THE EFFECT OF COMPENSATION, WORK DISCIPLINE, AND MOTIVATION ON EMPLOYEES’ WORK PRODUCTIVITY

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Abstract
This research aims to examine the influence of compensation on employee work productivity, to investigate the impact of work discipline on employee work productivity, and to assess the effect of motivation on employee work productivity. The participants in this study consisted of 43 employees from PT. Titipan Ilahi located in Denpasar, Bali. Data were collected using a questionnaire and analyzed using multiple linear regression. The research findings reveal that: (1) compensation significantly influences employee work productivity; (2) work discipline does not significantly affect employee work productivity; and (3) motivation significantly affects employee work productivity.

Keywords: Compensation, Work Discipline, Motivation, Work Productivity

1. Introduction
In the midst of intensifying business competition, workforce productivity stands as a pivotal determinant of a company’s competitive edge. Companies possessing productive employees tend to exhibit higher competitiveness, a distinct competitive advantage, and resilience amidst the competition. Consequently, corporations aspire for their workforce to exhibit high levels of work productivity. However, the corporate desire to foster a highly productive workforce is not always realized. In reality, the work productivity of employees often diverges from corporate expectations. A pertinent illustration of this circumstance is evident within PT. Titipan Ilahi, a company headquartered in Denpasar, Bali.

Established in 2017, the company operates in the sector of cargo delivery services, with a particular focus on the Nusa Tenggara Timur (NTT) region. The company provides comprehensive door-to-door services catering to both individual and corporate clients with shipping needs. Upon undertaking a preliminary investigation, indications persist that the work productivity of employees within this enterprise remains comparatively low. On the dimension of work efficiency, a notable proportion of performance targets remain unattained. Numerous instances of untimely deliveries of goods to their intended destinations are apparent, and incidents of employee tardiness at the workplace endure. Regarding work effectiveness, the degree of collaboration among employees remains suboptimal. Moreover, in terms of production, service quality has yet to align with stipulated expectations.

Theoretically, employee work productivity is influenced by various factors, including compensation, work discipline, and motivation. Consequently, the purpose of this research is to: (1) Examine the impact of compensation on employee work productivity; (2) Investigate the influence of work discipline on employee work productivity; and (3) Evaluate the effect of motivation on employee work productivity.
The anticipated outcomes of this study are expected to yield both theoretical and practical benefits. Theoretically, the research findings aim to provide empirical evidence regarding the relationships between the variables of compensation, work discipline, motivation, and employee work productivity. In a practical context, the research outcomes are envisioned to serve as valuable insights for company managers in enhancing their approaches to managing employee work productivity.

2. Theoretical Background
The Effect of Compensation on Work Productivity
One of the factors influencing productivity is compensation (Agustini, 2019). Compensation can be defined as all forms of payment provided to employees arising from their employment. Compensation can be categorized into direct financial compensation and indirect financial compensation. Direct financial compensation comprises salary, wages, incentives, bonuses, and commissions, while indirect financial compensation encompasses benefits such as insurance, company-funded vacations, and the like (Dessler, 2020).

Compensation serves several functions, including the enhancement of employee performance and work productivity (Yuniarsih & Suwatno, 2016). It represents a cost for the company, thus prompting the expectation that employees will yield greater work productivity in return for the compensation disbursed by the organization. Compensation policies should ideally fuel work enthusiasm and instill a desire among employees to achieve optimal performance or work productivity, thereby aligning with the company's objectives (Hasibuan, 2017). Numerous studies have uncovered a positive correlation between compensation and employee work productivity.

Apriansyah et al.’s (2022) investigation among the employee population of PT Mitra Adiperkasa revealed a significant influence of compensation on work productivity. Similarly, research conducted by Gandung and Suwanto (2021) observed a significant correlation between compensation and employee productivity at PT. Hadi Prima Teknik. Handaru et al.’s study (2019) encompassing employees of PT. Artolite Indah Mediatama, discovered a positive and significant impact of compensation on work productivity. Herison and Daulay's research (2021) found a positive and significant influence of compensation on employee productivity at PTP. Nusantara V Sei Galuh.

