The Effect of Compensation and Competence on Discipline and its Impact on Employee Performance in the Search and Relief Office Class B Jambi

Kornelis Kornelis[1]*, M. Zahari[2], & Fakhrul Rozi Yamali[3]
[1]Universitas Batanghari, Jambi, Indonesia, email. radensinggaropati24@gmail.com
[2]Universitas Batanghari, Jambi, Indonesia, email. m.zaharims@gmail.com
[3]Universitas Batanghari, Jambi, Indonesia, email. fakhrul_65@yahoo.co.id

*Corresponding Author: radensinggaropati24@gmail.com

Abstract: This study investigates the roles of compensation, work competence, and work discipline in influencing employee performance at the Jambi Class B Search and Rescue Office. It also examines how compensation and competence impact employee performance indirectly through work discipline. Utilizing descriptive verification research methods, the study focuses on the relationships between these variables. The research employs Partial Least Squares (PLS) analysis. Survey results reveal that the compensation score is 1384, indicating a satisfactory level. Work competence is rated highly, with a score of 2295. Work discipline also scores high at 1877, while employee performance is rated even higher at 3241. The findings indicate that both compensation and work competence positively and significantly impact work discipline. Additionally, compensation, competence, and discipline all have a positive and significant effect on employee performance. Notably, compensation and competence also positively influence employee performance through their effects on work discipline at the Jambi Class B Search and Rescue Office.

Keyword: Compensation, Work Competence, Work Discipline, Employee Performance

INTRODUCTION

Human Resource Management is the process of controlling human resources in an organization to achieve organizational goals effectively and efficiently. It involves various functions and practices related to employee management and their skill development. (Mangkunegara, 2017). Human Resource Management (HRM) is a discipline that manages various aspects related to the workforce or employees in an organization. The aim is to enhance the organization's effectiveness and efficiency by optimizing the management and development of human resources (Sudarmanto, 2015).

Compensation, encompassing both financial and non-financial aspects, is a key factor influencing employee performance. Research consistently highlights its impact, as evidenced by a study by Siregar et al. (2024), which found a positive and significant relationship between compensation and employee performance. Conversely, Wondal et al. (2019)

reported that compensation did not significantly affect employee performance. According to Zahari et al (2022), the potential of individuals allows human resources to adapt, transform, and effectively manage both themselves and available resources to achieve long-term welfare.

Direct financial compensation helps employees meet their basic physical needs, but to effectively enhance employee performance, it's crucial to also consider non-financial compensation. Non-financial compensation encompasses elements such as workplace flexibility, training, authority and responsibility, performance rewards, and a supportive work environment. Overall, compensation refers to all types of income, whether monetary or in-kind, that employees receive in exchange for their contributions to the organization (Hasibuan, 2017). Sutrisno (2016) defines compensation as any form of reward given to employees as recognition for their efforts and contributions.

Siagian (2016) stated that work discipline is a commitment and compliance with the rules, procedures, and standards set by the organization in carrying out tasks and responsibilities. Good work discipline reflects the professional attitude and integrity of an employee in the work environment. According to Handoko (2017), discipline is defined as an attitude or behavior that shows compliance with the rules, norms, and standards that have been set in an environment, whether in a personal, professional, or social context. Discipline involves the ability to control oneself, follow guidelines, and act consistently according to expectations and obligations. The National Search and Rescue Agency is a government agency tasked with conducting searches and rescues in emergency or disaster situations. The Jambi Class B Search and Rescue Office is an operational unit responsible for conducting searches and rescues in emergency situations in the Jambi area and its surroundings. This office functions to provide assistance in accident situations, natural disasters, or other emergency events by searching for victims and providing the necessary assistance. As a Class B unit, this office has sufficient capacity and facilities to handle various types of emergency situations, in accordance with established standards.

Based on the background above, the problems in this study can be identified. During 2020-2024, the average number of employees at the Jambi Class B Search and Rescue Office who received allowances was 77.50%. For position allowances, only 22.34% of employees received them from the total number of employees at the Jambi Class B Search and Rescue Office and for work program allowances, only 34.35% of employees received them from the total number of employees. The number of employees at the Jambi Class B Search and Rescue Office during 2019-2023 who had technical education was an average of only 3 out of 65 people or 4.57% of the total employees. In 2020, there was no training attended by employees at the Jambi Class B Search and Rescue Office. In 2022, the number of employees who took part in training was only 2 people. The worst level of indiscipline was recorded in 2021, which was 3.38 percent. This shows that work discipline among employees at the Jambi Class B Search and Rescue Office has decreased. Of the 5 work programs, only 1 work program was implemented with a performance achievement of more than 100%.

