

## THE EFFECT OF COMPENSATION AND WORK DISCIPLINE ON EMPLOYEE PERFORMANCE THROUGH WORK MOTIVATION (CASE STUDY: SECRETARIAT OF DPRD DKI JAKARTA PROVINCE)

Bosman Butarbutar<sup>1</sup>, Lenny Christina Nawangsari<sup>2</sup>

<sup>1</sup>) Mercubuana University, Jakarta, Indonesia, [bosmanbb79@gmail.com](mailto:bosmanbb79@gmail.com)

<sup>2</sup>) Mercubuana University, Jakarta, Indonesia, [lenny.christina@mercubuana.ac.id](mailto:lenny.christina@mercubuana.ac.id)

Corresponding Author: Bosman Butarbutar<sup>1</sup>

**Abstract:** This study objective to determine and analyze more related to the effect of work discipline and compensation on employee-performance through work-motivation as an intervening variable (case study: the secretariat of the parliament of the province of DKI Jakarta). The research method used is a quantitative research method with causal. The research population is the Employees of the Secretariat of the parliament of the province of DKI Jakarta, the status of civil servant with a total sample of 100 respondents. Methods of data analysis using SEM-PLS. And the results indicated that compensation does not significantly affect work motivation. Work discipline has a significant effect on work motivation. Compensation does not have a significant leverage on employee performance. Work discipline has a significant effect on employee performance. Work motivation has a significant impact on employee performance. Work motivation has no impact in mediating compensation on employee performance. However, work motivation is influential in mediating work discipline on employee performance.

**Keywords:** Compensation, Work Discipline, Work Motivation, Employee Performance.

### INTRODUCTION

Employee performance is considered a tool to measure what is done and how much the employee contributes to the institution or organization (Moehersono, 2013). Employee performance is described as the willingness of an employee or group to work and improve performance following their responsibilities (Dessler, 2017).

One of the factors that support having professional employees is fulfilling their life needs through the provision of rewards for their performance which is felt to be fair. The company's compensation system impacts strategic performance, and attractive compensation can motivate employees (Simanjuntak et al., 2021; Hasibuan, 2016) Attractive compensation will encourage qualified employees to excel and be productive. Compensation in regional performance allowances is an institution's strategy in motivating employees to improve employee

performance. Compensation can also motivate employees to act disciplined in enhancing performance. Efforts to improve performance depending on the level of employee discipline. Discipline is an institution's way of motivating employees to improve their performance. The higher the employee acts disciplined, the more the institution's performance will be more easily achieved. An employee who has high motivation will have high performance.

These efforts face several obstacles, such as secretariat employees of the DKI Jakarta Provincial DPRD. They receive performance benefits below the provisions that should be accepted according to the position structure. This illustrates that many civil servants still have performance figures below the requirements. The degree of discipline of civil servants is also still below the provisions. The fact is that there are still employees who receive written and verbal warnings, demotions and releases from positions, and dishonorable dismissals.

This phenomenon has raised the following research questions:

1. Can the compensation received by employees motivate work and improve the performance of civil servants in the secretariat of the DKI Jakarta Provincial DPRD?
2. Can the applied work discipline motivate work and improve the performance of civil servants in the secretariat of the DKI Jakarta Provincial DPRD?

These research questions have guided researchers in determining research objectives. For example, researchers want to identify whether compensation and work discipline can increase employee motivation and performance. In addition, these questions will guide the researcher in developing the research framework and hypotheses.

Several previous researchers considered that compensation and work discipline affected employee performance through work motivation (Istifadah and Santoso, 2019; Maryani, Entang and Tukiran, 2021). However, several researchers such as Hidayat, (2020) and (Rinny, Purba and Handiman, 2020) consider that partially, compensation does not affect employee performance. The same result was conveyed by those who concluded that partly compensation does not impact performance.

## **LITERATURE REVIEW**

### **Compensation**

Compensation is an award or reward, directly or indirectly, financial or non-financial, that is fair and appropriate to employees, as a reward or contribution for their services to the achievement of company goals (Marwansyah dkk., 2016). The company has the view that effective compensation is an important part of HRM to help attract and retain talented employees. In addition, the company's compensation system has an impact on strategic performance (Hasibuan, 2016). Compensation programs are also important for companies, because they reflect the organization's efforts to retain employees (Handoko, 2016). Meanwhile, according to Wibowo (2016), compensation is the number of packages offered by the organization to employees in return for the use of their workforce.

## Work Discipline

Work discipline is a person's ability to work regularly, persistently and work in accordance with applicable rules and does not violate the rules that have been set (Sinambela, 2017). Meanwhile, according to Hasibuan (2016) work discipline can be interpreted when employees always come and go home on time, do all jobs well, comply with all agency provisions and applicable social norms. Mangkunegara (2015) mentions discipline as the implementation of management to strengthen organizational guidelines. Work discipline is an attitude, behavior and action that is in accordance with the regulations of the agency in written or unwritten form (Darmawan, 2013).

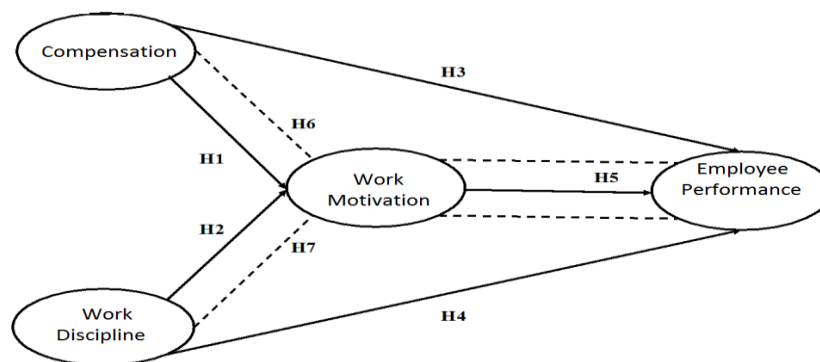
## Work Motivation

Motivation comes from the Latin word *movere* which means encouragement or the provision of a driving force that creates employee work enthusiasm so that they want to work together, work effectively, and are integrated with all their efforts to achieve satisfaction (Hasibuan, 2016). Uno, (2011) states that motivation is one of the factors that determine employee performance, the size of the influence of work motivation on employee performance depends on how much intensity of motivation is given. Employee motivation is largely determined by the mental condition that encourages employees who are able to achieve their maximum performance (Mangkunegara, 2015).

