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"The Influence of Compensation and Work Discipline on Employee Performance at the Branch Office of BRI in Palopo City"

Suharni[a,1], Rismawati[b,2], Haedar[c,3]
[abc]Management Muhammadiyah University
Email : [1]suharnisair@gmail.com;

ABSTRACT

This research aims to fill this knowledge gap by analyzing the impact of compensation and work discipline on employee performance at the BRI Palopo City Branch Office . The research method used is a quantitative approach using a questionnaire as a data collection instrument. The sample for this research was employees of Bank BRI Palopo Branch. The population in this study were 150 employees of Bank BRI Palopo Branch. The sample in this study was 126 employees who could become respondents. Data analysis was carried out using multiple linear regression techniques. The results of the analysis of X1, The implication of this research is the importance of effective human resource management in improving employee performance in the banking sector.

Keywords: Compensation, Work Discipline, Employee Performance, Bank BRI, Palopo.

INTRODUCTION

research aims to fill this knowledge gap by analyzing the impact of compensation and work discipline on employee performance at the BRI Palopo City Branch Office. In a competitive work environment, compensation and work discipline are recognized as key factors that influence employee performance. At BRI Bank Palopo Branch, as in many other organizations, fair and adequate compensation is often considered an important motivator for increasing employee productivity and job satisfaction. Research by (Nguyen, H., Groth, M., & Johnson, 2020) shows that compensation that is perceived as fair by employees can increase motivation and commitment to the organization, while good work discipline is associated with increased individual and team performance. Therefore, the influence of these two factors on employee performance at Bank BRI Palopo Branch is an important area to explore in order to optimize human resource management in achieving organizational goals. In research (Smith, 2022) , published in *the Journal of Organizational Psychology* , it was found that factors such as compensation and work discipline have a relatively small influence on employee performance. The research shows that although fair compensation and good work discipline can make a positive contribution to employee satisfaction, they do not always have a significant impact on their performance. Research (Garcia, 2023) in the *International Journal of Human Resource Management* found that compensation and work discipline have a significant influence on employee performance. Garcia's research shows that adequate levels of compensation and consistent application of work discipline can positively influence employee motivation and performance. Therefore, it is important

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to consider various factors and look at the broader context before making management decisions regarding compensation and work discipline.

At BRI Bank Palopo Branch, as in many other organizations, the approach to compensation needs to be designed not only to meet employees' basic needs but also to motivate them to achieve higher performance. Recent research by (Smith, J., Zhang, R., & Zhao, 2021) shows that well-designed compensation, including salary, bonuses, and other benefits, is significant in increasing job satisfaction and indirectly affecting employee retention and reducing turnover.

On the other hand, work discipline is a factor that is often given little attention but has a strong impact on operational efficiency and work ethic in the workplace. Research conducted by (Jones, M., Lee, N., & Phillips, 2022) found that clear and consistent discipline policies help maintain a conducive work environment, where employees feel more directed and organized.

1. What is the relationship between the level of work discipline of employees at the BRI Palopo City Branch Office and their performance?
2. How does the interaction between compensation and work discipline influence employee performance at the BRI Palopo City Branch Office?

LITERATURE REVIEW
Compensation

(Yoel Brando Sitopu, Kevin Arianda Sitinjak, 2023) Some compensation has a positive and significant effect on worker performance. (Prasetyo et al., 2021) Compensation is the main factor that motivates employees to do their work. However, the hope of reward or recognition for the performance and productivity they demonstrate also provides additional encouragement for employees. (Anton Saman, 2020) Giving rewards to employees must be done fairly and appropriately, because it can increase their capacity by increasing productivity.

(Vizano et al., 2020) To keep employees motivated and productive, and to increase productivity, companies must provide rewards to employees, encourage good performance, and retain quality employees so they remain loyal to the company. (Elprida Sidabutar, Tantri Yanuar Rahmat Syah, 2020) Employee compensation is a reward received by a worker as recognition for his services or the results of his work in an organization or company. (Fitra Syam, Haedar, 2023) Employee compensation refers to a series of activities in the work environment that establish quality standards at various levels.