There were 4 work programs that did not achieve the performance target, namely the program for evacuated victims in search and first aid operations, the potential for fostered search and rescue, the implementation of search and rescue training that was of good value based on evaluation and improvement of coaching and management of search and rescue personnel.

This study aims to determine the description of compensation, work competence, work discipline and employee performance at the Jambi Class B Search and Rescue Office and to determine and analyze the effect of compensation and competence on employee performance through work discipline at the Jambi Class B Search and Rescue Office.

METHOD

For data to be considered reliable, it must meet the criteria of accuracy, relevance, and timeliness (Sudirman et al., 2020). This study employs both descriptive-verification and quantitative methods. Sugiyono (2016) defines the verification method as a research approach used to test hypotheses derived from descriptive research through statistical analysis, determining whether the hypotheses are accepted or rejected. Information for this study was gathered via a questionnaire, and data analysis was conducted using Partial Least Squares (PLS) analysis. Specifically, the descriptive-verification method involves using statistical calculations to validate hypotheses based on descriptive research findings.

RESULTS AND DISCUSSION

Convergent Validity Testing

The results of the preliminary research model calculations using SmartPLS 3.0 software are presented in the following image:
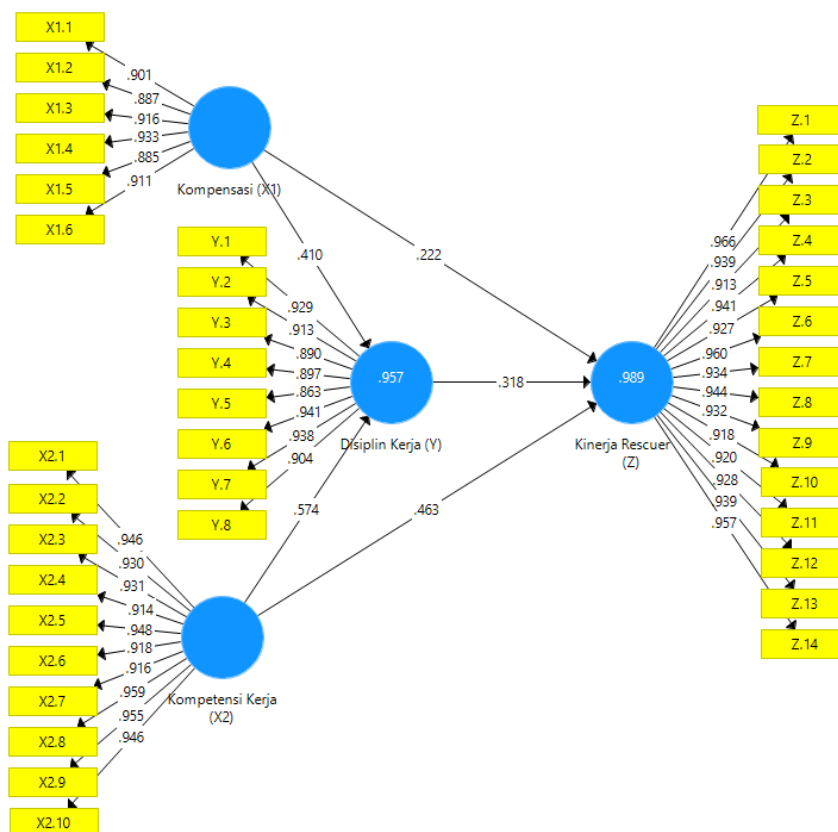

Figure 1. Calculation Results

Outer loadings testing is performed to ensure that each indicator has the highest loading factor on its respective construct compared to other constructs. According to Figure 4.1 and Table 4.6, all loading factors exceed 0.70. This indicates that the third model's calculations are reliable, as all loading factors are above this threshold. The results for the AVE values are as follows:

Table 1. Average Variance Extracted

Variable	AVE Value	Information
Compensation (X_1)	.820	Valid
Work Competence (X_2)	.877	Valid

Work Discipline (Y)	.828	Valid
Employee Performance (Z)	.878	Valid

Source: Smart PLS Vers 3.0 (2024)

Table 1 indicates that all AVE values exceed 0.5, confirming that each construct or indicator in the research variable is valid at the convergent validity stage. This shows that the constructs meet the validity requirements. To further assess reliability, composite reliability tests were conducted to determine the extent to which the measuring instruments can be trusted. According to Wiyono (2011), a variable is considered reliable if its composite reliability value is above 0.70. The composite reliability and Cronbach's Alpha values for each variable are presented in Table 2.