## Employee Performance

Performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision, and mission of the organization as outlined through the strategic planning of an organization. Employee performance is what employees do or don't do so that they affect how much they contribute to the agency or organization, including the quality of services provided (Moheriono, 2013). Meanwhile, Mangkunegara (2015) states that employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

Based on the phenomenon, problem formulation and previous research, the following framework can be described:



**Fig. 1. Theoretical framework**

## Hypothesis Development

Moorhead and Griffin, (2013) say that the benefits of having work motivation in an organization can encourage high work motivation so that employees work even harder. One of the factors that can affect the level of employee motivation is the provision of appropriate and adequate compensation by the company (Sarinadi, Tripalupi and Suwena, 2015), increasing the need for achievement. Research from Gelard & Rezaei, (2016) supports this concept of thinking, namely that the compensation provided by tax agents shows positive results on employee work motivation. Furthermore, in the education industry in Aragua, Brazil, conducted by Ferreira and Nanda Baidya, (2016), Negash, Zewude and Megersa, (2014) in Ethiopia showed a significant and positive relationship between compensation given by employees' work motivation. Thus, the researcher proposes the following hypothesis:

H1: Compensation has a positive effect on employee motivation.

Discipline is a person's willingness and willingness to obey and obey the rules around him (Sutrisno, 2013; Hasibuan, 2016). Work discipline is a person's ability to work regularly, be tenacious, and work according to applicable rules and does not violate the established rules (Sinambela, 2017). Employee motivation is mainly determined by mental conditions that encourage employees to achieve maximum performance (Mangkunegara, 2015). Work discipline is very important for employees and organizations because work discipline will motivate employees to improve employee performance. In addition, high work discipline reflects the employee's sense of responsibility for the assigned tasks. Kusuma's research supports this framework which states that work discipline has a positive and significant effect on employee work motivation (Kusuma, Swasto and Al Musadieq, (2017). Furthermore, another study by Ahmad, (2014) shows that work discipline has a significant effect on employee work motivation. Thus, the researcher proposes the following hypothesis:

H2: Work discipline has a positive effect on employee work motivation.

One of the factors that affect employee performance is compensation. Adequate compensation is an important part of Human Resources Management (HR) to help attract and retain talented employees. In addition, the company's compensation system has an impact on strategic performance (Hasibuan, 2016). Compensation is an award for services and incentives to motivate employees in increasing work productivity (Yani, 2012). Employee performance is the willingness of employees to carry out activities and perfect them in accordance with their responsibilities with the expected results (Dessler, 2017). Therefore, compensation reflects an important part of HRM to motivate employees to improve and impact on strategic performance. Daly, (2015), in his research, concluded that compensation has a significant effect on employee performance. Karollah, (2015) also concluded that the compensation received by employees has a significant effect on employee performance. Thus, the researcher proposes the following hypothesis:

H3: Compensation has a positive effect on employee performance.

Based on Hasibuan, (2016), work discipline can be interpreted when employees always come and go home on time, do all jobs well, comply with all agency provisions and applicable

social norms. Work discipline is important for the employee concerned and the agency because work discipline will affect employee work productivity. Good work discipline reflects the employee's sense of responsibility towards the tasks assigned to him. The findings of Syamsuddin et al., (2021) support the idea that work discipline can affect employee performance. Purba, Lengkong and Loindong, (2019) stated that work discipline partially has a positive effect on employee performance. Putra, Zunaidah and Diah, (2018) concluded that work discipline has a positive and significant effect on employee work performance. Thus, the researcher proposes the research hypothesis as follows:

H4: Work discipline has a positive effect on employee performance.

Motivation is one of the factors that determine employee performance. The size of the influence of work motivation on employee performance depends on how much motivation is given (Uno, 2011). Employees who have better motivation can affect organizational productivity. Employee motivation is largely determined by mental conditions that encourage employees to achieve maximum performance (Mangkunegara, 2015). Employee performance is the willingness of an employee or group of employees to carry out activities and perfect them according to their responsibilities according to the expected results (Dessler, 2017). Research from Priyanto, (2016) supports the above thought that motivation significantly affects employee performance. Juliningrum and Sudiro (2014), Riyanto, Handiman and Prasetya, (2021) concluded that work motivation can contribute positively to employee performance. Kusuma, Swasto and Al Musadieg, (2017) prove that work motivation has a significant effect on employee performance. Thus, the researcher proposes the following hypothesis:

H5: Work motivation has a positive effect on employee performance.

Compensation that meets needs, is attractive, meets the principles of fairness and is appropriate and competitive can increase the need for achievement, the need for achievement is the need to do a better job than before, always wanting to achieve higher achievements. Employees who are motivated to excel, have the motivation to affiliate with others in improving their reputation and have the motivation to occupy higher positions. The need for achievement is related to the need to do a job better than before, always wanting to achieve higher achievements. Andriana, (2017) supports the above thinking which concludes that compensation has a positive and significant effect on the performance of non-permanent employees through work motivation. (Efendi et al., 2020) concluded that work motivation successfully mediates the relationship between compensation and employee performance. Therefore, the researcher proposes the following hypothesis:

H6: Compensation has a positive effect on employee performance through work motivation.

Motivation is one of the factors that determine employee performance. Employees who have better motivation can affect organizational productivity. Employee performance is what employees do or don't do and the willingness of an employee or group to carry out activities and perfect them in accordance with their responsibilities to contribute to the agency or organization. Work discipline is very important for the employee concerned and the agency because work discipline will affect employee work productivity. Good work discipline reflects the employee's



sense of responsibility towards the tasks assigned to him. Complying with time rules, company regulations, following the rules of behavior in the workplace, and doing work according to duties and responsibilities can motivate employees to achieve achievements. Research from Andriana, (2017) supports the concept of thinking. He concluded that work discipline has a positive and significant effect on the performance of temporary employees through work motivation. Therefore, the researcher proposes the research hypothesis as follows:

H7: Work discipline has a positive effect on employee performance through work motivation.

## RESEARCH METHODS

This study uses a conclusive research design that refers to multiple cross sectional descriptive research and causal analysis and uses quantitative methods. Collecting data using a survey where the questionnaire is designed to obtain specific information. This study was conducted to determine the effect of compensation and work discipline variables on employee performance variables through work motivation as an intervening variable. Seven indicators represent compensation variables, nine indicators represent work discipline variables, eight indicators represent performance variables, and eight indicators represent work motivation variables. Each indicator is measured using a Likert scale to measure attitudes, opinions and perceptions about social phenomena. This scale is divided into five levels to calculate the score of each indicator on the questionnaire. For example, a scale of 1 indicates a strongly disagree opinion, and a five-statement scale strongly agrees. The population of this study is civil servants in the DKI Jakarta Province, totaling 131 employees. Slovin's formula is used to determine the sample so that the number of samples in this study is 100 employees. The sampling technique used in this research is the convenient sampling technique. Methods Data analysis used path analysis to test the hypothesis using the Structural Equation Model-PLS tool.

## FINDINGS AND DISCUSSION

This study aims to measure the performance of civil servants in the DPRD DKI Jakarta Province. The demographic characteristics of the research respondents indicated that most of the respondents were male (72%), aged 41 to 50 (48%), married (95%), having their address in Jakarta (64 %), completed Diploma IV and Bachelor's Degree (55%) , and working age 11 to 20 years (49%).

