EMPLOYEE PERFORMANCE AND COMPENSATION: AN INDONESIAN CASE STUDY

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ABSTRACT

The study seeks to examine the impact of salary and work discipline on regional public employees. The study employs quantitative approaches and collects data via questionnaires. The sample of this study consisted of 80 staff of public agency enterprises owned using a Purposive Sampling approach. Multiple linear regression employing statistical programs is utilized in the data analysis technique. The results of this research revealed that salary and work discipline affect on the performance of staff of publicly owned firms belonging to the area. Meanwhile, parallel test findings were obtained indicating salary and cooperation discipline affect the performance of staff in regional public held firms. The discipline of work is the variable whose impact is most dominant. Results of this research indicate that remuneration and discipline are believed to boost employee performance in order to achieve better the objectives of the firm. Previous study has examined the effect of compensation, work discipline on employee performance, as well as the effect of compensation and discipline on employee performance in manufacturing companies in Indonesia, with the conclusion that compensation and work discipline have an effect on company performance. This scientist took over the study item at the corporation's Regional Public Agency.

INTRODUCTION

Human resources are the one resources with a sense of feeling, skill, desire, encouragement, knowledge, power and work (Ahn & Huang, 2020; Bushkova-Shiklina & Musikhina, 2020; Gulzar, 2020; Afanasyev, 2020; Bodrova, 2020; Markhgeym, 2020). All potential human resources impact the organization's efforts in achieving goals. Regardless of technological advances, the development of information, the provision of capital and adequate materials are difficult for the organization to achieve its objectives without human resources. Human beings are the main investment in every organization; therefore, it must be managed accordingly (Bush, 2020; Chambers, 2020; Habig, 2020; Jackson, 2020; Markard & Rosenbloom, 2020; Wanka, 2020).

Compensation is a major reason for employees to work and motivate them. Staff do not only dedicate themselves to the organisation, but also to dedicate their skills, knowledge, energy, time and commitment, but there is another goal that it wants to achieve, namely to expect rewards or performance rewards and productivity of the work that is earned (Almutairi, 2015; Alomran, 2019; Čerka et al., 2015; Loginov et al., 2017). When compensation is not in accordance with the expectations of employees, then what happens is a subtle rejection until the rejection is loudly through demonstrations.

Work discipline could be considered as a big advantage, to the company as well as to employees (Durrant, 1991). Discipline is essential for organizational growth, primarily to educate employees to comply with and enjoy existing regulations, procedures, and policies, to produce a good performance. Good discipline reflects a person's great sense of responsibility for his or her tasks. This encourages the passion of work, the spirit of work, and the realization of the company's objectives (Cortés & Cruz, 2011; Green, 1973; Miller & Cripps, 2005). Therefore, every manager always strives for his subordinates to have good discipline. Disciplined and orderly employees comply with all the company standards and rules to enhance productivity.

All human resources are used to perform in an organization, both managers and employees. The work environment that provides comfort to encourage employee performance to realize its goals (Wibowo & Mochklas, 2020; Arubayi, 2020; Al Hosani, 2020; Iqbal, 2020; Soumyaja & Sowmya, 2020; Upadhyay, 2020;). Performance as a way of ensuring that individual workers or crews know their expectations and continue to focus on effective performance, with attention paid to objectives, dimensions and evaluations (Salas-Velasco et al., 2020; Sinha, 2017; Yankovskaya et al., 2019).

LITERARURE REVIEW AND HYPOTHESIS DEVELOPMENT

Public Policy Theory

Public policy is what the government does, the meaning given Thomas (1981) has a very broad scope. The study focuses on the state as the subject of study. Whereas Easton (1969) Defining public policy as the allocation of power values for the whole society whose existence is binding. In this sense, the government can take some action to the community and this action is the form chosen by the government which is a form of allocating values to the community. Dye (1978) Defines public policy as "Whatever governments choose to do or not to do.

Compensation

Compensation means all revenues in money, indirect or direct goods that employees receive in exchange for the company's services (Mezzapesa et al., 2020; Park, 2020; Vibhakar, 2020; Zhao, 2020; Zhou, 2020; Gao, 2020). Compensation is the cost of the company. The Company expects that the compensation paid is in exchange for greater employment achievement from employees.