Work Discipline

(Yoel Brando Sitopu, Kevin Arianda Sitinjak, 2023) Work discipline is a control strategy implemented by companies to ensure that employees carry out their duties and responsibilities well. (Cafetaria & Dianasari, 2023) Employee work discipline shows individual awareness and obedience to the rules set by the company as well as applicable social norms.

(Rivaldo & Nabella, 2023) Work discipline is very important for employees in achieving optimal performance. Discipline reflects the nature of individuals in the work environment, and implementing disciplinary standards set by the company can significantly improve employee

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performance. (Imam & Rismawati, 2022) By applying a high level of discipline, employees or subordinates will comply with all existing regulations, so that work implementation can be aligned with previously established plans.

Employee performance

(Waleed Ameen Almulaiki, 2023) The achievements shown by employees are a key factor in determining the success of a business. Therefore, many managers are trying to find innovative approaches in the company's performance management system (PMS) to inspire employees and evaluate their performance more efficiently and effectively.

(Sami Awwad Al-kharabsheha, Murad Salim Attianya, Rawan Odeh Khalaf Alshawabkehb, 2023) Employee performance plays a very important role in the success of an organization because it is directly related to their productivity. (Djoko Setyo Widodo, 2022) Employee performance can be used as a benchmark for evaluating the contribution of human resources to the company's progress. (Sami Awwad Al-kharabsheha, Murad Salim Attianya, Rawan Odeh Khalaf Alshawabkehb, 2023) Employee performance is very important in the success of an organization because it is closely related to their productivity in their main and extra-role roles.

Figure 1. Conceptual Framework
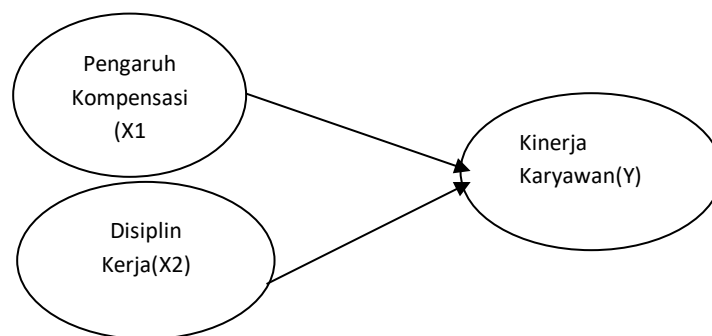
Research methodology

This research uses a quantitative approach with the aim of knowing the independent and dependent variables. Sampling in this research used purposive sampling, namely data collection was carried out using certain criteria to ensure that the data obtained had better representation. The population in this study were 150 employees of Bank BRI Palopo Branch. The sample in this study was 126 employees who could be respondents. The data source for Bank BRI Palopo Branch employees is taken from the BRI Bank Palopo Branch Company.

The data collection technique in this research is by distributing questionnaires directly to respondents using Likert scale measurements. The data analysis method used in this research uses IBM SPSS 25 software, because SPSS is more informative, making it easier for users to interpret the results with a higher level of accuracy. By doing the following test:

Test Descriptive Data Analysis

In descriptive statistical testing, descriptive analysis is produced which includes:

1. Validity test
2. Trust Test

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Test Classic assumption
1. Normality test
2. Heteroscedasticity Test
3. Multicollinearity Test

Test Hypothesis
1. Simultaneous Test (F Test)
2. Simultaneous Test (T-Test)

RESULTS AND DISCUSSION

Data collection through distributing questionnaires was carried out over a two week period. Respondent demographic data is described in the form of descriptive statistics, which shows the respondent's identity based on gender. Analysis of Table 1 shows that the majority of respondents were women, consisting of 71 individuals or around 71.2%, while the number of male respondents was 55 individuals or around 28.2%.