### Measurement model test results (Outer model)

Measurement model (outer model) to determine the validity and reliability of each indicator of the relationship with the latent variable. Convergent Validity test to determine the standardization value of loading factor and Average Variance Extracted (AVE). Loading factor  $> 0.7$  is the recommended value, and loading factor  $0.5 - 0.6$  is still acceptable, but if the loading factor value is  $< 0.5$ , the calculation results of the outer model will be excluded (Ghozali & Latan, 2015).

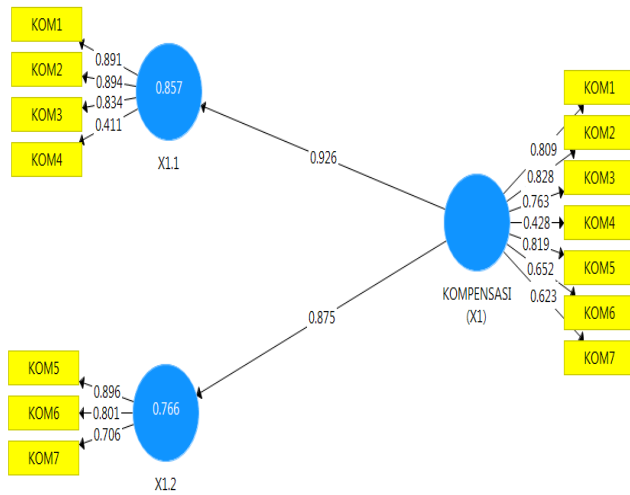


Fig. 2 Outer Model Test Results Compensation Variable  
Source: primary data processed (2022)

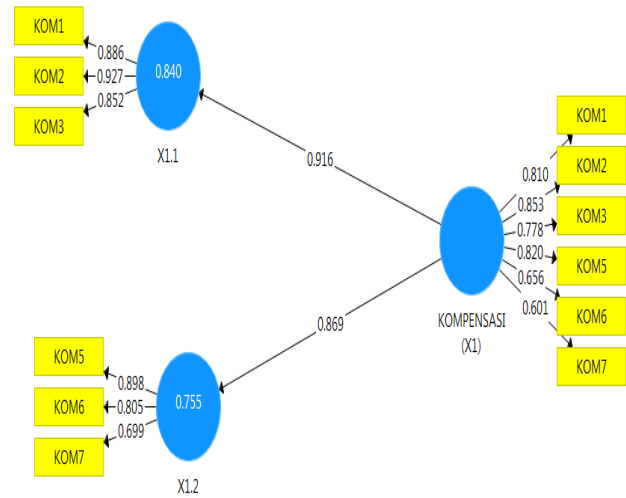


Fig. 3 Outer Model Test Results Variable Compensation modification  
Source: primary data processed (2022)

The test results show that the compensation variable indicator still has a value below 0.50 so that modifications need to be made to meet the test requirements. Indicators of work discipline, work motivation, and employee performance variables have a loading factor value of  $> 0.7$ . Thus, all indicator values of work discipline, work motivation, and employee performance variables are declared valid.

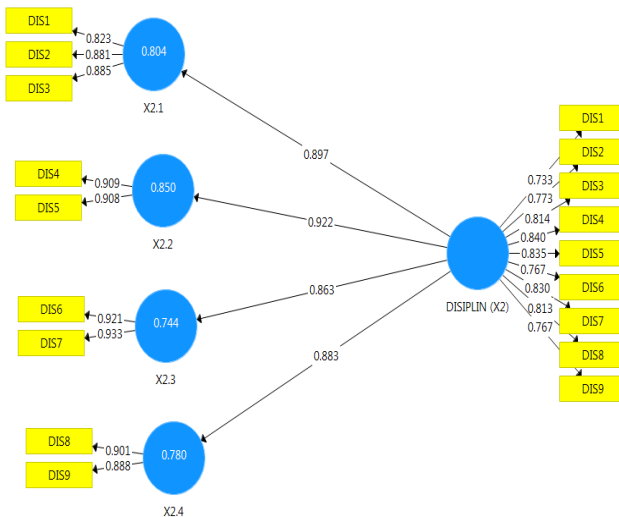


Fig. 4 Outer Model Test Results Work Discipline Variable  
Source: primary data processed (2022)

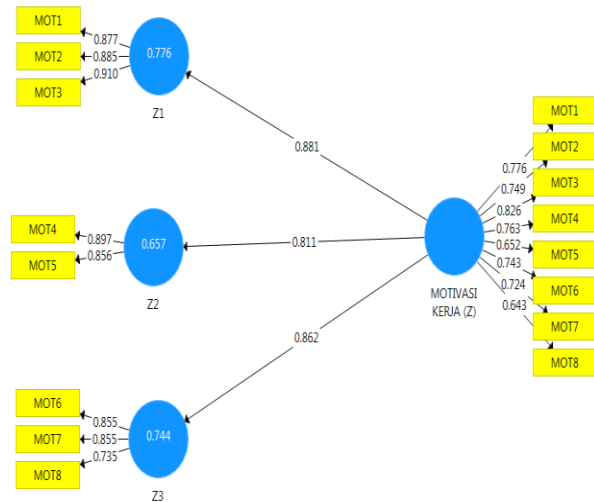


Fig. 5 Outer Model Test Results Work Discipline Variable  
Source: primary data processed (2022)

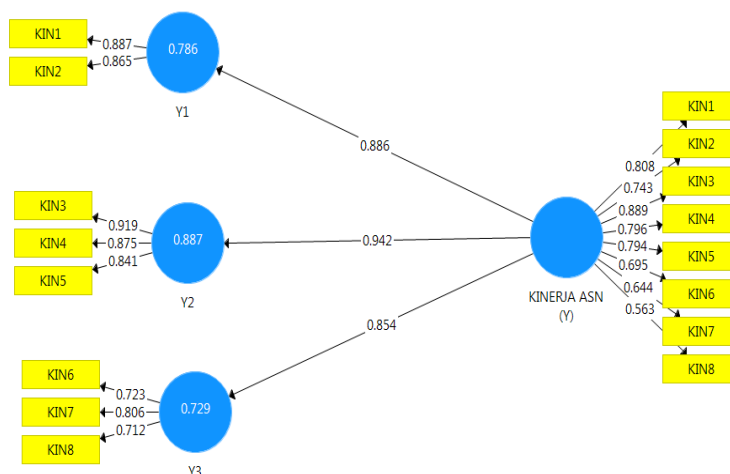


Fig. 6 Outer Model Test Results  
Employee Performance Variables

**Tab. 1. Value of Average Variance Extracted**

Variable	Average Variance Extracted (AVE)
Compensation (X1)	<b>0,560</b>
Work Discipline (X2)	<b>0,636</b>
Work Motivation (Z)	<b>0,541</b>
Employee Performance (Y)	<b>0,558</b>

Source: primary data processed (2022)

Then the next step in convergent validity is the evaluation of the Average Variant Extracted (AVE) value whose value must be above 0.5 in order to be valid and used to measure each latent variable. The recommended Average Variant Extracted (AVE) value greater than 0.5 implies that more than 50% of the variance of the reflective indicator has taken into account the latent variable. Therefore, AVE is only relevant for reflective measurement models. The test results show that the compensation variable has an AVE value of 0.560, work discipline is 0.636, work motivation is 0.541, and employee performance has an AVE value of 0.558. Thus, it shows that the convergent validity of each variable has good validity.