Table 2. Composite Reliability

Variable	Composite Reliability	Information	Cronbach Alpa	Information
X_1	0,965	Reliabel	0,956	Reliabel
X_2	0,986	Reliabel	0,984	Reliabel
Y	0,975	Reliabel	0,970	Reliabel
Z	0,990	Reliabel	0,989	Reliabel

Source: Smart PLS Version 3.0 (2024)

Based on Table 2, the results of the composite reliability and Cronbach's Alpha tests show that all values exceed 0.70, indicating that the constructs are reliable. This means that the measures used in the research are dependable, and the data can be confidently used to produce robust research outcomes.

Inner Model

Table 3 is the result of R-square estimation using SmartPLS 3.0:

Tabel 3. Nilai R-Square

Variable	R-Square
Work Discipline (Y)	0,957
Employee Performance (Z)	0,989

Sumber: Smart PLS Vers 3.0 (2024)

Table 3 presents the R-square values, with work discipline at 95.7% and employee performance at 98.9%. These values indicate a strong influence of compensation and work competence on work discipline, as well as a strong impact on employee performance.

The evaluation of the inner model was conducted using a bootstrapping test, which provided the R-square and Q-square coefficients, along with hypothesis testing results. The findings from this evaluation are detailed as follows.

Hypothesis Testing

The significance of the estimated parameters offers valuable insights into the relationships between the research variables. Hypothesis testing is based on the values obtained from the inner weight output. Table 5 displays the estimated results for evaluating the structural model.

Table 4. Result for Inner Weights

	Original Sample (O)	Sample Mean (M)	Standaridi Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values

	Original Sample (O)	Sample Mean (M)	Standaridi Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Compensation (X1) -> Work Discipline (Y)	.410	.411	.146	2.802	.005
Work Competence (X2) -> Work Discipline (Y)	.574	.573	.147	3.895	.000
Compensation (X1) -> Employee Performance (Z)	.222	.217	.068	3.284	.001
Work Competence (X2) -> Employee Performance (Z)	.463	.471	.088	5.274	.000
Work Discipline (Y) -> Employee Performance (Z)	.318	.314	.079	4.017	.000
Compensation (X1) -> Work Discipline (Y) -> Employee Performance (Z)	.130	.130	.059	2.221	.027
Work Competence (X2) -> Work Discipline (Y) -> Employee Performance (Z)	.183	.179	.063	2.919	.004

Source: Smart PLS Vers 3.0 (2024)

In PLS statistical analysis, each hypothesized relationship is tested through simulation using the Bootstrapping method to address potential data abnormalities. The results from the Smart PLS 3.0 application are summarized as follows:

1. Effect of Compensation on Work Discipline

   Hypothesis testing reveals a path coefficient of 0.410 for the relationship between compensation and work discipline. The t-statistic is 2.802, which exceeds the threshold of 1.96, and the p-value is 0.005, below 0.05, indicating that Hypothesis H1 is accepted. This suggests that compensation has a positive and significant effect on work discipline. Therefore, increasing compensation positively influences work discipline.

2. Effect of Work Competence on Work Discipline

   The path coefficient for the effect of work competence on work discipline is 0.574. The t-statistic is 3.895, surpassing 1.96, and the p-value is 0.000, which is less than 0.05, leading to the acceptance of Hypothesis H1. This indicates that work competence significantly and positively affects work discipline, meaning that improvements in work competence lead to enhanced work discipline.

3. Effect of Compensation on Employee Performance

   The path coefficient for the relationship between compensation and employee performance is 0.222. The t-statistic is 3.284, greater than 1.96, and the p-value is 0.001, which is below 0.05, thus Hypothesis H1 is accepted. This result shows that compensation positively and significantly impacts employee performance, implying that increased compensation leads to better performance.

4. Effect of Work Competence on Employee Performance

   The path coefficient for work competence's effect on employee performance is 0.463. The t-statistic is 5.724, exceeding 1.96, and the p-value is 0.000, less than 0.05, resulting in the acceptance of Hypothesis H1. This confirms that work competence has a positive and significant effect on employee performance, suggesting that enhancing work competence improves performance.