Table 1. Results and Discussion

Gender	Amount	Percentage
Woman	71	56.35%
Man	55	43.65%
TOTAL	126	100%

Source: primary data processed with SPSS, 2024

Descriptive Data Analysis Test

Table 2. Test Descriptive Data

	N	Minimum	Maximum	Mean	Std. Deviation
COMPENSATION	126	9	19	16.21	2,017
WORK DISCIPLINE	126	11	20	16.66	2,044
EMPLOYEE PERFORMANCE	126	9	20	16.73	2,310
Valid N (listwise)	126				

Source: Primary Data processed with SPSS 25, 2024

Compensation Influence (X1) has a value ranging from 9 to 19 with an average of around 16.21 and a standard deviation of 2.017. This average shows a level of compensation influence that can generally be said to be high. Meanwhile, Work Discipline (X2) has a minimum and maximum value ranging from 11 to 20. The average value is around 16.66 with a standard deviation of 2,044, reflecting relatively high employee performance.

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Sustainable Career Decision (Y) also has a minimum and maximum value in the range of 11 to 20. The average is around 16.73 with a standard deviation of 2,301 which describes a fairly high level of sustainable career decision. Next, classical assumption tests were carried out, including normality tests, multicollinearity tests, and heteroscedasticity tests to ensure that the data in this study met the required classical assumptions.

Test Quality Data
Test Validity

No.	Variable	Code Instrument	Pearson Score Correlation	Information
1	Compensation	X1.1	1	Valid
		X1.2	0.145	Valid
		X1.3	0.053	Valid
		X1.4	0.100	Valid
		X1.5	0 .166	
2	Work Discipline	X2.1	0.248	Valid
		X2.2	0.289	Valid
		X2.3	0 . 229	Valid
		X2.4	0 . 297	Valid
		X2.5	0.390	
3	Employee performance	Y .1	0 . 191	Valid
		Y .2	0 . 080	Valid
		Y .3	0 . 336	Valid
		Y .4	0 . 426	Valid
		Y.5	0.490	Valid

From the results listed in Tables 3 and 4, it can be concluded that all data is valid and reliable because each question item has a Pearson Correlation value. Next, a classical assumption test was carried out which included a normality test, heteroscedasticity test and multicollinearity test.

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Table 3. Test Results Normality

Kolmogorov-Smirnov	*Nonstandard Residues*
N	126
Asymp.Sig .(2-tailed)	0.073 [c]

Source: Primary data processed with SPSS, 2024

The asymptotic significance value (2-tailed) for the equation model analyzed is 0.73, exceeding the significance level set at 0.05. This shows that the data used in the research follows a normal distribution. The follow-up is to test classical assumptions regarding multicollinearity.
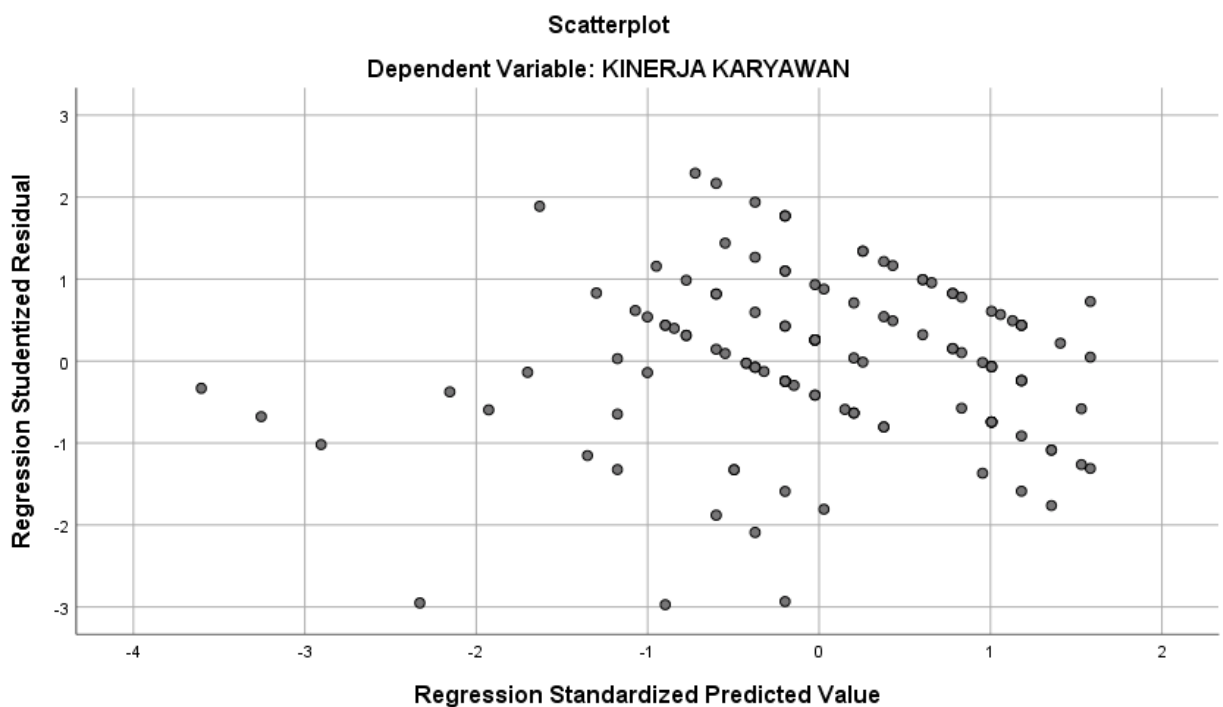
Table 4. Test Results Multicollinearity