The next step to be tested is the problem related to discriminant validity for each construct with the correlation value between the constructs in the model. Wong, (2013) states that there are two test steps to measure discriminant validity, namely the Fornell-Larcker criterion and/or the heterotrait-monotrait ratio of correlations (HTMT). Table 2. shows the results of the Fornell larcker criterion. An indicator is declared valid if it has the highest loading factor for the intended construct compared to the loading factor for other constructs.

**Tab. 2. Value of Fornell Larcker Criterion**

Variable	X2	Y	X1	Z
Work Discipline (X2)	<b>0,798</b>			
Employee Performance (Y)	0,726	<b>0,747</b>		
Compensation (X1)	0,484	0,411	<b>0,748</b>	
Work Motivation (Z)	0,714	0,697	0,440	<b>0,736</b>

Source: primary data processed (2022)



Table 3 shows the results of Composite Reliability and Cronbach's Alpha tests. The value of each variable of compensation, work discipline, work motivation, and employee performance is eligible to get a reliability value or consistency value. The value must be above 0.70. Thus, all constructs can be accepted for reliability.

**Tab. 3. Value of Cronbach's Alpha and Composite Reliability**

Variabel	Cronbach's	Composite Reliability
Compensation (X1)	0,848	0,883
Work Discipline (X2)	0,928	0,940
Work Motivation (Z)	0,878	0,903
Employee Performance (Y)	0,884	0,940

Source: primary data processed (2022)

**Structural model test results (Inner model)**

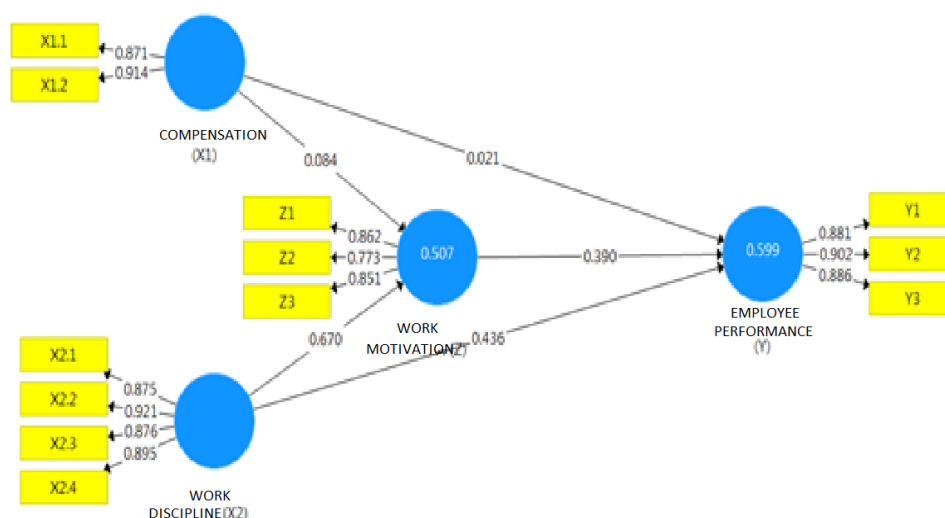


Fig. 7 Inner Model Calculation Results  
Source: primary data processed (2022)

According to Avkiran & Ringle (2018), if the evaluation of the measurement model (outer model) supports the estimated construction, then the assessment of the structural model (inner model) will follow. Structural model analysis is an attempt to find evidence that supports the theoretical model (ie, the theorized relationship between exogenous constructs and endogenous constructs). The inner model is evaluated by testing the coefficient of determination (R-Squared), effect size (f-Squared), and Predictive Relevance (Q-Squared).

Table 4 below shows the value of R-Square (R<sup>2</sup>) or the coefficient of determination of employee performance constructs of 0.599. This value indicates that the variable performance of civil servants in the DPRD DKI Jakarta Province can be explained by the variables of compensation, work discipline, and work motivation of 59.9%. The rest of the other exogenous variables explain 40.1% outside of this study. The work motivation of civil servants can be explained by the variables of compensation and work discipline of 50.7%. The rest other exogenous variables outside this study explained 49.3% outside this research.

**Tab. 4. Value of R-Squared, F-Squared and Predictive Relevance (Q-Squared)**

Variable	R-	Z	Y	SSO	SSE	Q <sup>2</sup> (=1-
Compensation (X1)		0,012	0,001	200.000	200.000	
Work Discipline (X2)		0,731	0,220	400.000	400.000	
Work Motivation (Z)	0,507		0,187	300.000	200.776	0,331
Employee Performance	0,599			300.000	163.310	0,456

Source: primary data processed (2022)

The F-Square value shows the effect of exogenous latent variables on endogenous variables, where F-Square values of 0.02, 0.15, and 0.35 are interpreted as small, medium, and large values at the structural level (Ghozali & Latan, 2015). For example, the effect of the work discipline variable on the work motivation variable has an  $F^2$  value of 0.731. This value indicates that the work discipline variable has a large influence on the structural level, while the compensation variable on the work motivation variable has an  $F^2$  of 0.012 which means that the compensation variable has a small effect on the structural level. The compensation variable for the employee performance variable has an  $F^2$  of 0.001 which means that the compensation variable has a small effect on the structural level. The work discipline variable on the employee performance variable has an  $F^2$  of 0.220, meaning that the work discipline variable has a medium effect on the structural level. And the work motivation variable on the employee performance variable has an  $F^2$  of 0.187 which means that the work motivation variable has a medium effect on the structural level. Predictive Relevance (Q-Squared) results are good if the  $Q^2$  value is above 0. This value indicates that the observed values have been reconstructed correctly. Thus the model has predictive relevance. The test results for the Predictive Relevance (Q-Squared) value is 0.456 indicating a value above 0. In this study, the evaluation of the fit model was carried out using two test models, namely the standardized root mean square residual (SRMR) and the normal fit index (NFI). The model in this study has a good fit because it has a standardized root mean square residual (SRMR) below 0.10 which is 0.067 and the normal fit index (NFI) value indicates that the model in this research is 79.8% (0.798) Sarstedt, M., Ringle, C.M. and Hair, (2017).