5. Effect of Work Discipline on Employee Performance

   For the relationship between work discipline and employee performance, the path coefficient is 0.318. The t-statistic is 4.017, which is greater than 1.96, and the p-value is 0.000, below 0.05, leading to the acceptance of Hypothesis H1. This indicates that

work discipline positively and significantly affects employee performance, meaning that increased work discipline contributes to better performance.

6. Effect of Internal Communication on Employee Performance Mediated by Organizational Commitment
   Hypothesis testing for the effect of internal communication on employee performance, with organizational commitment as a mediator, shows a path coefficient of 0.205. The t-statistic is 3.147, exceeding 1.96, and the p-value is 0.002, which is less than 0.05, supporting the acceptance of Hypothesis H1. This result suggests that internal communication positively and significantly affects employee performance through organizational commitment.

7. Effect of Compensation on Employee Performance Mediated by Organizational Commitment
   Testing for the effect of compensation on employee performance, with organizational commitment as an intermediary, shows a path coefficient of 0.123. The t-statistic is 2.110, greater than 1.96, and the p-value is 0.035, less than 0.05, leading to the acceptance of Hypothesis H1. This indicates that compensation positively and significantly affects employee performance through organizational commitment.

Discussion

Description of Compensation, Work Competence, Work Discipline, and Employee Performance at the Jambi Class B Search and Rescue Office

The questionnaire results for compensation indicate a total score of 1384, which falls into the satisfied category. For work competence, employees at the Jambi Class B Search and Rescue Office scored 2295, reflecting a high level of competence. Work discipline is rated at 1877, also in the high category. Finally, employee performance is scored at 3241, categorized as high.

Effect of Compensation on Work Discipline

The study reveals that compensation has a positive and significant effect on work discipline. Consistent with the findings of Aripin & Septyarini (2024) and Aryani et al. (2021), compensation significantly impacts work discipline. This influence is attributed to factors such as full salary payments without loan deductions, honorariums aligned with work contributions, timely performance allowances, substantial retirement benefits, early retirement compensation for serious illness or accidents, and severance pay at employment's end. These factors contribute to punctuality, timely completion of tasks, effective use and maintenance of work equipment, and adherence to organizational rules.

Effect of Work Competence on Work Discipline

The results indicate that work competence positively and significantly impacts work discipline. This finding aligns with the research of Mardiana et al. (2021) and Lianasari & Ahmadi (2022), which shows a significant effect of competence on work discipline. The positive influence of work competence is due to employees' understanding of their tasks and authorities, their ability to exceed target standards, readiness to collaborate, leadership qualities, detailed work knowledge, and proactive problem-solving skills. These attributes enhance punctuality, task completion, equipment management, and adherence to organizational procedures.

Effect of Compensation on Employee Performance

The study shows that compensation positively and significantly affects employee performance, supporting findings by Siregar et al. (2024) and Muslimin (2020).

Compensation impacts performance through full salary payments, honorariums corresponding to work contributions, timely allowances, substantial retirement benefits, early retirement compensation for illness or accidents, and severance pay. These elements lead to high-quality work, alignment with organizational targets, efficient planning, and effective problem-solving, as well as good internal and external communication.

Effect of Work Competence on Employee Performance
Work competence is found to have a positive and significant effect on employee performance, in line with Mutiara's (2024) research. The positive effect stems from employees' comprehensive understanding of tasks and responsibilities, ability to exceed targets, openness to collaboration, leadership skills, detailed work knowledge, and proactive problem-solving. These qualities lead to high-quality work, adherence to targets, efficient planning, and effective communication within and outside the organization.

Effect of Work Discipline on Employee Performance
The study indicates that work discipline has a positive and significant effect on employee performance. This result is consistent with research by Ismayuni (2024) dan Siregar et al (2024). Work discipline enhances performance through punctuality, timely task completion, effective equipment management, responsibility for assigned tasks, adherence to organizational rules, and proactive problem-solving. These factors contribute to achieving high-quality work and meeting organizational targets.

Influence of Compensation on Employee Performance Through Work Discipline
The study demonstrates that compensation positively and significantly influences employee performance through work discipline. This effect is due to full salary payments, honorariums aligned with contributions, timely allowances, substantial retirement benefits, early retirement compensation, and severance pay. These factors promote punctuality, timely task completion, effective equipment use, and adherence to organizational rules, leading to improved work outcomes.

Influence of Work Competence on Employee Performance Through Work Discipline
The study reveals that work competence positively and significantly impacts employee performance through work discipline. This influence is attributed to employees' thorough understanding of their tasks, ability to exceed targets, readiness for collaboration, leadership qualities, detailed knowledge, and proactive problem-solving. These attributes ensure punctuality, timely task completion, effective equipment management, and adherence to organizational rules, leading to enhanced performance.

