



# Effect of Compensation, Leadership, and Work Discipline on Employee Performance at PT Rongoh Abadi

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## ABSTRACT

The purpose of the study was to examine and analyze the effect of Compensation, Leadership, and Work Discipline on Employee Performance at PT Rongoh Abadi. The decline in the performance of PT Rongoh Abadi's employees is caused by unsatisfactory compensation, ineffective leadership and low employee discipline. The population is 138 employees of PT Rongoh and the number of samples is 103 employees of PT Rongoh. The sampling technique used is simple random sampling. The data analysis technique in this study uses multiple linear regression analysis. Partial test results obtained  $t_{count} > t_{table}$  or  $3.765 > 1.984$  and significant obtained  $0.000 < 0.05$ , meaning that compensation has a positive and significant effect on employee performance at PT Rongoh Abadi. Partial test results obtained  $t_{count} > t_{table}$  or  $2,533 > 1,984$  and significant obtained  $0,013 < 0,05$ , meaning leadership has a positive and significant effect on employee performance at PT Rongoh Abadi. Partial test results obtained  $t_{count} > t_{table}$  or  $4.029 > 1.984$  and significant obtained  $0.000 < 0.05$ , meaning that work discipline has a positive and significant effect on employee performance at PT Rongoh Abadi. The test results simultaneously obtained the calculated F value ( $22.672$ )  $>$  F table ( $2.70$ ) and a significance probability of  $0.000 < 0.05$ , meaning that compensation, leadership, and work discipline have a positive and significant effect on employee performance at PT Rongoh Abadi. Employee performance that can be explained by variations in compensation variables.

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## 1. Introduction

In an effort to improve employee performance within the company, the company must play a greater role in preparing employee performance in order to create reliable and professional employees in carrying out their duties so that they can achieve company goals in accordance with the assigned duties and responsibilities. At the company PT Rongoh Abadi is engaged in heavy equipment rental services and contractors, mining, and general trading. This company provides physical products in the form of Excavators, Bulldozers, Sakai Compactors, and others for rent to consumers. In order to deal with this, PT Rongoh Abadi must be able to meet good performance in the services offered to consumers. That way, companies must be able to improve employee performance and innovation, so that work can be more effective and efficient.

Employee performance is a picture of the leadership results of a leader in leading the company. At PT Rongoh Abadi, there was an increase in employee absenteeism and delays in work. In leading a

company, leaders must be firm in giving sanctions to employees who are not disciplined so as not to cause high absenteeism rates that affect the quantity, quality, and time targets set by the company.

Compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company. Providing compensation in accordance with the results of the work, can make employees work effectively and efficiently. At PT Rongoh Abadi the compensation system applied is only limited to basic salary and allowances. The system of giving prizes, bonuses and awards for outstanding employees has not been implemented by the company leadership.

Leadership is the ability to direct others to cooperate with others, to be willing to give new ideas to the organization to achieve common goals. The leadership in PT Rongoh Abadi that is not firm is one of the factors causing the decline in employee performance. To get optimal work results, leaders must be able to direct employees to be willing to do what the company wants.

Discipline is a trait or ability of a person to control himself and obey the rules or values that have been agreed upon. The lack of discipline of the employees of PT Rongoh Abadi causes high absenteeism which affects the quantity, quality, and targets set by the company. Leaders must be firm in responding to this, such as providing sanctions for undisciplined employees so that employees can be more disciplined at work.

## **2. Methods**

### **2.1 Place and time of research**

The research was conducted at PT Rongoh Abadi which is located at Jalan Thamrin No. 7 H, Sidodadi, District of Medan Timur, City of Medan, North Sumatra 2022, Tel. (061) 4523625 Fax. (061) 4152117 The research period is 6 months starting from April 2022 to September 2022.

### **2.2 Research methods**

This research approach is based on a quantitative approach because this research has a clear flow clear and orderly. Types of research this is a type of quantitative descriptive research. The nature of this research is explanatory descriptive.