Purnomo and Utami’s study (2021) involving employees of PT. Berkat Anugrah Sejahtera, revealed a positive and significant correlation between compensation and work productivity. In a separate investigation, Suryantika and Wibawa (2020) determined a positive and significant effect of compensation on employee productivity at Jimbaran Bay Seafood Cafe Kedonganan Kuta-Bali. Yuliannisa et al.’s Research (2018) involving employees of PT. Inter Pan Pasifik Futures Banjarmasin established a significant influence of compensation on work productivity. In a distinct context, Wardani and Prasetio (2018) examined employees of PT. Telkom Indonesia Witel Bekasi, leading to the identification of a significant influence of compensation on work productivity. Based on the synthesis of existing theory and research, the hypothesis posited in this study is as follows:

H1: Compensation significantly impacts employee work productivity.
The Effect of Work Discipline on Work Productivity

Discipline can be defined as the degree of compliance or adherence of employees to the rules or directives established by the company. Discipline serves the purpose of educating or fostering employees to observe and appreciate existing regulations, procedures, and policies, thereby yielding improved performance or productivity. The higher the level of employee discipline, the greater the attained work productivity. Without sound discipline, companies face challenges in achieving optimal outcomes (Hasibuan, 2017; Sinambela, 2016). Discipline stands as an internal factor significantly influencing employee productivity (Yuniarsih & Suwatno, 2016). A plethora of research underscores the positive and significant impact of work discipline on employee work productivity.

The findings of Aspiyah & Martono's study (2016) reveal that work discipline bears a positive and significant influence on employee work productivity within CV. Lut Putra Solder. Ariani et al.'s research (2020) within the Islamic Elementary School Assiqiyah Ciledug in Tangerang City confirms a positive and significant correlation between work discipline and work productivity. Paeno's investigation (2018) involving employees of PT. Agra Energi Indonesia underscores a positive and significant effect of work discipline on work productivity. The study conducted by Ika and Sitompul (2022) among employees of Bank Kalbar demonstrates a significant influence of work discipline on work productivity.

The research findings of Kustini and Sari (2020) indicate that work discipline exerts a positive and significant influence on employee work productivity at PT. Bumen Redja Abadi in Serpong, Tangerang Selatan. Suryantika and Wibawa's study (2020) conducted among employees of Jimbaran Bay Seafood Cafe located at Pantai Kedonganan Kuta-Bali identifies a positive impact of work discipline on employee productivity. Vionita's research (2022), involving employees of CV. Padurenan Jaya Konstruksi, establishes a significant influence of work discipline on employee work productivity. Meanwhile, the results of Wirawan et al.'s (2018) study highlight a significant impact of work discipline on employee work productivity at PT. Tirta Jaya Abadi. In light of these findings, the hypothesis proposed in this study is as follows:

H2: Work discipline significantly impacts employee work productivity.

The Effect of Motivation on Work Productivity

Work motivation is a condition that stimulates, directs, and sustains employee behavior in the workplace (Mangkunegara, 2017). It can also be defined as a psychological process that leads to stimuli, direction, and persistence in engaging in voluntary activities towards specific goals. In this context, motivation can be understood as the driving force (Kinicki, 2021). Prominent forms of motivation include: (1) the desire to overcome challenges, advance, and grow; (2) the drive to establish relationships or interactions with others; (3) the impetus to produce high-quality work; and (4) the inclination to control situations, take risks, and overcome obstacles (Hasibuan, 2017).

A company should ideally have employees with high levels of motivation. One reason for this is that highly motivated employees tend to maintain regular attendance, foster a sense of ownership towards the company, enhance product quality, reduce wastage, increase productivity, and demonstrate high levels of performance (Kaswan, 2017). Motivation is an internal factor significantly affecting employee productivity (Yuniarsih...
Various research studies underscore the positive and significant influence of motivation on employee work productivity.

The research outcomes of Apriansyah et al., (2022), focusing on the employee population of PT. Mitra Adiperkasa, reveal that work motivation significantly impacts work productivity. Asmayanti et al.'s (2023) study involving employees of the Cooperative and Small and Medium Enterprises Office in Gowa Regency establishes a significant influence of work motivation on employee work productivity. The findings of Gandung and Suwanto's (2021) research demonstrate that motivation significantly affects employee work productivity at PT. Hadi Prima Teknik.

Hindriari's (2018) research conducted among employees of PT. Usaha Teknik Indonesia reveals a significant relationship between motivation and work productivity. The study by Laksmiari (2019) shows a positive and significant influence of work motivation on employee work productivity at Perusahaan Teh Bunga Teratai in the Seririt sub-district of Buleleng, Bali. Paeno's study (2018) involving employees of PT. Agra Energi Indonesia uncovers a positive and significant impact of motivation on work productivity.

