani, 2018; Sulistyan et al., 2019). Experience has shown that inadequate compensation can lower employee performance, motivation, and job satisfaction, and may even lead potential employees to leave the organization. On the other hand, providing compensation can have a positive but not significant impact on employee performance (Ngatimun et al., 2016). Therefore, the provision of job compensation can be inconsequential and not significantly related to employee performance (Fajar et al., 2019; Ilham et al., 2020). Greater attention should be given to providing appropriate job compensation for employees to achieve optimal work performance (Sonjaya et al., 2019).

Achieving optimal work performance can be accomplished by effectively managing the job and enhancing work discipline among employees (Suyanto, 2018), which leads to employees adhering to various organizational regulations to improve performance (Sonjaya et al., 2019). Therefore, agency leaders must monitor all behaviors and actions of all employees in the workplace (Sulistyan, 2017, 2018).

Implementing work with good discipline reflects a strong sense of responsibility towards the assigned tasks, which encourages enthusiasm, work spirit, and achievement for both employees and the organization (Malayu, 2016). The main objective of discipline is to maximize efficiency by managing and conserving time and energy. On the other hand, poor work discipline may not necessarily impact employee performance (Pawirosumarto & Iriani, 2018). Discipline tries to prevent damage or loss of goods, machines, equipment, and work tools caused by carelessness, jokes, and negligence. Discipline addresses errors and omissions resulting from lack of attention, flaws, and delays. Work discipline serves as an early prevention strategy for slow or delayed work. In short, discipline is necessary for organizational activities to maintain efficiency (Thaief et al., 2015). By improving and preventing undesirable individual behaviors and intentions within a group (Sonjaya et al., 2019).

To achieve these goals, methods that can be used include training, managing, utilizing, and enhancing human resources to produce employees capable of improving both employee and organizational performance within specific periods (Iswanto & Yusuf, 2015). Therefore, individual performance results from the implementation of responsibilities based on skills, experience, seriousness, and time. Employee performance is determined by employee knowledge, and besides creating good performance, the organization also requires a well-functioning system. This system encompasses not only rules and standards but also operational resources related to the organization (Hermanto, 2016).

Through sound human resource planning, the existing workforce can be improved through adjustments (Sulistyan & Paramita, 2021). Research results show that work discipline does not significantly affect employee performance, but improving work discipline and providing fair compensation should be balanced by offering full labor compensation with expectations, and a disciplined workforce can support the organization in achieving its goals. These two factors create a good level of workforce productivity, which impacts organizational success. Conversely, if workforce productivity declines, it will hinder the organization’s goal achievement (Hardiansyah et al., 2019).

One specific example is the Electoral Commission (Komisi Pemilihan Umum) in Probolinggo Regency, where work discipline implementation is not yet optimal, and there are still employees who lack discipline in their work. Some examples include employees arriving late to the office, tardiness during scheduled meetings, and delays after breaks. To improve work discipline and employee performance, the agency’s leadership has implemented several measures to enhance employee job satisfaction, one of which is providing compensation and work incentives (Hermanto, 2018). However, the compensation provided is not yet optimal, as some employees express dissatisfaction with their compensation, feeling that it does not match the efforts they put into the organization. This employee dissatisfaction can lead to suboptimal performance.

Employees with low work discipline will be affected in terms of the compensation they receive; frequent absenteeism will result in larger deductions and reduced earnings. Moreover, employees who arrive late will lead to ineffective use of time for completing their tasks. Based on the background mentioned above, the researcher is interested in conducting research activities in line with the problem, which is whether job compensation can mediate work discipline in improving employee
performance at the Electoral Commission in Probolinggo Regency, using Mediation Analysis with the application of Jamovi for hypothesis testing.