### **2.3 Population and Research Sample**

Researchers took the population in this study as many as 138 employees from January to December 2021. The sampling technique used was simple random sampling. The number of samples in this study were 103 employees. For testing the validity and reliability of 30 employees outside the research sample.

### **2.4 Data collection technique**

Researchers took the population in this study as many as 138 employees from January to December 2021. The sampling technique used was simple random sampling. The number of samples in this study were 103 employees. For testing the validity and reliability of 30 employees outside the research sample.

### **2.5 Data Types and Sources**

The type of data used in this research is quantitative data. The data source is motion. People, places, and so on. The research data sources consist of: Primary data sources include interviews with customers of PT Rongoh Abadi and the results of filling out questionnaires distributed to employees of PT Rongoh Abadi and secondary data sources including documentation studies.

### **2.6 Identification and Operational Definition of Research Variables**

Operational definitions for each independent variable and dependent variable are as follows: The independent variables include compensation, leadership, work discipline, and the dependent variable is employee performance.

### **2.7 Test the Validity and Reliability of Variable Instruments**

Validity test shows the degree of accuracy between the data that actually occurs in object with data that collected by researcher to search for an item, we correlated item scores with the total of those items.

### **2.8 Assumption Klasik Test**

Consisting of Normality Test Multicollinearity Test and Heteroscedasticity Test.

## 2.9 Research Data Analysis Model

The data analysis model in this study is multiple linear regression analysis, then Simultaneous Hypothesis Testing (F Test), Partial Hypothesis Testing (t Test).

## 3. Results and Discussion

### 3.1 Research result

#### a. Descriptive statistics

The descriptive statistics in this study are:

**Table 1.** Descriptive Statistics  
**Descriptive Statistics**

	N	Minimum	Maximum	mean	Std. Deviation
Compensation	103	8	40	22.55	10,816
Leadership	103	9	40	19.97	8,272
Work Discipline	103	8	40	26.87	10,874
Employee performance	103	10	50	25.72	12,098
Valid N (listwise)	103				

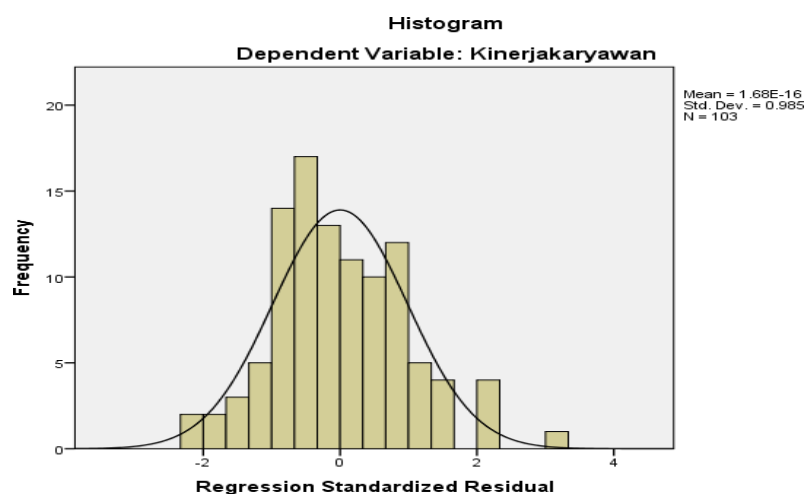
Source:SPSS Processed Data, 2022

Table 1. can be seen descriptive statistics of compensation variables with sampel as much 103 respondents has an average of 22.55 with a minimum value of 8 and a maximum value of 40 and a unit with a standard deviation of 10,816. Statistical descriptive of leadership variable with sampel as much 103 respondents have an average of 19.97 with a minimum score of 8 and maximum value 40 and unit by standard deviation 8.272. Statistical descriptive of work discipline variables with sampel as much 103 respondents have an average of 26.87 with minimum value 8 and value mamaximum 40 and the unit with a standard deviation of 10,874. Statistical descriptive of employee performance variables with sampel as much 103 respondents have an average of 25.72 with score minimum 10 and maximum value 50 and units with standard deviation of 12,098.