### Hypothesis Testing

Testing the path coefficients can describe the influence between variables following the hypothesis proposed as research thinking. The results of data processing can be seen in Table 5 below:

**Tab. 5. Path Coefficient Test Value**

Description	Original Sample (O)	T Statistics ( O/STDEV )	P Values	Results
Compensation -> Work Motivation	0,084	0,931	0.352	Rejected
Work Discipline -> Work Motivation	0,670	8,849	0,000	Accepted
Compensation -> Employee Performance	0,054	0,679	0,498	Rejected
Work Discipline -> Employee Performance	0,698	10,742	0,000	Accepted
Work Motivation -> Employee Performance	0,390	3.825	0,000	Accepted

Compensation -> Work Motivation -> Employee Performance	0,033	0,843	0,400	Rejected
Work Discipline -> Work Motivation -> Employee Performance	0,262	3,517	0,000	Accepted

Source: primary data processed (2022)

Hypothesis testing is carried out to determine whether the research hypothesis proposed in the research model is accepted or rejected. To test the proposed hypothesis, it can be seen from the path coefficients, the T-Statistic value through the bootstrapping procedure and the p-value. A hypothesis can be accepted if it meets the following conditions:

- Original sample value (O) has a positive value.
- T-Statistic value above 1.96.
- p-value is below 0.05.

Table 5 shows a summary of hypothesis testing, which can be described as follows:

1. The test results on the effect of compensation on work motivation have a path coefficient value of 0.084, a T-Statistic value of 0.931 below 1.96, and a p-value of 0.352 above 0.05 so that H1 is rejected. Therefore, compensation has a positive but not significant effect on Work Motivation at the Secretariat of the DPRD DKI Jakarta Province.
2. The test results on the effect of work discipline on work motivation have path coefficients value of 0.670, T-Statistic value of 8.849 above 1.96, and p-value of 0.000 below 0.05 then H2 is accepted. Work discipline has a positive and significant effect on work motivation at the Secretariat of the DPRD DKI Jakarta Province.
3. The test results on the effect of compensation on employee performance have path coefficients values of 0.054, T-Statistic values of 0.679 below 1.96, and p-values of 0.498 above 0.05, then H3 is rejected. Therefore, compensation has a positive but not significant effect on the employee performance at the Secretariat of the DPRD DKI Jakarta Province.
4. The test results on the effect of work discipline on employee performance have path coefficients values of 0.698, T-Statistic values of 10,742 above 1.96, and p-values of 0.000 below 0.05 H4 is accepted. Work discipline has a positive and significant effect on the employee performance at the Secretariat of the DPRD DKI Jakarta Province.
5. The test results on the effect of work motivation on employee performance have path coefficients value of 0.390, T-Statistic value of 8.849 above 1.96, and p-value of 0.000 below 0.05, then H5 is accepted. Work motivation has a positive and significant effect on the employee performance in the Secretariat of the DPRD DKI Jakarta Province.
6. The test results on the indirect effect of compensation and employee performance through the mediating variable of work motivation have path coefficients values of 0.033 which are close to +1 value, T-Statistic value of 0.843 below 1.96, and p-value of 0.400 above 0.05, so it can be concluded that the hypothesis H6 is rejected and compensation has no significant effect on the employee performance through work motivation at the Secretariat of the DPRD DKI Jakarta Province.
7. The test results on the indirect effect of work discipline and employee performance through the mediating variable of work motivation have path coefficients value of 0.262 which is

close to +1 value, T-Statistic value is 3.517 above 1.96, and p-value is 0.000 below 0.05, then H7 is acceptable. So it can be concluded that work motivation mediates the partial mediation between work discipline and employee performance at the Secretariat of the DPRD DKI Jakarta Province.

### Analysis of Correlation Between Dimensions

**Tab. 6. Correlation Matrix between Dimensions Independent and Dependent Variables**

Variable	Dimension	Work Motivation (Z)			Employee Performance (Y)		
		Need for achievement (Z1)	Need For Affiliated (Z2)	The need for power (Z3)	Quantity of work (Y1)	Quality Of Work (Y2)	Accuracy time (Y3)
Compensation (X1)	Direct Compensation (X1.1)	0,287	0,257	0,284	0,280	0,286	0,281
	Indirect Compensation (X1.2)	<b>0,301</b>	0,270	0,298	0,294	<b>0,301</b>	0,295
Work Discipline (X2)	Obey the rules of time (X2.1)	0,534	0,479	0,527	0,557	0,570	0,560
	Obey the organization's rules (X2.2)	<b>0,562</b>	0,504	0,555	0,586	<b>0,600</b>	0,589
	Obey the rules of behavior (X2.3)	0,534	0,480	0,528	0,559	0,570	0,560
	Obey other regulations (X2.4)	0,546	0,489	0,539	0,569	0,583	0,572

Source: primary data processed (2022)

**Table 7. Correlation Matrix between Dimensions Dependent and Dependent Variables**

Variable	Dimension	Employee Performance (Y)		
		Quantity of work (Y1)	Quality Of Work (Y2)	Accuracy time (Y3)
Work Motivation (Z)	Need for achievement (Z1)	0,537	<b>0,550</b>	0,540
	Need for affiliated (Z2)	0,482	0,493	0,484
	The need for power (Z3)	0,531	0,543	0,533

Source: primary data processed (2022)

1. The compensation variable (X1) with the dimension of indirect compensation (X1.2) has a more dominant value on the work motivation variable (Z) with the dimension of need for achievement (Z1), which is 0.301.
2. The compensation variable (X1) with the dimension of indirect compensation (X1.2) has a more dominant value to the performance variable (Y) with the dimension of work quality (Y2), which is 0.301.
3. The work discipline variable (X2) with the dimension of obeying organizational regulations (X2.2) has a more dominant value on the work motivation variable (Z) with the need for achievement dimension (Z1), which is 0.562.
4. The work discipline variable (X2) with dimensions of obeying organizational regulations (X2.2) has a more dominant value on the employee performance variable (Y) with the dimension of Quality of work (Y2) of 0.600.

5. The variable of work motivation (Z) with the dimension of need for affiliation (Z2) has a more dominant value on the variable of employee performance (Y) with the dimension of quality of work (Y2), which is 0.550.

#### **Effect of Compensation (X1) on Work Motivation (Z)**

Obtained path coefficients 0.084 with p-value 0.352. Which means that compensation (X1) has a positive but not significant effect on work motivation (Z) so H1 is rejected because it is above  $p > 0.05$ . In this study, it can be seen that the compensation received by ASN has not been able to increase work motivation within the Secretariat of the DPRD DKI Jakarta Province. This can be seen because of the unfair determination of the amount of compensation according to rank and class so that compensation has not been able to increase the work motivation of ASN in the DPRD Secretariat. In the research of Juliningrum & Sudiro (2014) stated that compensation has no influence on work motivation. After seeing and conducting a survey of employees at PTIIK Brawijaya University, there is no significant positive effect between compensation and employee motivation. Compensation has not been conditioned, but employees are more focused on self-recognition and certainty of employee recognition. The results of this study are in line with previous research conducted by Siagian (2018) which states that compensation has no significant effect on work motivation.