Compensation is something that employees receive in exchange for their contributions to the organisation's strategy. They distinguish compensation from wages that are fair and worthy of being given to workers for their services in achieving the company's goals (Almohaimeed & Abdel-Akher, 2020; Basha, 2020; Civelli, 2020; Mou, 2020; Rodin, 2020; Xiang, 2020).

Discipline

Good discipline reflects a person's great sense of responsibility for the duties given to him (Cortés & Cruz, 2011; Green, 1973; Miller & Cripps, 2005). The organization has difficulty achieving ideal performance without a good employee discipline. Discipline is the sixth

operative function of Human Resource Management (Abdalla et al., 2015; Hausdörfer et al., 2018; Kraus et al., 2018). Discipline is the main operational function of managment of human resources, as the better the employee discipline and the better the job performance. It is difficult for the company to achieve optimum results without good employee discipline. (Han, 2020; Listiani, 2020; Nechanska, 2020; Puranik, 2020; Schleu & Hüffmeier, 2020; Soetjipto, 2020).

Discipline means an individual's conscience and willingness to comply with all applicable company regulations. Consciousness is a person who is aware of the obligations and responsibilities of a person who voluntarily obeys all rules. Willingness is a person's attitude, conduct and actions, whether written or not, in accordance with company law (Harisudin et al., 2020; Kale et al., 2019; Malik, 2020; Mendy & Rahman, 2019; Sugiono & Vitaloka, 2019; Thanetsunthorn & Wuthisatian, 2019).

Performance

All human resources, managers as well as employees, perform in an organization. Many factors affect the performance of human resources. Certain factors come from both within and outside the human resources. Each employee is capable of referring to knowledge, job satisfaction, motivation and skills. Workers also have characteristics, attitudes and conduct that can impact their work. (Al Hosani, 2020; Arubayi, 2020; Iqbal, 2020; Soumyaja & Sowmya, 2020; Upadhyay, 2020; Wibowo & Mochklas, 2020).

Performance is the execution of the plan prepared. Performance is implemented by staff who have skills, skills, motivations and interests. How organizations value and treat their staff will affect their attitudes and conduct (Iqbal et al., 2020; Marín & Del Carmen, 2020; Mishra et al., 2020; Pudjiarti & Darmanto, 2020; Suryakumar et al., 2019; Tavares et al., 2020).

The Relationship between Compensation to Employee Performance

The company can provide compensation as expected, then the compensation will help the company to achieve its goals and take good care of employees (Abugre & Nasere, 2020; Chakrabarty, 2020; Idris et al., 2020; Kim, 2020; Lenda, 2020; Lill, 2020). Conversely, when compensation is not in accordance with the expectations of employees, then what happens is a subtle rejection until a violent rejection through demonstrations. Because compensation is one of the main reasons and motivations why employees work (Aboramadan, 2020; Aburumman, 2020; Bao, 2020; Cappelli, 2020; Chitra Rekha, 2020; Haleema, 2020). Employees work not only to dedicate or devote themselves to the organization, but there is another goal that he wants to achieve, namely to expect rewards or performance rewards and productivity of the work he earns. Compensation is a reward or reward given by the organization to the workforce, because the workforce has contributed energy and thought for the progress of the organization in order to achieve the goals that have been set (Ahmad, Allen et al., 2019; Ahmad, Raziq et al., 2019; Campbell & Im, 2019; Hooi, 2020; Khandakar & Pangil, 2019; Mohd Nasurdin et al., 2020).

The Relation between Work Discipline & Performance of Employees

Discipline is the willing and willing attitude of a person to follow and respect the rules that apply in his or her environment. Work discipline could be considered as something of considerable advantage for both the organization and its personnel (Laksana, 2020; Mariappanadar, 2020; Mowbray, 2020; Müceldili, 2020; Sinambela, 2020; Tentama, 2020). Discipline is essential for organizational growth, used primarily to educate employees to comply with and enjoy existing regulations, procedures, and policies, so as to produce good performance. Therefore, every manager always strives for his subordinates to have good discipline (Krishnakumar et al., 2019; Lyons & Bandura, 2016; Mercado et al., 2017; Park et al., 2018; Razzaq et al., 2019; Shan et al., 2017; Sugiono & Vitaloka, 2019).