CONCLUSION
1. The compensation score is 1384, which falls into the satisfied category. The work competency variable has a high score of 2295, indicating strong employee competence. The work discipline variable scores 1877, also reflecting a high level of discipline. Lastly, employee performance is rated at 3241, categorizing it as high.
2. Compensation has a positive and significant impact on work discipline, contributing 41% to its variance at the Jambi Class B Search and Rescue Office.
3. Work competency positively and significantly affects work discipline, accounting for 57.4% of its variance at the Jambi Class B Search and Rescue Office.
4. Compensation positively and significantly influences employee performance, explaining 22.2% of its variance at the Jambi Class B Search and Rescue Office.

5. Work competency has a positive and significant effect on employee performance, contributing 46.3% to its variance at the Jambi Class B Search and Rescue Office.
6. Work discipline positively and significantly impacts employee performance, accounting for 31.8% of its variance at the Jambi Class B Search and Rescue Office.
7. Compensation positively and significantly affects employee performance through work discipline, with a mediation effect of 13% at the Jambi Class B Search and Rescue Office.
8. Work competency positively and significantly affects employee performance through work discipline, with a mediation effect of 18.3% at the Jambi Class B Search and Rescue Office.

REFERENCE

Aripin, A., & Septyarini, E. (2024). The Influence of Work Motivation, Compensation and Work Environment on Work Discipline. Management Studies and Entrepreneurship Journal2, 5(2), 3886–3893.

Aryani, M., Subiyanto, E. D., & Septyarini, E. (2021). The Influence of Leadership, Work Motivation and Compensation on Employee Work Discipline. Publik: Journal of Human Resource Management, Administration and Public Service, 8(2), 215–229. https://doi.org/10.37606/publik.v8i2.240

Handoko, T. H. (2017). Human Resource Management Revised Edition. Bumi Aksara.

Hasibuan, M. S. . (2017). Human Resource Management, Revised Edition. Bumi Aksara.

Ismayuni, T. U. (2024). The Influence of Work Discipline on the Performance of Employees at the Munte Village Sub-district Office in Karo Regency, North Sumatra. Journal of Education and Teaching, 3(1), 51–60.

Lianasari, M., & Ahmadi, S. (2022). The Influence of Competence and Work Environment on Performance with Work Motivation as an Intervening Variable. Fokus Bisnis Media Pengkajian Manajemen Dan Akuntansi, 21(1), 43–59. https://doi.org/10.32639/fokbis.v21i1.106

Mangkunegara, A. P. (2017). Corporate Human Resource Management. Bandung: Rosdakarya.

Mardiana, I., Kasmir, K., & Safuan, S. (2021). The Influence of Competence, Compensation on Performance through Employee Motivation SIMPro PT. Solusi Inti Multiteknik. Jesya (Journal of Economics & Sharia Economics), 4(1), 588–605. https://doi.org/10.36778/jesya.v4i1.291

Muslimin, I. (2020). The Influence of Compensation, Motivation and Job Satisfaction on Employee Performance at the Bima City Agriculture Service. Mandala Education Scientific Journal, 6(No.2).

Siagian, S. (2016). Human Resource Management. Bumi Aksara.

Siregar, J. N., Jayanti, N., & Halim, A. (2024). Employee Performance At The Labuhanbatu District Exhibition Office The Influence of Compensation, Work Discipline, Work Experience and Work Spirit. 5(2), 3625–3635.

Sudarmanto. (2015). Performance and Development of HR Competence. Pustaka Belajar.

Sudirman, Hapsara, O., & Zahari. (2020). Metode Penelitian Kuantitatif. Magnum Pustaka Utama

Sugiyono. (2016). Quantitative, Qualitative, and R&D Research Methods. Bandung: ALFABETA.

Sutrisno. (2016). Human Resource Management. Prenadamedia Group.

Wondal, R. R., Tewal, B., & Walangitan, M. D. (2019). The Influence of Compensation, Competence and Motivation on Employee Performance at PT. Bank Artha Graha Internasional Sam Ratulangi Manado Branch Tbk. EMBA Journal: Journal of Economic, Management, Business and Accounting Research, 7(4), 5157–5166.

Zahari, M., Sujatmiko, W., Kembauw, E., Tabun, M. A., & Ihwanudin, N. (2022). Manajamen SDM (Strategi Organisasi Bisnis Modern). Seval Literindo Kreasi