#### **The Effect of Work Discipline (X2) on Work Motivation (Y)**

The path coefficients value is 0.670, and the p-value is 0.000, meaning that work discipline (X2) has a positive and significant effect on work motivation (Z) at the DKI Jakarta DPRD Secretariat, thus H2 is accepted because  $p < 0.05$ . From the results of this study, it can be seen that work discipline goes well in motivating employees at the DPRD Secretariat. Work discipline is very important for employees and for organizations because work discipline will motivate employees to improve employee performance. High work discipline reflects the employee's sense of responsibility for the tasks assigned to him. In a study conducted by Herawati, (2016) who concluded that there was a significant influence of Work Discipline on Work Motivation of PT. Adira Dianmika Multi Finance Mamuju Branch. The results of this study are in line with previous research conducted by Heriani & Alam (2020) and Siagian (2018) which concluded that work discipline has a positive and significant effect on employee motivation.

#### **Effect of Compensation (X1) on employee Performance (Y)**

The p-value on the effect of compensation (X1) on employee performance (Y) is 0.498 and the path coefficients value is 0.054. This means that compensation (X1) has a positive but not significant effect on the employee performance (Y) at the DKI Jakarta DPRD Secretariat, thus H3 is rejected because  $p > 0.05$ . In a study conducted by Mundakir & Zaenuri (2018), it is stated that compensation has no effect on employee performance at the Rembang Regency Public Works Office. Compensation still shows unsatisfactory symptoms for employees. This situation makes employees do some deviations in work behavior. Deviations that occur in the form of being late to the office, negligent and undisciplined and carrying out activities that have

nothing to do with the job desk during working hours. The results of this study support the previous research conducted by Setianigsih & Kader (2019), Aromega dkk (2019) and Sari et al. (2020) which stated that compensation had no effect on performance.

#### **The Effect of Work Discipline (X2) on employee Performance (Y)**

The p-value of the Effect of Work Discipline (X2) on employee Performance (Y) is 0.000 path coefficients 0.698 and the T-Statistic value is 10.742. So it can be said that work discipline (X2) has a positive and significant effect on the employee performance (Z) at the Secretariat of the DKI Jakarta DPRD, thus H4 is accepted because  $p < 0.05$ . In this study, it can be seen that work discipline goes well in supporting the employee performance in the Secretariat of the DPRD DKI Jakarta Province. By maintaining a high level of discipline, ASN employees within the DPRD Secretariat will continue to understand their rights and obligations as state civil servants. By obeying the rules of time, obeying the rules of behavior at work, and doing jobs according to duties and responsibilities, you will be able to maintain and increase the quantity of work, quality of work, and timeliness. The results of this study support previous research conducted by Rumondang & Nawangsasri (2020), Istifadah & Santoso (2019), Heriani & Alam (2020) and Siswanto (2019) which concluded that work discipline has a positive and significant effect on employee performance.

#### **Effect of Work Motivation (Z) with employee Performance (Y)**

The path coefficients value is 0.390, the T-Statistic value is 8.849, and the p-value is 0.000, then H5 is accepted. The results showed that work motivation had a positive and significant effect on the employee performance at the Secretariat of the DPRD DKI Jakarta Province, thus H5 was accepted because  $p < 0.05$ . In this study, it can be seen that the DPRD Secretariat is running well in motivating its employees to excel and innovate. So that it is hoped that one day they will be able to replace the leadership and play an active role in determining organizational goals. The results of this study support previous research conducted by Farahdiba & Nawangsari (2020), Siagian (2018), and Susanto (2019) which concluded that work motivation has a significant effect on employee performance.

#### **The Effect of Compensation (X1) on employee Performance (Y) through Work Motivation (Z)**

The results obtained path coefficients value of 0.033, T-Statistic value of 0.843 ( $< 1.96$ ), and p-value of 0.400 thus H6 was rejected and work motivation did not act as a mediating variable in the relationship between compensation and employee performance in the Secretariat of DPRD DKI Jakarta Province. The results of this study support previous research by Priyanto (2016) which states that motivation cannot mediate the effect of compensation on employee performance. Based on the results of the analysis of the compensation variable, it has no significant effect on employee performance through motivation.



## **The Effect of Work Discipline (X2) on employee Performance (Y) through Work Motivation (Z)**

The path coefficients value is 0.262, the T-Statistic value is 3.517, and the p-value is 0.000, then H7 can be accepted as  $p < 0.05$  and work motivation acts as a mediating variable in the relationship between work discipline and employee performance at the Secretariat of the DPRD DKI Jakarta Province. In a study conducted by Wijaya & Laily (2021) showed the results that work discipline affects employee performance through motivation. This explains that motivation is able to mediate the relationship of work discipline to employee performance at PT. Kereta Api Indonesia (Persero) UPT. Surabaya Gubeng Yasa Center. The results of this study support the previous research conducted by Efendi et al. (2020) that work motivation successfully mediates the relationship between compensation and employee performance.

## **CONCLUSION AND RECOMMENDATION**

### **Conclusion**

Referring to the results of hypothesis testing and discussion presented in the previous chapter, several conclusions can be obtained as follows:

1. Compensation has a positive and insignificant effect on ASN Work Motivation at the Secretariat of the DPRD DKI Jakarta Province.
2. Work Discipline has a positive and significant effect on ASN Work Motivation at the Secretariat of the DPRD DKI Jakarta Province.
3. Compensation has a positive and insignificant effect on the employee performance in the Secretariat of the DPRD DKI Jakarta Province.
4. Work Discipline has a positive and significant effect on the employee performance in the Secretariat of the DPRD DKI Jakarta Province.
5. Work motivation has a positive and significant effect on the employee performance in the Secretariat of the DPRD DKI Jakarta Province.
6. Work motivation does not act as a mediating variable in the relationship between compensation and employee performance in the Secretariat of DPRD DKI Jakarta Province.
7. Work Motivation acts as a partial mediating variable on the relationship between Work Discipline and employee Performance at the Secretariat of the DPRD DKI Jakarta Province.

### **Suggestion**

Based on the results of the research conducted, the researchers provide some suggestions because this research still has several limitations from several aspects so that improvements need to be made in further research, including:

1. To the agency
  - a. To improve work motivation for the better, the influence of the compensation variable with the direct compensation dimension on the work motivation variable with the need for affiliation dimension needs to be improved. Where the compensation received by ASN is not motivating at work. Therefore, the Secretariat must be able to motivate ASN to work

by encouraging ASN's willingness to work according to their respective groups and ranks in improving their performance so that they are more efficient and comprehensive.