Conceptual Framework

The Conceptual Framework theoretically explains the linkages between the variables studied, so the theoretical explanation must be given to the relation between dependent and independent variables. Compensation and adequate work discipline may influence the performance of publicly held enterprises in the region. In an organization compensation and discipline of work is certainly necessary to improve employee performance. The relationship between dependent and independent variables in this study on the relationship between compensation, work discipline and employee performance of regional public bodies can be conceptually seen in the figure below:
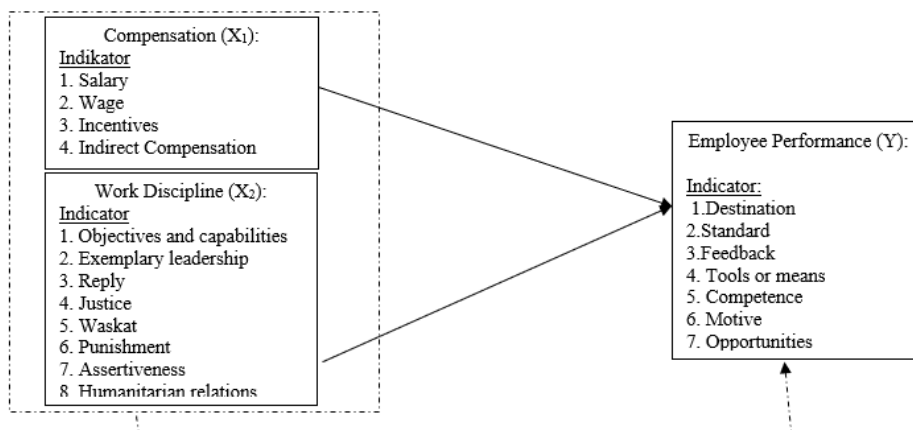

FIGURE 1
CONCEPTUAL FRAMEWORK

Hypothesis

Hypothesis constitutes a temporary response to research problems in which research problems are formulated in the form of question phrases. While responses are based only on relevant theories, it is stated that it was not based on empirical data collected. Using the above conceptual framework, the study hypothesis is as follows:

H_1: It is alleged that compensation (X1) partially affects employee performance (Y)
H_2: It is alleged that work discipline (X2) partially affects employee performance (Y)
H_3: It is alleged that compensation (X1) and work discipline variables (X2) simultaneously affect employee performance (Y)

METHODOLOGY OF RESEARCH

Approaches and Types of Research used

This research uses quantitative research method because the data will be taken in the form of numbers and processed using statistics (Abadi et al., 2021; Aliyyah et al., 2021; Endarto et al., 2021; Endarto et al., 2021; Indrawati et al., 2021; Juanamasta et al., 2019; Kalbuana, Prasetyo et al., 2021; Kalbuana et al., 2021; Luwihono et al., 2021; Prabowo et al., 2020; Prasetyo et al., 2021; Prasetyo et al., 2021; Prasetyo et al., 2021a, 2021b; Rusdiyanto et al., 2020; Rusdiyanto et al., 2020; Rusdiyanto et al., 2021; Rusdiyanto et al., 2020; Shabbir et al., 2021; Susanto et al., 2021; Utari et al., 2021; Nabilah Aliyyah et al., 2021; Bahtiar Prabowo et al., 2021; Prasetio et al., 2021; Prasetyo et al., 2021). Quantitative methods could be considered methods of research based on a positivist philosophy, data collection using research tools,

quantitative data analysis to test established hypotheses for research in a specific population or sample.

Variable Operational Definitions

Independent Variables (Y)

A variable that freely affects or causes modifications or the start of dependent variables is a variable. Bound variables are variables which, due to the presence of free variables, are influenced or result.

a) Employee Performance (Y)

Performance is the execution of the plan prepared. Performance is implemented by staff who have skills, skills, motivations and interests. How organizations value and treat their staff will affect their attitudes and conduct (Khaled et al., 2020; Ranjit, 2020; Elangovan & Rajendran, 2020; Sangeetha, 2020; Wolff, 2020).