### 3.2 Classical Assumption Test

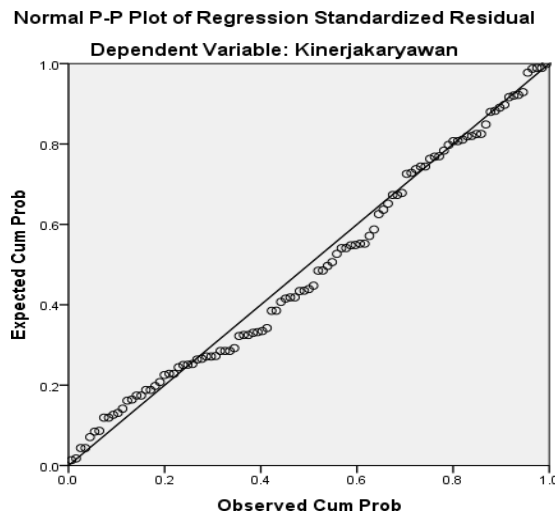
#### a. Normality Test

Normality test aims to determine the distribution of data in the variables to be used in the study. Good and appropriate data to be used in research is data that has a norm distribution.



**Figure 1.** Normality Test with Histogram Graph  
Source:SPSS Processed Data, 2022

Real data form a symmetry (U) that does not deviate to the left or to the right that the data is normally distributed.



**Figure 2.** Normality Test with PP Plot Graph  
 Source:SPSS Processed Data, 2022

Figure 2. The data spreads around the diagonal line and spreads closer to the diagonal line. This means that the data is normally distributed.

**Table 2.** Kolmogorov Smirnov. Normality Test  
 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		103
Normal Parameters, b	mean	.0000000
	Std. Deviation	9.31433886
Most Extreme Differences	Absolute	.078
	Positive	.078
	negative	-.048
Test Statistics		.078
asympt. Sig. (2-tailed)		.135c

a. Test distribution is Normal.  
 b. Calculated from data.  
 c. Lilliefors Significance Correction.  
 Source:SPSS Processed Data, 2022

The table shows a significant value of 0.135 > 0.05. With Thus, the results of the Kolmogorov Smirnov test show that the data normally distributed.

**b. Multicollinearity Test**

Results multicollinearity test that:

**Table 3.** Uji Multicollinearity Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	1.450	3.115		.466	.643		
Compensation	.350	.093	.313	3,765	.000	.869	1.151

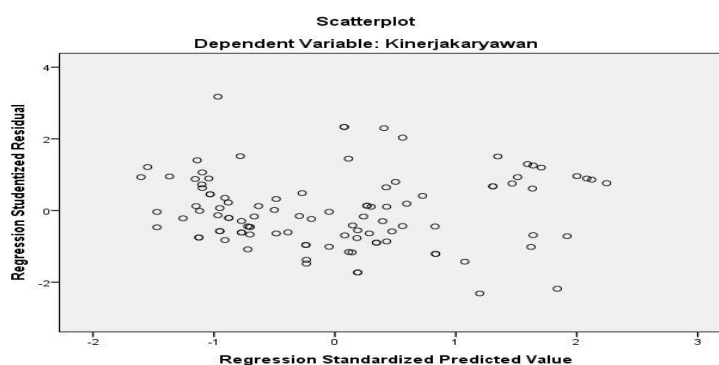
Leadership	.316	.125	.216	2,533	.013	.824	1.214
Work Discipline	.375	.093	.337	4.029	.000	.856	1.169

a. Dependent Variable: Employee performance  
 Source:SPSS Processed Data, 2022

The table shows that the tolerance value for the independent variable >0.1 while VIF value for the independent variable < 10. Thus on multicollinearity test no there is a correlation between the independent variables.

**c. Heteroscedasticity Test**

Heteroscedasticity Test with cara to detect the presence or absence heteroscedasticity:



**Figure 3.**Heteroscedasticity Test with Scatterplot Graph  
 Source: SPSS Processed Data, 2022

The dots spread with the pattern no clear on Y axis, do not gather in one place that does not occur heteroscedasticity in the regression model.