Research conducted by Saleh and Utomo (2018) among employees of PT. Inko Java establishes that work motivation positively and significantly influences employee work productivity. Suryantika and Wibawa's (2020) study involving employees of Jimbaran Bay Seafood Café in Kedonganan, Kuta, Bali, identifies a positive and significant effect of work motivation on employee work productivity. Similarly, Yuliannisa et al.'s research (2018) concludes that motivation significantly impacts work productivity among employees of PT. Inter Pan Pasifik Futures Banjarmasin. The hypothesis proposed in this study is as follows:

H3: Motivation significantly impacts employee work productivity.

The theoretical framework of this study, based on prior theory and research, is presented in the following figure:

![Figure 1 Theoretical Framework](image-url)
3. Methods

The variables in this study comprised three independent variables: compensation (X1), work discipline (X2), and motivation (X3), along with one dependent variable: employee work productivity (Y). Compensation was defined as all forms of payment given to employees and arising from their work (Dessler, 2020). Compensation was measured using 7 indicators: salary, bonus, incentives, recreational benefits, sick leave, severance pay, and health insurance. Work discipline was defined as the level of compliance or adherence of employees to the rules or directives established by the company. Work discipline was measured using 6 indicators: attendance, adherence to work regulations, adherence to work standards, precision, caution, and ethical conduct (Sinambela, 2016).

Meanwhile, work motivation was defined as a condition that stimulates, directs, and sustains employee behavior in the workplace (Mangkunegara, 2017). Work motivation was measured using 6 indicators: the desire to overcome challenges, the desire for advancement, the desire for growth, the drive to interact with others, the drive to produce quality work, and the willingness to take risks (Hasibuan, 2017). On the other hand, employee work productivity was defined as the level of efficiency and effectiveness of work performed by an employee (Yuniarsih & Suwatno, 2016). Employee work productivity was measured using 3 indicators: work efficiency, work effectiveness, and production (Agustini, 2019).

The questionnaire employed a 5-point likert scale, the response choice ranged from 5 (strongly agree), 4 (agree), 3 (neutral), 2 (disagree), and 1 (strongly disagree). The population in this study consists of 43 employees from PT. Titipan Ilahi located in Denpasar, Bali. They were all recruited as respondents, making this study a population study. Data were collected using a questionnaire and analyzed using multiple linear regression. Before the questionnaire was used for the main research, its validity and reliability were tested.

4. Result and Discussion

This section will present the results of validity and reliability test, respondent characteristics, coefficient of determination, F-statistic test, t-statistic test, classical assumption test, and hypothesis test. Validity test is conducted to determine the credibility or validity of a questionnaire, while reliability test is performed to assess the consistency of respondents' answers to a question over time. Validity test is carried out using bivariate correlation, with a criterion that if the significance level resulting from the correlation coefficient is less than 0.05, then the questionnaire item is considered valid. Meanwhile, reliability test is done using Cronbach's Alpha, with a criterion that if Cronbach's Alpha is greater than 0.60, then the questionnaire is considered reliable (Juliandi, Irfan, Manurung, & Satriawan, 2016). Both validity and reliability tests were conducted with a sample of 30 respondents. The outcomes of validity and reliability test are presented in the following table.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Validity test result</th>
<th>Reliability Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Item</td>
<td>Significance</td>
</tr>
<tr>
<td>Compensation (X1)</td>
<td>X1.1</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>X1.2</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.000</td>
</tr>
</tbody>
</table>
Based on the validity test results, it is evident that all items possess significance levels lower than 0.05, thereby confirming the validity of the items employed in this questionnaire. Furthermore, the reliability test outcomes indicate that all variables exhibit Cronbach's Alpha values exceeding 0.60, affirming the reliability of the questionnaire employed in this study.

The study's population consists of 43 employees of PT. Titipan Ilahi located in Denpasar, Bali. Respondents in this study are categorized based on gender and age. Table 2 presents the characteristics of the respondents in this research.