Dependent Variables (X)

Bound variables are variables which, due to the presence of free variables, are influenced or result.

a. Compensation (X1)
    Compensation means all revenues in money, indirect or direct goods that employees receive in exchange for the company's services (Duan, 2020; Gao, 2020; Hernandez-Martin, 2020; Kataoka, 2020; Li, 2020; Wang, 2020).
b. Work Discipline (X2)
    Discipline is Human Resource Management's sixth operational function. Discipline is a human resources management operational function. Most importantly, because the better employees' discipline, the better they can achieve their work. The company's organization cannot achieve optimal results without good employee discipline (Kluger & Bartzke, 2020; Leonida, 2020; Martino, 2020; Soleymanjahan, 2020; Urdan & Luoma, 2020; Farley-Ripple, 2020;).

Research Variable Indicators

Table 1 RESEARCH VARIABLE INDICATORS		
Variable	**Indicators**	**Measurement Scale**
Compensation (Akono, 2020; Dias et al., 2020)	- Salary - Wage - Incentives - Indirect Compensation	Likert
Discipline (Brück & Ferguson, 2020; Magnusson & Tarverdi, 2020; Novak et al., 2020)	- Objectives and capabilities - Exemplary leadership - Reply - Justice - Waskat - Punishment - Assertiveness - Humanitarian relations	Likert
Performance (Endri, 2020; Lee, 2020; Mocholi-Arce, 2020)	- Destination - Standard - Feedback - Tools or means - Competence - Motive - Opportunities	Likert

Population and Techniques Sampling

Population on this research is employees of locally owned public agency companies numbering 100 people. The size of the samples in this study used the Slovin formula, as follows:

Slovin formula: $n = \dfrac{N}{1 + Ne^2}$

so: $n = \dfrac{N}{1 + Ne^2} = \dfrac{100}{1 + 100(0.05)^2} = \dfrac{100}{1 + 0.25} = \dfrac{100}{1.25} = n = 80$

The results of the calculation of the formula Slovin, it is known the number of samples used in this study as many as 80 public agency employees in the region.

RESEARCH AND DISCUSSION RESULTS

Research Results

Respondents in this research as many as 80 people, namely selecting samples from all operational employees. The number of samples obtained is based on the Slovin formula. Population data is obtained from employees of regional public agency companies numbered 1 to 80 people. Descriptive analysis of respondents in this study will descriptive data on respondent characteristics based on age, gender, length of work, and education. Disclosure of descriptive analysis of respondents in the form of percentage data.

Age

The following table shows the characteristics of age-based respondents:

No.	Age	Amount	Percentage (%)
	Table 2 **RESPONDENT CHARACTERISTICS BASED ON AGE**		
1	17-25	26	32.7 %
2	26-45	36	45.5%
3	46-65	18	22.8%
	TOTAL	80	100%

The table 2 above shows that respondents aged 17-25 years as many as 26 people or 32.7% of respondents, then respondents between the ages of 26 and 45 years, namely 36 persons or 45.5% of respondents and respondents aged 46-65 as many as 18 people or 22.8% of respondents. It identifies that the majority of workers in publicly owned corporate entities.

Gender

The following table shows the characteristics of gender-based respondents:

No.	Gender	Amount	Percentage (%)
	Table 3 **RESPONDENT CHARACTERISTICS BASED ON GENDER**		
1	Men	56	70%
2	Woman	24	30%
	TOTAL	80	100%

The table 3 above shows that the respondents are men, namely 56 people or 70% of respondents, and woman respondents as many as 24 people or 30% of respondents.

Working Period

The following table shows the respondents' characteristics based on their working period:

Table 4
RESPONDENT CHARACTERISTICS BASED ON WORKING PERIOD

No.	Working period	Amount	Percentage (%)
1	1-5 Year	63	78.9%
2	6-10 Year	17	21.4%
	Total	80	100%

The table 4 above shows the length of work of respondents in regional public agency companies, most of which have worked for 1-5 years as many as 63 people or 78.9% of respondents and who have long worked for 6-10 years as many as 17 people or 21.4% of people.

Education

The following table shows the characteristics of respondents based on their education:

Table 5
RESPONDENT CHARACTERISTICS BASED ON EDUCATION

No.	Education	Amount	Percentage (%)
1	SD-SMP	30	37.6%
2	SMK/SMU	50	62.7%
	TOTAL	80	100%

According to the table 5 above, of the 80 respondents, most of them are educated smk / equivalent, namely as many as 50 people or 62.7% of respondents and respondents who are educated elementary-junior high school as many as 30 people or 37.6% of respondents.