**Literature Review and Hypothesis Development**

**Work Discipline**

Work discipline is a crucial operational function of human resource management because better employee discipline leads to improved work performance. Without good employee discipline, it is challenging for an organization to achieve optimal results (Malayu, 2016). Work discipline is defined as an individual's willingness and readiness to comply with norms and regulations in their surroundings (Hermanto, 2018; Sutrisno, 2020). Good employee discipline accelerates an organization's goals, while declining discipline becomes a hindrance and slows down the achievement of organizational objectives. Discipline acts as a driving force for employees to ensure smooth workflow. It should not solely focus on punishment or negative aspects, as punishment is the ultimate action in work discipline enforcement (Sutrisno, 2020). The indicators used to measure employee work discipline (Sinambela, 2016) include:

a. **Attendance**
   Attendance refers to the presence of employees during working hours before the start of work, often recorded through attendance devices.

b. **Punctuality**
   Punctuality involves adhering to the established working hours, including break times and other work-related schedules.

c. **Wearing Work Attire and Employee Identification**
   Employees must wear appropriate work attire or uniforms specified by the organization, displaying proper identification as a symbol of unity and camaraderie within the institution.

d. **Adherence to Regulations and Work Systems**
   Employees must observe the rules and work systems established in their organization, with potential disciplinary actions taken by management in the case of violations.

Work discipline involves employee compliance and adherence to work procedures in accordance with the standards and regulations agreed upon, with the expectation that employee performance aligns with the organizational objectives. Prior research has shown a strong relationship between work discipline and employee performance (Dwi et al., 2019; Yulistria et al., 2018), with work discipline significantly influencing employee performance (Rochman et al., 2021). Additionally, work discipline and compensation have a positive and significant impact on employee performance (Mashudi, 2019; Safriandi & Aginta, 2016). This indicates that good work discipline can enhance work compensation, ultimately leading to better employee performance (Nurdin et al., 2020; Tamba & Husain, 2021; Thaief et al., 2015; Wairooy, 2017).

**Compensation**

Compensation is one of the functions of human resource management related to rewarding employees for their organizational tasks. It encompasses both monetary and non-monetary rewards (Iswanto & Yusuf, 2015). The indicators used to measure work compensation (Safriandi & Aginta, 2016) include:

a. **Salary**
   The wage rate received by employees, typically on a weekly, monthly, or yearly basis.

b. **Incentives**
   Compensation given outside regular wages or salary.

c. **Allowances**
   Benefits related to employee comfort provided by the organization, such as health insurance, retirement programs, vacation allowances, and other allowances related to employment.

   a. **Facilities**
      The resources available and utilized by employees to support their work activities, such as company vehicles, designated employee parking, employee dormitories, aiming to enhance employee enjoyment and comfort.

Work compensation is intended to improve employee performance, aligning with the organization's objectives (Kang & Lee, 2021; Kim & Jang, 2020). Previous research by Nurdin et al. (2020) showed that compensation significantly influences employee performance, and other studies demonstrated that compensation has a positive impact on employee performance (Ariesa et al., 2020;
Meanwhile, other studies related to work discipline and compensation partially or simultaneously have a significant effect on employee performance. Compensation has the most dominant effect on employee performance (Mashudi, 2019), by providing small but continuous compensation that will maintain employee performance (Kim & Jang, 2020). These results assume that compensation has the ability to mediate work discipline variables on employee performance (Rochman et al., 2021).

**Employee Performance**

Performance is the end result produced by the activities and functions of a job within a specified period (Iswanto & Yusuf, 2015). It represents the achievement of tasks assigned to employees according to their expertise and competence (Ngatimun et al., 2021). To enhance optimal performance, clear references and standards need to be established (Sinambela, 2016). The quality and quantity of work outcomes are the results of individuals or work groups within an organization, aligned with their respective roles, responsibilities, and authorities in achieving organizational goals, while adhering to legal and ethical principles during implementation (Mangkunegara, 2017; Sinambela, 2016). The indicators used to measure employee performance (Mangkunegara, 2017) are:

a. Quality
   Quality refers to the level of work output based on established standards, measured through agreed and reliable instruments.

b. Quantity
   Quantity represents the amount of work output within a specified time frame and the speed of completion.

c. Task Execution
   Task execution involves fulfilling employees' obligations in carrying out activities or tasks related to their assigned responsibilities within the organization.

d. Responsibility
   Responsibility reflects the consequences of role implementation, comprising rights, obligations, and authority.