- b. To improve the employee performance to be even better, the influence of the compensation variable with the direct compensation dimension on the employee performance variable on the quantity dimension of work results needs to be improved. Where the compensation in the form of incentives received is still not appropriate. Therefore, the DPRD Secretariat is expected to be able to follow up on this so that ASN is better able to improve their work performance in accordance with their respective duties and responsibilities.
- c. To improve work motivation for the better, the influence on the work discipline variable with the dimension of obeying the rules of time on the work motivation variable with the dimension of need for affiliation needs to be improved. Where the work discipline of ASN is not appropriate because some ASN still do not comply with rest hours and official hours. Therefore, the DPRD Secretariat must play an active role in providing advice on work discipline so that ASN is motivated to use their working time as effectively as possible.
- d. To improve the employee performance to be even better, the influence on the work discipline variable with the dimension of obeying the rules of time on the employee performance variable with the dimension of the quantity of work results needs to be improved. Where the employee performance is still not suitable because some ASN use their time to gossip. Therefore, the DPRD Secretariat must be able to get around in providing work by paying attention to the use of time so that ASN is even more productive at work
- e. To improve the employee performance even better, the influence of the work motivation variable with the dimension of the need for affiliation on the employee performance variable with the quantity dimension of work results needs to be improved. Where the level of productivity of ASN is felt to still not meet the performance targets of the DPRD Secretariat. Therefore, the DPRD Secretariat is expected to be able to motivate ASN so as to improve work performance by providing education and training on a regular basis to each ASN.

## 2. For Further Researchers

This research still has many shortcomings and limitations. The author suggests that further research should re-examine the direct effect of Compensation on Work Motivation and employee Performance, and re-examine the indirect effect of Compensation on Employee Performance through Work Motivation, considering that in this study the findings had a positive relationship but had no significant effect. Judging from the results of the employee performance variables explained by the variables of compensation, work discipline and work motivation only in the medium category. Therefore, the authors also suggest that further research should add other variables that affect employee performance variables such as organizational culture, work environment, leadership, and employee engagement variables.

**REFERENCES**

- Ahmad, A. B. (2014) 'Pengaruh Motivasi Kerja Dan Disiplin Kerja Terhadap Kinerja Pegawai Dinas Perhubungan Komunikasi Dan Informatika Kabupaten Katingan', *Jurnal Wawasan Manajemen*, 2(1), pp. 57–80.
- Andriana, V. (2017). *Pengaruh Kompensasi Terhadap Kinerja Karyawan Dengan Motivasi Sebagai Variabel Intervening (Studi Empiris Pada Pt. Iskandar Indah Printing Textile)* (Doctoral dissertation, Universitas Muhammadiyah Surakarta).
- Anggraini, F. R. R. and Siswanto, F. A. J. (2016) 'The role of perceived behavioral control and subjective norms to internal auditors' intention in conveying unethical behavior: A case study in Indonesia', *Review of Integrative Business and Economics Research*, 5(2), p. 141.
- Aromega, T. N., Kojo, C. and Lengkong, V. P. K. (2019) 'Pengaruh kompensasi dan disiplin kerja terhadap kinerja karyawan di yuta hotel manado', *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 7(1).
- Avkiran, N. K. and Ringle, C. M. (2018) 'Partial least squares structural equation modeling: Recent advances in banking and finance'.
- Daly, H. (2015). Pengaruh Kompetensi, Disiplin Dan Kompensasi Terhadap Kinerja Pegawai Badan Pemberdayaan Perempuan Dan Keluarga Berencana Daerah Provinsi Sulawesi Tengah. *Katalogis*, 3(1).
- Dessler, G. (2017) *Human Resource Management 15th Edition*. Edinburgh: Pearson.
- Efendi, R. *et al.* (2020) 'The mediation of work motivation on the effects of work discipline and compensation on performance batik msmes employees in yogyakarta city, indonesia', *International Journal of Multicultural and Multireligious Understanding*, 7(1), pp. 689–703.
- Farahdiba, S., & Nawangsari, L. C. (2020). ANALYSIS OVER HUMAN RESOURCES INFORMATION SYSTEM IMPLEMENTATION WHICH INFLUENCED COMPETENCE AND MOTIVATION IN IMPROVING EMPLOYEE PERFORMANCE AT ONE OF MINERAL MINING AND COAL CONTRACTOR COMPANY. *Dinasti International Journal of Management Science*, 2(1), 26-36.
- Ferreira, D. and Nanda Baidya, T. K. (2016) 'The Impact of Compensation Systems on the Motivation of Teachers of a Higher Education Institution.', *International Journal of Business Management & Economic Research*, 7(6).
- Gelard, P. and Rezaei, S. (2016) 'The relationship between job motivation, compensation satisfaction and job satisfaction in employees of tax administration—a case study in Tehran', *Asian Social Science*, 12(2), pp. 165–171.
- Ghozali, I., & Latan, H. (2015). Konsep, teknik, aplikasi menggunakan Smart PLS 3.0 untuk penelitian empiris. *BP Undip. Semarang*.
- Hasibuan, M. S. (2016). *Manajemen Sumber Daya Manusia*, Edisi Revisi, Jakarta: PT. *Bumi aksara*.
- Herawati, A. Z. (2016) 'Pengaruh Kompensasi Dan Disiplin Kerja Terhadap Kinerja Karyawan Dengan Motivasi Sebagai Variabel Intervening Pada PT. Adira Dinamika Multi Finance Cabang Mamuju.', *Onesearch*.
- Heriani, H. and Alam, S. (2020) 'Compensation and Discipline on Performance Through Employee Motivation in the Secretariat', *Economics and Digital Business Review*, 1(1), pp. 21–32.
- Hidayat, R. (2020) 'The Influence of Compensation, Work Discipline, And Achievement Motivation on Employee Performance', *Jurnal Dimensi*, 9(3), pp. 525–535.