Description of Research Variables by Respondent Characteristics

The following table shows the description of research variables by respondent characteristics:

Table 6
DESCRIPTION OF VARIABLE COMPENSATION (X1)

Questions	Respondent's Answer Level										Amount
	1	%	2	%	3	%	4	%	5	%	
My performance as an employee rewarded the company with a salary	-	-	-	-	-	-	33	41,3%	47	58,8%	100%
The overtime wage I receive is in accordance with the overtime I do	-	-	-	-	-	-	42	52,5%	38	47,5%	100%
Bonus (premium) that I received is in accordance with my performance that exceeds the standard / target that has been determined by the company	-	-	-	-	9	11,3%	51	63,7%	20	25%	100%
The health facilities I received from the company were good	-	-	9	11,3%	19	23,8%	41	51,2%	11	13,8%	100%

Work safety guarantee that I receive in accordance with the risks of my work	5	6,3%	9	11,3%	14	17,5%	41	51,2	11	13,8	100%

From the data that has been processed in the table 6 above can be obtained results that the majority of respondents are satisfied with the compensation given by regional publicly owned companies. Researchers get the most dominating statement of strongly agreed on the salary indicator of 58.8%.

Table 7
DESCRIPTION OF WORK DISCIPLINE VARIABLES (X2)

Questions	Respondent's Answer Level										Amount
	1	%	2	%	3	%	4	%	5	%	
Employees must have high discipline to improve their performance	-	-	-	-	-	-	36	45%	44	55%	100%
Leaders provide examples of good work discipline to employees	-	-	-	-	-	-	34	42,5%	46	57,5%	100%
Employees who are able to carry out tasks exceeding the standard /target will be given a bonus	-	-	-	-	1	1,3%	28	35%	51	63,7%	100%
Leaders want to help solve the job problems of each employee if needed	-	-	-	-	2	2,5%	39	48,8%	39	48,8%	100%
Leaders direct/guide underperforming employees	-	-	1	1,3%	6	7,5%	36	45%	37	46,3%	100%
I am willing to accept punishment if I violate company rules	-	-	-	-	10	12,5%	47	58,8%	23	28,7%	100%
The chairman reprimands any employee who violates the rules	-	-	3	3,8%	7	8,8%	50	62,5%	20	25%	100%
The leadership has a good relationship with its employees	-	-	5	6,3%	5	6,3%	35	43,8%	35	43,8%	100%

From the data that has been processed in the table 7 above can be obtained the results that the majority of respondents are satisfied with the discipline of work in regional publicly owned companies. Researchers obtained the most dominating statement of strongly agreed statements contained in the exemplary indicator of leadership of 57.5%.

Table 8
EMPLOYEE PERFORMANCE VARIABLE DESCRIPTION (Y)

Questions	Respondent's Answer Level										Amount
	1	%	2	%	3	%	4	%	5	%	
I always get the job done according to the company's goals	-	-	-	-	-	-	49	61.3	31	38.8	100%
I work according to the standard set by the company	-	-	-	-	1	1.3	48	60	31	38.8	100%
I always report the results of work to the leadership to make improvements in performance	-	-	1	1.3	6	7.5	53	66.3	20	25	100%
In my work is helped by the existence of tools or facilities provided by the company	-	-	3	3.8	5	6.3	50	62.5	22	27.5	100%
The skills I have are very helpful in getting the job done	-	-	-	-	-	-	54	67.5	26	32.5	100%

The reason I do the work according to the company's standards is because of the bonus (premium)	-	-	6	7.5	12	15	43	53.8	19	23.8	100%
I am able to display accurate work results	-	-	1	1.3	3	3.8	48	60	28	35	100%

From the data that has been processed in the table 8 above can be obtained results that the majority of respondents are satisfied with its performance in regional publicly owned companies. Researchers obtained the most dominating statement of strongly agreed statements contained in goal and standard indicators of 38.8%.