Employee performance is the final outcome of the employees' work process, which is influenced by several factors, as indicated by research findings showing that discipline and compensation have a positive and significant impact on employee performance (Fajar et al., 2019; Ilham et al., 2020).

Based on the above conceptual framework, the research model can be constructed as depicted in the following diagram:

![Research Model Diagram](source: Data Processed (2022))

The research model gives rise to the following hypotheses:

H1: There is a direct influence of work discipline on job compensation.

H2: There is a direct influence of job compensation on employee performance.

H3: There is a direct influence of work discipline on employee performance.

H4: There is an indirect influence of work discipline on employee performance through the mediation of job compensation.

H5: There is a total positive influence between work discipline, job compensation, and employee performance.
Methods

This research utilizes the path analysis model with the Jamovi application through Mediation Analysis, where the job compensation variable acts as the mediating variable between work discipline and employee performance variables. The study involves a total sample of 63 respondents from the Election Commission of Probolinggo Regency. The data used are primary data obtained through the distribution of questionnaires that underwent validity and reliability testing. The analysis is conducted using Jamovi application.

These hypotheses will be tested using the Jamovi application method to examine the relationships between work discipline, job compensation, and employee performance. The analysis aims to determine the direct and indirect effects of work discipline on employee performance, as well as the mediating role of job compensation in this relationship. The findings from this study will contribute to a deeper understanding of the factors that influence employee performance in the context of work discipline and job compensation.

Results and Discussion

Characteristics of Respondents

The characteristics obtained from 63 respondents to the General Election Commission employees of Probolinggo Regency obtained from the results of data collection through distributing questionnaires showed that the male sex was 43 people or 68.2%, while the respondents with female sex were 20 people or 31.8%. This shows that the majority of respondents are male. Respondents with high school educational characteristics were 3 people or 4.54%, Diploma was 17 people or 27.27%, S1 was 26 people or 40.90%, and Masters was 17 people or 27.27%. This shows that respondents with the highest type of education are respondents with a bachelor’s degree. And respondents with length of service < 5 years were 14 people or 22.72%, length of work > 5 years were 3 people or 4.54%, length of work > 10 years were 17 people or 27.27%, and length of work > 15 years were 29 people or 45.45%. This shows that the respondents with the highest length of service are those with > 15 years of service.

Validity and Reliability Test

Before conducting further tests, of course, research measuring instruments must meet the validity and reliability tests of the instrument.

From the test results that have been carried out that all question items or statements in the instrument (Table 1) have met the standards of validity (> 0.3598) and reliability (> 0.70) (Ghozali, 2018), so that it can be continued with the next test according to the research objectives.

Hypothesis testing

From the results of testing the research data hypothesis with the mediation analysis model using the Jamovii application, the results are shown in the following table:

<table>
<thead>
<tr>
<th>Work Discipline</th>
<th>Item Total Correlation</th>
<th>Cronbach’s Alpha</th>
<th>Item Total Correlation</th>
<th>Cronbach’s Alpha</th>
<th>Item Total Correlation</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>WD1</td>
<td>0.679</td>
<td>0.877</td>
<td>CP1</td>
<td>0.711</td>
<td>0.938</td>
<td>PR1</td>
</tr>
<tr>
<td>WD2</td>
<td>0.754</td>
<td></td>
<td>CP2</td>
<td>0.796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WD3</td>
<td>0.491</td>
<td></td>
<td>CP3</td>
<td>0.723</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WD5</td>
<td>0.672</td>
<td></td>
<td>CP4</td>
<td>0.610</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WD6</td>
<td>0.561</td>
<td></td>
<td>CP5</td>
<td>0.927</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WD7</td>
<td>0.757</td>
<td></td>
<td>CP6</td>
<td>0.849</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WD8</td>
<td>0.780</td>
<td></td>
<td>CP7</td>
<td>0.927</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CP8</td>
<td>0.773</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data Processed (2022)
The test results can be explained as follows:

1. There is a direct and significant effect between the work discipline variable on the work compensation variable with a p value (0.014 < 0.050) so that the hypothesis (H1) is accepted. Work discipline is measured by indicators of employee attendance, punctuality at work, use of work clothes and employee identity, as well as adherence to work rules and systems. The results show that employee work discipline has a positive coefficient contribution to work compensation, namely the estimated value of 0.534, this illustrates that the better employee work discipline, the contribution of employee work compensation is also increasing. This is in line with previous research that work discipline has a strong relationship (Dwi et al., 2019; Yulistria et al., 2018) and has a large influence on employee performance (Mashudi, 2019; Rochman et al., 2021). Besides that, work discipline and compensation also have a positive and significant effect on employee performance (Fajar et al., 2019; Nurdin et al., 2020; Wairooy, 2017). The influence of positive work discipline is shown by obedience to regulations and work systems that have the biggest contribution while the punctuality of employee work makes the smallest contribution, so that attention in order to improve work discipline matters related to work punctuality need attention for employees and leaders, seen from the correlation of each indicator of work discipline.

2. There is a direct and significant effect between work compensation variables on employee performance variables with a p value (0.016 < 0.050) so that the hypothesis (H2) is accepted. Work compensation as measured by salaries, incentives, benefits and facilities has made a positive contribution to employee performance with an estimated value of 0.293, which means that the greater the value of work compensation given to employees, it will contribute to improving employee performance (Dwianto et al., 2019) this, this reinforces previous research showing compensation has a significant effect on employee performance (Nurdin et al., 2020; Thaief et al., 2015). Likewise the results of previous studies which show that compensation has a positive effect on employee performance (Ariesa et al., 2020; Tamba & Husain, 2021). Even compensation has the most dominant effect on employee performance (Mashudi, 2019). However, these results are not in line with research results which state that work compensation has no significant effect on employee performance (Fajar et al., 2019; Ilham et al., 2020). Provision of benefits and facilities in order to maintain compensation has made a significant contribution while providing incentives in work compensation needs attention and improvement in efforts to improve employee performance, can be seen in the results of the correlation of each item statement of indicators of work compensation.

3. There is a direct and significant effect between work discipline variables on employee performance variables with a p value (0.001 < 0.050) so that the hypothesis (H3) is accepted. The direct effect of work discipline on employee performance is the share and contribution of employees in carrying out and following the accuracy of work attendance, punctuality at work, wearing work clothes and using employee identities, as well as adherence to regulations and work systems, so as to contribute a positive coefficient which is indicated by the result of an estimate value of 0.532, this means that the better the employee's work discipline, the more the employee's performance will improve. These results do not support the research conducted by Haidiansyah et al. (2019) that work discipline does not affect employee performance but supports previous research conducted (Nurdin et al., 2020; Tamba & Husain, 2021; Wairooy, 2017), that work discipline and compensation also have a positive and significant effect on employee performance.

The ability and implementation of employee activities that have supported work discipline properly is obedience to regulations and work systems, while what does not support the implementation of work discipline activities is timeliness of work. This can be seen from the results of the correlation magnitude of each item statement of the work discipline indicator.

**Table 2. Path Estimates**

<table>
<thead>
<tr>
<th></th>
<th>Label</th>
<th>Estimate</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Discipline -&gt; Compensation</td>
<td>a</td>
<td>0.534</td>
<td>0.217</td>
<td>0.1077</td>
<td>0.960</td>
<td>2.46</td>
<td>0.014</td>
</tr>
<tr>
<td>Compensation -&gt; Performance</td>
<td>b</td>
<td>0.293</td>
<td>0.122</td>
<td>0.0534</td>
<td>0.532</td>
<td>2.40</td>
<td>0.016</td>
</tr>
<tr>
<td>Work Discipline -&gt; Performance</td>
<td>c</td>
<td>0.532</td>
<td>0.140</td>
<td>0.2570</td>
<td>0.808</td>
<td>3.79</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source: Data Processed (2022)
Table 3. Mediation Estimates