Table 2. Respondents Characteristics

<table>
<thead>
<tr>
<th>Respondents Characteristics</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>25</td>
<td>58.1%</td>
</tr>
<tr>
<td>Female</td>
<td>18</td>
<td>41.9%</td>
</tr>
<tr>
<td>Age (year)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>6</td>
<td>14.0%</td>
</tr>
<tr>
<td>21</td>
<td>3</td>
<td>7.0%</td>
</tr>
<tr>
<td>22</td>
<td>7</td>
<td>16.3%</td>
</tr>
<tr>
<td>23</td>
<td>5</td>
<td>11.6%</td>
</tr>
<tr>
<td>24</td>
<td>9</td>
<td>20.9%</td>
</tr>
<tr>
<td>25</td>
<td>6</td>
<td>14.0%</td>
</tr>
<tr>
<td>26</td>
<td>3</td>
<td>7.0%</td>
</tr>
<tr>
<td>27</td>
<td>1</td>
<td>2.3%</td>
</tr>
<tr>
<td>29</td>
<td>1</td>
<td>2.3%</td>
</tr>
<tr>
<td>30</td>
<td>2</td>
<td>4.7%</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>100%</td>
</tr>
</tbody>
</table>

Respondents, based on gender, consisted of 25 male employees and 18 female employees. In terms of age distribution, there were 6 employees aged 20, 3 employees aged 21, 7 employees aged 22, 5 employees aged 23, 9 employees aged 24, 6 employees aged 25, 3 employees aged 26, 1 employee aged 27, 1 employee aged 29, and 2 employees aged 30.
aged 25, 3 employees aged 26, 1 employee aged 27, 1 employee aged 29, and 2 employees aged 30. The majority of respondents in this study were male employees aged 24. Subsequently, a concise summary of the multiple linear regression analysis results will be presented.

Table 3. Multiple regression analysis result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.253</td>
<td>.620</td>
<td>.408</td>
</tr>
<tr>
<td>Compensation</td>
<td>.154</td>
<td>.066</td>
<td>2321</td>
</tr>
<tr>
<td>Work Discipline</td>
<td>.052</td>
<td>.073</td>
<td>.710</td>
</tr>
<tr>
<td>Motivation</td>
<td>.251</td>
<td>.077</td>
<td>3264</td>
</tr>
<tr>
<td>F</td>
<td>17.929</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>.580</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Work Productivity
b. Predictor: (Constant), Motivation, Work Discipline, Compensation

Source: Data processing

Based on the multiple regression analysis results, the coefficient of determination (adjusted R-squared) is observed to be 0.580. This can be interpreted as 58% of the variation in employee work productivity can be accounted for by the variables of compensation, work discipline, and motivation, while the remaining 42% is explained by other factors outside the model in this study.

Meanwhile, the F-statistic value is 17.929 with a significance level of 0.000. Since the significance value is less than 0.05, the regression model employed in this study can be used to predict employee work productivity. This implies that compensation, work discipline, and motivation collectively have an influence on employee productivity.

From the t-statistic results, it is evident that the compensation variable has a significance value of 0.026, the work discipline variable has a significance value of 0.482, and the motivation variable has a significance value of 0.002. The work discipline variable is found to be insignificant as its significance value is greater than 0.05, specifically 0.482. Based on these t-statistic results, the multiple linear regression equation can be formulated as follows:

\[ Y = 0.253 + 0.154X_1 + 0.052X_2 + 0.251X_3 \]  

This equation can be interpreted as follows:

- The constant value of 0.253 implies that when the independent variables are held constant, the average employee work productivity is 0.253.
- The coefficient of compensation (0.154) signifies that a unit increase in compensation results in a 0.154 unit increase in employee work productivity.
- The coefficient of work discipline (0.052) indicates that a unit increase in work discipline leads to a 0.052 unit increase in employee work productivity.
- The coefficient of motivation (0.251) suggests that a unit increase in motivation corresponds to a 0.251 unit increase in employee work productivity.

In order for the multiple regression model used in this study to be applicable for predicting the dependent variable, which is employee work productivity, it is necessary to perform classic assumption tests. Three classic assumption tests were conducted in this research: normality test, multicollinearity test, and heteroskedasticity test (Ghozali, 2016;...
The results of the normality test show that the residual data is normally distributed. The results of the heteroskedasticity test indicate that there is no heteroskedasticity. Additionally, the results of the multicollinearity test show that there is no multicollinearity among the independent variables used in this study.