Descriptive Statistics

Table 9
DESCRIPTIVE STATISTICAL TEST RESULTS

	N	Min.	Max.	Mean	Standard. Dev.
Compensation	80	14	25	20.42	2.560
Work Discipline	80	26	40	35.08	3.314
Employee Performance	80	21	35	29.60	2.954
Valid N (listwise)	80				

Based on the table 9 above, there are three research variables (Compensation, Discipline and Employee Performance) with a sample of 80 samples. with the lowest value and the highest value in the study the lowest value. In the table can also be seen mean, in addition can also be seen the standard deviation of values from the data of each variable.

Analysis of Multiple Linear Regression

Table 10
RESULTS OF THE MULTIPLE LINEAR REGRESSION TEST

Model		Unstandardized Coeff.		Standardized Coefficients	t	Sig.
		B	Standard Error	Beta		
1	(Const.)	13.554	3.521		3.849	0.000**
	TOTAL_X1	0.231	0.122	0.200	1.893	0.062
	TOTAL_X2	0.323	0.094	0.362	3.431	0.001**
a. Dependent Variable: TOTAL_Y						

From the table 10 above, multiple linear regression equations can be created as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2$$
$$Y = 13.554 + 0{,}231 X_1 + 0{,}323 X_2$$

a) Constants of 13,554, can be interpreted if the compensation variable (X1), work discipline (X2) is zero then the employee performance value is 13,554 assuming other variables that can affect the performance of employees are considered fixed.

b) The value of the regression coefficient of compensation variables, if compensation increases by one unit, then the performance of employees will improve by 0.231, assuming that the fixed value is maintained.

c) The coefficient of regression of work discipline variables, If the discipline of work increases by one unit, then the performance of employees will improve by 0.323, assuming that the fixed value is maintained

Hypothesis Testing

T Test (Partial Test)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	**Std. Error**	**Beta**		
1	(Constant)	13.554	3.521		3.849	0.000
	TOTAL_X1	0.231	0.122	0.200	1.893	0.062
	TOTAL_X2	0.323	0.094	0.362	3.431	0.001
a. Dependent Variable: TOTAL_Y						

Table 11
TEST RESULT T (PARTIAL TEST)

In this study the test rule: If $t_{count} > t_{table}$ then significant, known number of n is 80 people and k (variable) is 2, then the amount is 77 (df= n-k-1) with a significance level of α=0.01 or α=0.05. Based on the calculation obtained t_{count} of 1,893 greater than t_{table} of 1,664. And obtained the value t significance=0.62 greater than α=0.05. Because t_{count} (1,893)>t_{table} (1,664) the compensation variable (X1) affects employee performance (Y). These results prove that H1 was accepted and H0 was rejected. It can therefore be concluded that compensation effects but the performance of regional publicly held companies' employees is not significant.
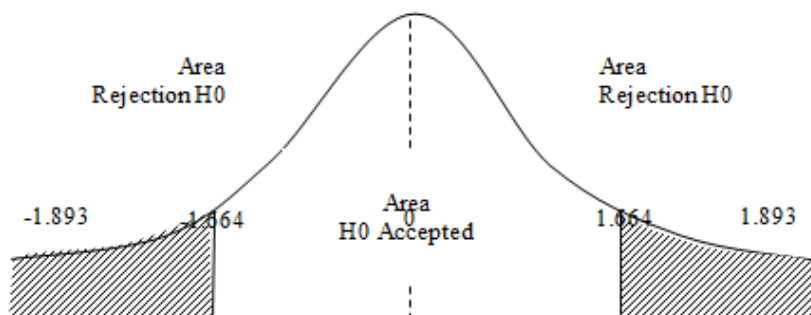
FIGURE 2
REGIONAL CURVE OF ACCEPTANCE AND REJECTION OF HO TEST-T COMPENSATION

The Impact of Compensation to Employee Performance

H0: ß1=0; Means there is no significant impact between compensation variables on partial employee performance variables.
H1: ß1 ≠ 0; Means there is a significant influence between compensation variables on partial employee performance variables.

The results obtained from the comparison of sig values with the level of significance α=0.01 or α=0.05. So it can be concluded that H1 is received and H0 is rejected, meaning that the regression coefficient on the compensation variable partially affects the performance of employees of regionally owned public bodies.