The Glejser test criteria are:

- a. Jikasig > 5% then no tether is heteroscedasticity
- b. Jikasig < 5% then heteroscedasticity occurs

**Table 4.** Glacier Test Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.166	1,811		1,748	.084
	Compensation	.051	.054	.099	.944	.347
	Leadership	.075	.072	.111	1.031	.305
	Work Discipline	.060	.054	.117	1,110	.270

a. Dependent Variable: ABSUT  
 Source:SPSS Processed Data, 2022

Table above shows a significant value of the compensation independent variable of 0.347 > 0.05, the leadership variable of 0.305 > 0.05 and the independent variable of work discipline. selarge 0.270 > 0.05. Therefore dari Glacier test results can be It is said that there is no heteroscedasticity problem.

**3.3 Results of Research Data Analysis**

**a. Research Model**

Multiple regression is as follows:

**Table 5.** Results of Regression Analysis Multiple Linear Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.450	3.115		.466	.643
	Compensation	.350	.093	.313	3,765	.000
	Leadership	.316	.125	.216	2,533	.013
	Work Discipline	.375	.093	.337	4.029	.000

a. Dependent Variable: Employee Performance

Source:SPSS Processed Data, 2022

$$Y = 1.450 + 0.350 X_1 + 0.316 X_2 + 0.375 X_3 + e$$

The explanation of multiple linear regression above is:

- 1) The constant value of 1,450 which shows the compensation, leadership and work discipline variables are considered zero (0) so the employee performance is 1,450.
- 2) The value of the compensation regression unit is 0.350 which means that for every 1 increase, the employee's performance will increase by 0.350 units.
- 3) The leadership regression unit value of 0.316 states that for every 1 increase, the employee's performance will increase by 0.316g units.
- 4) The work discipline regression unit value of 0.375 states that for every increase of 1, the employee's performance will increase by 0.375 units.

#### b. Hypothesis Determination Coefficient

The determination of the results are:

**Table 6.** Coefficient of Determination Test Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.638a	.407	.389	9.45441

a. Predictors: (Constant), Work Discipline, Compensation, Leadership

b. Dependent Variable: Employee Performance

Source:SPSS Processed Data, 2022

Table 6. Employee performance which can be explained by variations in compensation, leadership and work discipline variables is 38.9% while the remaining 61.1% (100% - 38.9%) is explained by other variables not examined in this study, such as career development, promotion, job training and so on.

#### c. Simultaneous Hypothesis Testing (F Test)

Hypothesis testing using the F tester is:

**Table 7.** Simultaneous Test (Test F) ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6079,630	3	2026,543	22.672	.000b
	Residual	8849,205	99	89,386		
	Total	14928,835	102			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), Work Discipline, Compensation, Leadership

Source:SPSS Processed Data, 2022

Table 7. seen from the calculated F value (22.672) > F table (2.70) and probability sigsignificance 0.000 < 0.05, means that  $H_4$  received  $H_0$  denied compensation, leadership, and discipline work bepositive and significant influence terhadperformanceemployees at PTRgibberish Abain.

#### d. Partial Hypothesis Testing (T Test)

Hypothesis testing using the t tester is:

**Table 8. Partial Test (t Test)  
Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.450	3.115		.466	.643
	Compensation	.350	.093	.313	3,765	.000
	Leadership	.316	.125	.216	2,533	.013
	Work Discipline	.375	.093	.337	4.029	.000

a. Dependent Variable: Employee Performance

Source:SPSS Processed Data, 2022

The partial hypothesis testing is

- 1) The partial test results obtained the value of  $t_{count} > t_{table}$  or  $3.765 > 1.984$  and the significance obtained was  $0.000 < 0.05$ , meaning that  $H_1$  was accepted by  $H_0$  rejected, namely compensation has a positive and significant effect on employee performance at PT Rongoh Abadi.
- 2) The partial test results obtained the value of  $t_{count} > t_{table}$  or  $2,533 > 1,984$  and the significance obtained was  $0.013 < 0.05$ , meaning that  $H_2$  was accepted by  $H_0$  being rejected, namely leadership had a positive and significant effect on employee performance at PT Rongoh Abadi.
- 3) The partial test results obtained the value of  $t_{count} > t_{table}$  or  $4.029 > 1.984$  and the significance obtained was  $0.000 < 0.05$ , meaning that  $H_3$  was accepted by  $H_0$  rejected, namely work discipline had a positive and significant effect on employee performance at PT Rongoh Abadi.