The next step after multicollinearity test was the hypothesis test. The decision was grounded on the significance values. Three hypotheses were tested:

a. Hypothesis Test 1
   - H0: Compensation has no significant influence on employee work productivity.
   - H1: Compensation has a significant influence on employee work productivity.
   - Conclusion: The analysis results indicate that the significance value of compensation is 0.026, which is less than 0.05. Therefore, H0 is rejected, and H1 is accepted. Thus, Hypothesis 1, stating that compensation has a significant influence on employee work productivity, is supported in this study.

b. Hypothesis Test 2
   - H0: Work discipline has no significant influence on employee work productivity.
   - H2: Work discipline has a significant influence on employee work productivity.
   - Conclusion: The analysis results reveal that the significance value of work discipline is 0.482, which is greater than 0.05. Hence, H0 is accepted, and H2 is rejected. Consequently, Hypothesis 2, positing that work discipline has a significant influence on employee work productivity, is not supported in this study.

c. Hypothesis Test 3
   - H0: Motivation has no significant influence on employee work productivity.
   - H3: Motivation has a significant influence on employee work productivity.
   - Conclusion: The analysis results show that the significance value of motivation is 0.002, which is less than 0.05. Therefore, H0 is rejected, and H3 is accepted. Thus, Hypothesis 3, stating that motivation has a significant influence on employee work productivity, is supported in this study.

The results of hypothesis test 1 indicate that compensation has a significant influence on employee work productivity. The positive regression coefficient of compensation is 0.154, suggesting that an increase in compensation leads to an increase in employee productivity. Work productivity is influenced by various factors, and one of them is compensation (Agustini, 2019). The compensation provided to employees can take the form of salary, bonuses, incentives, recreation, sick leave, severance pay, and health insurance.

Total compensation can impact productivity in various ways. Compensation practices that link payment to company financial performance or other productivity indicators can motivate employees to focus on cost reduction and revenue enhancement. When salary is tied to productivity, employee productivity tends to rise (Jackson, Schuler, & Werner, 2018). When compensation is linked to productivity, the compensation received by employees depends on their work productivity. If employee work productivity is high, they receive higher compensation, and conversely, if their productivity is low, their compensation is also low (Hasibuan, 2017).

The findings of this study support previous research conducted by Apriansyah et al., (2022), Gandung & Suwanto (2021), Handaru et al., (2019), Herispon & Daulay (2021), Purnomo & Utami (2021), Suryantika & Wibawa (2020), Yuliannisa et al., (2018), and
Wardani and Prasetio (2018), all of whom found that compensation significantly influences employee work productivity. The results of Hypothesis test 2 indicate that work discipline does not have a significant influence on employee work productivity. The positive regression coefficient of work discipline is 0.052, which means that if work discipline increases, employee productivity also increases, although this influence is not significant. Work discipline is one of the factors influencing employee work productivity (Agustini, 2019). Work discipline can be defined as the level of compliance or obedience of employees to the rules or orders set by the company. The higher the work discipline of employees, the higher their performance or productivity (Sinambela, 2016).

The findings of this study support the research conducted by Nofriyanti & Kuswantoro (2019), Sabir et al. (2020), and Wibowo & Mulyanto (2023), all of which found that work discipline has a non-significant influence on employee work productivity.

The results of hypothesis test 3 indicate that motivation significantly influences employee work productivity. The positive regression coefficient of motivation is 0.251. This can be interpreted as an increase in employee motivation leading to an increase in their work productivity. Motivation can be defined as the psychological process that causes stimuli, direction, and persistence towards a voluntarily performed activity, directed towards a specific goal. In this context, motivation can be understood as the driving force (Kinicki, 2021). Motivation is one of the factors influencing employee work productivity (Agustini, 2019; Yuniarsih & Suwatno, 2016).

To motivate employees to achieve high productivity, a company manager must know and understand the desires or needs of employees. People are willing to work because they have various desires or needs. Among the most dominant needs are the desire to overcome challenges, the desire for advancement, the desire for growth, the drive to interact with others, the motivation to perform quality work, and the desire to take risks (Hasibuan, 2017).

The findings of this study support the research conducted by Apriansyah et al. (2022), Asmayanti et al., (2023), Gandung & Suwanto (2021), Hindriari (2018), Laksmiari (2019), Paeno (2018), Saleh & Utomo (2018), Suryantika & Wibawa (2020), and Yuliannisa et al., (2018) all of which found that motivation significantly influences employee work productivity.

5. Conclusion
The results of this study found that: (1) Compensation significantly influences employee work productivity; (2) Work discipline does not have a significant influence on employee work productivity; and (3) Motivation significantly influences employee work productivity. This study has several limitations, including the fact that the population examined was limited to employees of PT. Titipan Ilahi. For future research, tis recommended to include a broader population from different companies and areas. Additionally, the predictor variables for employee productivity in this study were limited to compensation, work discipline, and motivation. Future research should consider investigating other variables that theoretically influence work productivity, such as personality factors, commitment, work environment, organizational culture, leadership, and more.

References