In this study the test rule: If $t_{count} >$ of t_{table} then significant, known number of n is 80 people and k (variable) is 2, then the amount is 77 with a significance level of α=0.01 or α=0.05. Based on the calculation obtained t_{count} of 3,431 greater than the t_{table} of 1,664. And the value t significance=0.001 is less than α=0.05. Because t_{count} (3,.431)>t_{table} (1,664) so that the variable discipline of work (X2) has a significant effect on employee performance (Y). These results show that H0 has been rejected and H1 has been accepted. Therefore, the discipline and

performance of the employees of public enterprises in the region can be inferred and made relevant.
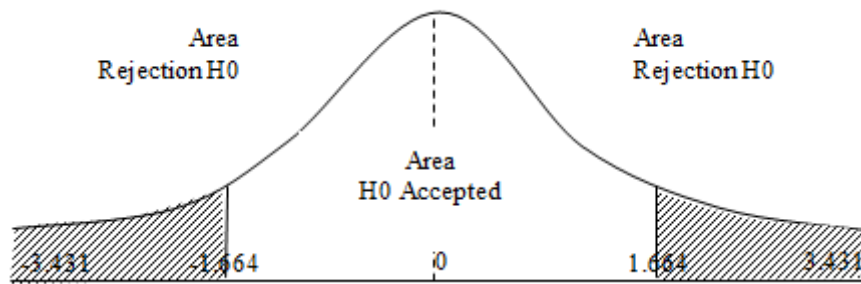

FIGURE 3
REGIONAL CURVE OF ACCEPTANCE AND REJECTION HO TEST-T WORK DISCIPLINE

The Impact of Work Discipline to Employee Performance

H0: ß1=0 ; Means there is no significant impact between work discipline variables on partial employee performance variables.
H1: ß1 ≠ 0 ; Means there is a considerable impact on partial employee performance factors between work discipline variables.

From the results obtained from the comparison of sig values with the level of significance α=0.01 or α=0.05. So it can be concluded that H1 is accepted and H0 is rejected, meaning that the regression coefficient on work discipline variables partially affects the employees performance of regional companies that are owned by the public.

F Test (Simultaneous Test)

Table 12 TEST RESULT F (SIMULTANEOUS TEST)						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	147.276	2	73.638	10.463	.000[***]
	Residual	541.924	77	7.038		
	Total	689.200	79			
a. Dep. Variable: TOTAL_Y						
b. Predictors: (Constant), TOTAL_X2, TOTAL_X1						

Based on the result of table 12, shows the value of F_{count} is 10.463 and the Sig value is equal to 0.000[***]. The value of F_{count} we compare with F_{table}, how to calculate F_{table}=F (k:n-k) F (2:78)=3.11, and the level of significance α=0.01 or α=0.00. It appears that the value of F_{count} is greater than F_{table}, then H0 is rejected and H1 is accepted, this means that compensation, work discipline jointly affect the employee performance of regional public bodies.
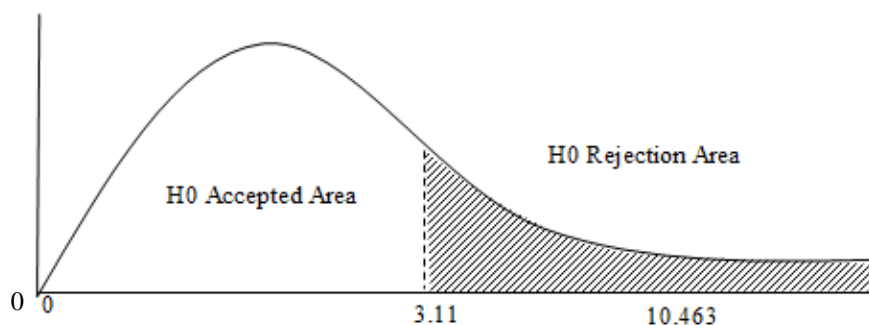

FIGURE 4
HO TEST-F ACCEPTANCE AND REJECTION REGIONAL CURVE

H0 : ß 1,2 =0 ; Means there is no effect between compensation and discipline on employee performance.
H1 : ß 1,2 ≠ 0 ; Means there is an influence between compensation and discipline on employee performance.