<table>
<thead>
<tr>
<th>Effect</th>
<th>Label</th>
<th>Estimates</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
<th>Z</th>
<th>P</th>
<th>%Mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect</td>
<td>axb</td>
<td>0.156</td>
<td>0.0911</td>
<td>-0.0223</td>
<td>0.335</td>
<td>1.72</td>
<td>0.086</td>
<td>22.7</td>
</tr>
<tr>
<td>Direct</td>
<td>c</td>
<td>0.532</td>
<td>0.1405</td>
<td>0.2570</td>
<td>0.808</td>
<td>3.79</td>
<td>0.001</td>
<td>77.3</td>
</tr>
<tr>
<td>Total</td>
<td>c+axb</td>
<td>0.689</td>
<td>0.1398</td>
<td>0.4145</td>
<td>0.963</td>
<td>4.93</td>
<td>0.001</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Data Processed (2022)

The test results can be explained as follows:

4. (a x b) There is a positive but not significant indirect effect between the work discipline variable on the employee performance variable after going through the mediation of the work compensation variable with a positive estimate value of 0.156 and a p value (0.086 > 0.050) so that the hypothesis (H4) is rejected.

The work discipline variable has an indirect effect on employee performance variables after going through the work compensation variable and the magnitude of the indirect effect is 22.7%. This indicates that the work compensation variable is partially able to mediate the work discipline variable but is not significant because the magnitude of the effect is still greater than the direct effect of work discipline on employee performance variables, namely 77.3%, this result is not in line with previous research conducted by Rochman et al. (2021) which concluded that the work discipline variable has an indirect and significant effect on employee performance variables after going through or being mediated by work compensation variables.

5. [c + (a x b)] There is a positive total effect between the work discipline variable on employee performance and the indirect effect of work discipline after being mediated by the work compensation variable with a p value (0.001 <0.050) so that the hypothesis (H5) is accepted.

The total effect is a combination of the indirect effect and the direct influence of the work discipline variable on employee performance variables after going through the mediation of the work compensation variable, the total effect is positive by looking at the estimate value of 0.689, but this total effect is still dominated by the direct effect, so it can be said that the work compensation variable is unable to mediate the work discipline variable as a whole, what happens is the mediation is a small and insignificant part, meaning that the work discipline variable and work compensation variable are only able to have a direct effect respectively.

![Figure 2. Estimate Plot](source)

Source: Data Processed (2022)

The estimated plot gives an illustration of how much the work discipline variable and the work compensation mediation variable have a direct and indirect effect on employee performance variables, from the description of the plot estimate image it can be explained that the direct effect shows a longer line drawing than the line drawing on the indirect effect, this is in line with the explanation of the indirect effect in point 4 above which illustrates that work compensation variables are not able to mediate work discipline variables on employee performance variables.
Conclusion

Based on the research that has been conducted to find out about work discipline and work compensation in improving employee performance at the Probolinggo Regency General Election Commission Agency, it can be concluded that work discipline and work compensation can improve employee performance at the Probolinggo Regency General Election Commission Agency, has been declared maximum. This can be seen from the results of the mediation tests that have been carried out, which encourage work discipline in order to improve the implementation of employee performance tasks are work attendance and compliance with work regulations and systems while things that provide less encouragement are timeliness of work in carrying out tasks, while benefits and facilities contribute compensation in order to improve the implementation of employee tasks in order to improve performance and incentives do not contribute enough in the provision of compensation for the implementation of employee tasks.

One of the goals of the organization is the achievement of performance that has been prepared based on its vision and mission, in order to improve performance achievements in accordance with organizational goals related to work discipline, employee work compensation, the thing that needs attention is increasing discipline by paying attention to work timeliness, increasing work compensation by providing adequate incentives and increasing employee work results by fostering a greater sense of responsibility, thus it is hoped that compensation, and good and correct work discipline can support the success of agencies in achieving their goals. This research is limited to compensation, work discipline, and employee performance. Further research will be broader in analyzing performance problems that exist in an organization. The importance of analyzing performance problems is in terms of improving employee performance in the future and how to apply the solutions obtained in research.

References