- Istifadah, A. and Santoso, B. (2019) 'Pengaruh Kompensasi, Motivasi dan Disiplin Kerja Terhadap Kinerja Karyawan pada PT Livia Mandiri Sejati Banyuwangi', *International Journal of Social Science and Business*, 3(3), pp. 259–263.
- Isvandiari, A. and Fuadah, L. (2017) 'Pengaruh Kompensasi dan Disiplin Kerja Terhadap Kinerja Karyawan Bagian Produksi PG. Meritjan Kediri.', *Jurnal Ilmiah Bisnis Dan Ekonomi Asia*, 11(2), pp. 1–8.
- Juliningrum, E. and Sudiro, A. (2014) 'Pengaruh Kompensasi, Budaya Organisasi, terhadap Motivasi Kerja dan Kinerja Pegawai', *Jurnal Aplikasi Manajemen*, 11(4), pp. 655–676.
- Kader, M. A. and Setianingsih, W. (2018) 'Penerapan Digital Marketing Melalui Fans Page Untuk Mentarget Target Sasaran Pada Usaha Mikro Di Desa Cicapar', *Jurnal Ekologi Ilmu Manajemen*, 5(1), pp. 265–272.
- Karollah, B. (2015) 'Pengaruh Kompensasi Terhadap Kinerja Pegawai Pada Badan Kepegawain, Pendidikan Dan Pelatihan Aceh', *SI-MEN (Akuntansi dan Manajemen) STIES*, 6(2), pp. 42–63.
- Kusuma, Y. B., Swasto, B. and Al Musadieq, M. (2017) 'Pengaruh Kompensasi terhadap Motivasi Kerja, Kepuasan Kerja, dan Kinerja Karyawan (Studi pada Karyawan Tetap PT. otsuka Indonesia di Lawang, Malang)', *PProfit: Jurnal Administrasi Bisnis*, 9(1), pp. 43–56.
- Mangkunegara, A. P. (2015) 'Sumber Daya Manusia Perusahaan. Cetakan kedua belas', *Remaja Rosdakarya: Bandung*.
- Maryani, Y., Entang, M. and Tukiran, M. (2021) 'The Relationship between Work Motivation, Work Discipline and Employee Performance at the Regional Secretariat of Bogor City', *International Journal of Social and Management Studies*, 2(2), pp. 1–16.
- Moehertonio (2013) *Pengukuran Kinerja Berbasis Kompetensi*. Jakarta: PT. Raja GrafindoPersada.
- Moorhead, G. and Griffin, R. W. (2013) 'Perilaku Organisasi: Manajemen Sumber Daya Manusia dan Organisasi', *Jakarta: Salemba Empat*.
- Mundakir, M. and Zainuri, M. (2018) 'Pengaruh Kompensasi dan Motivasi terhadap Kinerja Pegawai Negeri Sipil dengan Kepuasan Kerja sebagai Variabel Intervening', *Business Management Analysis Journal (BMAJ)*, 1(1), pp. 26–36.
- Negash, R., Zewude, S. and Megersa, R. (2014) 'The effect of compensation on employees motivation: In Jimma University academic staff', *Basic Research Journal of Business Management and Accounts*, 3(2), pp. 17–27.
- Priyanto, W. B. (2016) 'Pengaruh Gaya Kepemimpinan Transformasional Dan Kompensasi Terhadap Kinerja Karyawan Dengan Motivasi Sebagai Variabel Intervening (Studi Pada Industri Alas Kaki PT. Bo Kyung Pasuruan)', *Journal of Innovation in Business and Economics*, 7(2), pp. 105–114.
- Purba, D. C., Lengkong, V. P. K. and Loindong, S. (2019) 'Analisis pengaruh kepuasan kerja, motivasi kerja dan disiplin kerja terhadap kinerja karyawan pada perusahaan umum percetakan negara republik indonesia cabang manado', *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 7(1).
- Putra, O. J., Zunaidah, Z. and Diah, Y. M. (2018) 'Pengaruh Disiplin Kerja Terhadap Kinerja pegawai (Studi Kasus Pegawai Honor Daerah) Di Kantor Kecamatan Alang-Alang Lebar Kota Palembang'. Sriwijaya University.

- Rinny, P., Purba, C. B. and Handiman, U. T. (2020) 'The Influence Of Compensation, Job Promotion, And Job Satisfaction On Employee Performance Of Mercubuana University', *International Journal of Business Marketing and Management (IJBMM)*, 5(2), pp. 39–48.
- Riyanto, S., Handiman, U. T. and Prasetya, A. D. (2021) 'The Role of Work Motivation in Mediating Training and Organizational Culture for Improving Employee Performance', *Journal of Hunan University Natural Sciences*, 48(10).
- Rumondang, A. J., & Nawangsari, L. C. (2020). The Influence of Work Environment, Work Discipline and Motivation on the Performance of Civil Servants at the Ministry of Home Affairs. *International Journal of Innovative Science and Research Technology*, 5(11), 852-860.
- Sari, A., Zamzam, F. and Syamsudin, H. (2020) 'Pengaruh Kepemimpinan, Kompensasi, dan Motivasi terhadap Kinerja Karyawan', *Jurnal Nasional Manajemen Pemasaran & SDM*, 1(2), pp. 1–18.
- Sarinadi, N. N., Tripalupi, L. E. and Suwena, K. R. (2015) 'Analisis Faktor-faktor yang Mempengaruhi Motivasi Kerja Karyawan pada UD Surya Logam Desa Temukus Tahun 2014', *Jurnal Pendidikan Ekonomi Undiksha*, 4(1).
- Sarstedt, M., Ringle, C.M. and Hair, J. F. (2017) 'Partial least squares structural equation modeling', in in Homburg, C., Klarmann, M. and Vomberg, A. (Eds. . (ed.) *Handbook of Market Research*. Heidelberg: Springer.
- Setianingsih, W., & Kader, M. A. (2019). Pengaruh disiplin kerja, kompetensi, dan kompensasi terhadap kinerja guru. *Jurnal Ekologi Ilmu Manajemen*, 5(2), 313-320.
- Siagian, M. (2018) 'Peranan Disiplin Kerja Dan Kompensasi Dalam Mendeterminasi Kinerja Karyawan Dengan Motivasi Kerja Sebagai Variabel Intervening Pada Pt Cahaya Pulau Pura Di Kota Batam', *JIM UPB (Jurnal Ilmiah Manajemen Universitas Putera Batam)*, 6(2), pp. 22–33.
- Simanjuntak, M. *et al.* (2021) *Perancangan Organisasi dan Sumber Daya Manusia*. Yayasan Kita Menulis.
- Sinambela, P. L. (2017) *Manajemen Sumber Daya Manusia*. Jakarta: . PT. Bumi Aksara.
- Susanto, N. (2019). Pengaruh Motivasi Kerja, Kepuasan Kerja, Dan Disiplin Kerja Terhadap Kinerja Karyawan Pada Divisi Penjualan Pt Rembaka. *Agora*, 7(1).
- Sutrisno, E. (2013) 'Manajemen sumber daya manusia'.
- Syamsuddin, R. A. *et al.* (2021) 'The Effect of Compensation and Work Discipline on Employee Performance with Work Motivation as an Intervening Variable', *Kontigensi: Jurnal Ilmiah Manajemen*, 9(1), pp. 89–94.
- Uno, H. B. (2011) 'Teori Motivasi dan Pengukurannya, Jakarta: Bumi Aksara, Cet', *Jakarta: Bumi Aksara*.
- Wijaya, L. A. and Laily, N. (2021) 'Pengaruh Disiplin Kerja Dan Kompensasi Terhadap Kinerja Karyawan melalui motivasi Sebagai Variabel Intervening', *Jurnal Ilmu dan Riset Manajemen (JIRM)*, 10(4).
- Wong, K. K.-K. (2013). Partial least squares structural equation modeling (PLS-SEM) techniques using SmartPLS. *Marketing Bulletin*, 24(1), 1–32.
- Yani, M. (2012) *Manajemen Sumber Daya Manusia*. Jakarta: Mitra Wacana Media.