Conclusions can be obtained from the comparison of sig values with a significant α=0.01 or α=0.00. It can then be concluded that H1 is accepted and H0 is rejected. This means that both independent variables, kompensai (X1), and Work Discipline (X2) simultaneously affect employee performance dependent variables (Y). The results of the investigation showed that compensation and discipline of the labor market had an undesirable effect on the employees performance of public enterprises in the region.

Analysis of Coefficients of Determination (R^2)

Table 13 TEST RESULTS ANALYSIS OF COEFFICIENTS OF DETERMINATION (R2)				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.462[a]	0.214	0.193	2.653
a. Predictors: (Constant), X2, X1				

The determination coefficient is from zero (0) to one (1). A small R2 value suggests that the ability to explain dependent variables is relatively limited. An approaching value (1) suggests that independent factors supply almost all information needed to predict dependent variables. The R Square value obtained is 0.214 or 21.4%, that means the Employee Performance is affected by compensation and discipline of 21.4%. While 78.6% was influenced by other factors studied in this study.

DISCUSSION

This study discussed the influence of compensation and work discipline affecting the performance of employees in publicly held enterprises.

The Effect of Compensation on Employee Performance

In this study, t-test has a test rule: If t_{count}>of the t_{table} then significant, known number of n is 80 people and k (variable) is 2, then the amount is 77 with the level of significance α=0.01 or α=0.05. Based on the calculation obtained thitung of 1,893 greater than the tybel of 1,664. And obtained the value t significance=0.62 greater than α=0.05. Because t_{count} (1,893)>t_{table} (1,664) the compensation variable (X1) affects employee performance (Y). These results show that H0 has been rejected and H1 has been accepted. It can therefore be inferred that compensation has a favorable effect on the employee's performance of enterprises controlled by public companies in the region, which means that the better the compensation provided, the better the employee performance will be increased.

For employees, compensation is one of the main reasons and motivations why they work. Employees work not only to dedicate or devote themselves to the organization, but there is another goal that he wants to achieve, namely to expect rewards or rewards for the performance and productivity of the work he earns.

This is in accordance with the comparative theory that explains that the rewards or rewards given by the organization to the workforce, because the workforce has contributed energy and thought for the progress of the organization in order to attain the objectives that are set.

The Effect of Work Discipline on Employee Performance

In this study, t-test has a test rule: If t_{count}>of the t_{table} then significant, known number of n is 80 people and k (variable) is 2, then the amount (df=n-k-1) is 80-2-1=77 with the level of

significance $\alpha=0.01$ or $\alpha=0.05$. Based on the calculation obtained t_{count} of 3,431 greater than the t_{table} of 1,664. And the value t significance=0.001 is less than $\alpha=0.05$. Because t_{count} (3,.431)>t_{table} (1,664) so work discipline (X2) has a strong impact on employee performance (Y). These results prove that H1 was accepted and H0 was rejected. It can therefore be concluded that working discipline impacts greatly on the performances of employees of public companies in the area, thus enhancing employee performance by increasing discipline of work.

This is in accordance with the theory of discipline that explains that the willingness and A person's willingness to comply with the standards of his or her rules.

The Effect of Compensation and Discipline on Employee Performance

Results of the study showed the value of F_{count} of 10,463 and the value of Sig in the table of 0.000, and the level of significance $\alpha=0.01$ or $\alpha=0.00$. It appears that the value of F_{count} is greater than F_{table}, then H1 is accepted and H0 is rejected, It states that compensation and co-operation discipline effect (at the same time) the work of employees of public held firms belonging to the region, it can be interpreted if the compensation provided by the company is getting better and the discipline of work is increasing then the employee performance will be improved.

CONCLUSION

Based on t-test results on compensation variables partially affecting the performance of employees of regional public bodies, t-test results on work discipline variables partially affect the performance of employees of regional public bodies, it is possible to conclude from the f-test results that both independent variables are significant, Compensation (X1) along with work discipline (X2) have a considerable impact on factors in employee performance (simultaneously) (Y).

Meanwhile, the coefficient of determination of R Square value obtained is 0.214 or 21.4%, that means the Employee Performance is affected by compensation and discipline of 21.4%.

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Data Availability Statement

All data generated or analysed during this study are included in this published article.

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