### 3.4 Discussion

#### a. The Effect Compensation to Kinerja Employee

Partial test results obtained  $t_{count} > t_{table}$  or  $3.765 > 1.984$  and significant obtained  $0.000 < 0.05$ , meaning that compensation has a positive and significant effect on employee performance at PT Rongoh Abadi. This result is in line with Hasibuan, (2012: 118), the compensation program reflects the organization's efforts to maintain its human resources. Providing better compensation will encourage employees to work better and more productively. In addition, it is also in line with research conducted by Calvin (2017) which shows that compensation has a positive and significant effect on employee performance. Compensation is all income in the form of money, goods directly or indirectly received by employees in return for services rendered to the company. Providing compensation in accordance with the results of the work, can make employees work effectively and efficiently. At PT Rongoh Abadi the compensation system applied is only limited to basic salary and allowances. The system of giving prizes, bonuses and awards for outstanding employees has not been implemented by the company leadership.

#### b. The Effect of Leadership on Employee Performance

Partial test results obtained  $t_{count} > t_{table}$  or  $2,533 > 1,984$  and significant obtained  $0.013 < 0.05$ , meaning that leadership has a positive and significant effect on employee performance at PT Rongoh Abadi. These results are in line with the opinion of John and Gregory (2012) which states that leadership plays an important role in motivating employees, and employee motivation has an impact on employee performance. In addition, it is also in line with research conducted by Juan (2018), which finds that leadership has a positive and significant effect on employee performance. Leadership is the ability to direct others to cooperate with others, to be willing to give new ideas to the organization to achieve common goals. The lack of firm leadership in PT Rongohg Abadi is one of the factors causing the decline in employee performance. To get optimal work results, leaders must be able to direct employees to be willing to do what the company wants.

### c. The Effect of Work Discipline on Employee Performance

The partial test results obtained the value of  $t_{count} > t_{table}$  or  $4.029 > 1.984$  and the significance obtained was  $0.000 < 0.05$ , meaning that work discipline had a positive and significant effect on employee performance at PT Rongoh Abadi. This result is in line with the opinion of Sinambela (2012: 239). Work discipline is the most important operative function of human resource management that needs to be considered by the company, because the better the discipline of employees, the better their performance. Without good discipline, it is difficult for a company organization to achieve optimal results. In addition, it is also in line with research conducted by Indah (2019), which found that work discipline has a positive and significant effect on employee performance. Discipline is a trait or ability of a person to control himself and comply with agreed rules or values. The lack of discipline of the employees of PT Rongoh Abadi causes high absenteeism rates that affect quantity, quality, and targets set by the company. Leaders must be firm in responding to this, such as providing sanctions for undisciplined employees so that employees can be more disciplined at work.

## 4. Conclusion

The conclusion from the results of this study is

1. Partial test results obtained  $t_{count} > t_{table}$  or  $3.765 > 1.984$  and significant obtained  $0.000 < 0.05$ , meaning that compensation has a positive and significant effect on employee performance at PT Rongoh Abadi.
2. The partial test results obtained the value of  $t_{count} > t_{table}$  or  $2.533 > 1.984$  and the significance obtained was  $0.013 < 0.05$ , meaning leadership has a positive and significant effect on employee performance at PT Rongoh Abadi.
3. The partial test results obtained the value of  $t_{count} > t_{table}$  or  $4.029 > 1.984$  and the significance obtained was  $0.000 < 0.05$ , meaning that work discipline had a positive and significant effect on employee performance at PT Rongoh Abadi.
4. The test results simultaneously obtained the calculated  $F_{value} (22.672) > F_{table} (2.70)$  and a significance probability of  $0.000 < 0.05$ , meaning that compensation, leadership, and work discipline have a positive and significant effect on employee performance at PT Rongoh Abadi.

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