Variable	*Tolerance*	VIF
Compensation	0.659	1 ,517
Work Discipline	0.659	1.517

Source: Primary data processed with SPSS, 2024

The results of the analysis show that all variables in the research data set show a tolerance value that exceeds 10% and a VIF (Variance Inflation Factor) value of less than 10. These findings indicate that there is no indication of multicollinearity observed in the research data set.

Table 5. Test Results Heteroscedasticity

Scatterplot
Dependent Variable: KINERJA KARYAWAN

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Based on observations in Table 7, the data points are spread evenly around the horizontal line at point 0 of the Y axis. This shows that the regression model does not experience heteroscedasticity, so it can be considered to meet the assumptions required for proper analysis.

Table 6. Test f

Model	Sum of Squares	Df	Means Square	f	signature.
1. Regression	442,433	2	221,217	121,259	.0 00b
2. Remainder	224,392	123	1,824		
3. Total	666,825	125			

Source: Primary data processed with SPSS, 2024

The F test results in Table 7 show that the calculated F value is greater than the table F value, namely 3.07 compared to 121,259 respectively. Apart from that, the significance value obtained is 0.000, which means it is lower than the significance level set at 5%, or $0.000 < 0.05$. This shows that the F value is significant and consistent with the results of the tests carried out. Thus, the model used in the research deserves further consideration.

The T-test is used to compare two groups of data or samples and determine whether the differences between them are statistically significant.

Table 7. Test t

	Test Score = 0		
	T	Df	Sig.
Compensation	2,312	126	0.022
Work Discipline	11,155	126	0.00 0

Source: Primary data processed with SPSS, 2024

The purpose of this test is to assess the impact of each independent variable on the dependent variable individually. The analysis process involves evaluating statistical significance and comparison between t-table and t-count values. The t table value can be found in statistical tables with a significance level of 5% or 0.05, calculated using degrees of freedom (df) = nk-1, where n is the number of samples and k is the number of independent variables. In this context, the df value is calculated as 123, because the total number of samples is 126 and there are two independent variables. Therefore, using a statistical table, the t-table value for a significance level of 5% or 0.05 is around 1.657.

The results of the analysis show that the compensation variable has a tcount value of 2.312, while the relevant ttable value is 1.657. Therefore, it can be concluded that t-count > t-table with a significance level of $0.304 > 0.05$. Thus, the first hypothesis (H1) cannot

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be accepted, which means there is no significant influence between compensation and employee performance.

The effect of compensation on employee performance is not partially proven. In this study, large variations were found in the level of environmental awareness among respondents. Factors such as educational background, previous experience, and understanding of different environments can influence the degree to which compensation in a program affects employee performance. Apart from that, the success of the company at Bank BRI Palopo Branch is also an important factor. Programs that are not well structured or lack the delivery of information and education may not be able to produce significant change.

Based on the test results, work discipline shows a calculated t value of 11,155, while the t table value is 1,657, with a significance level of 0.000 < 0.05. Therefore, the second hypothesis (H2) is accepted because there is a significant positive influence between work discipline and employee performance.

CONCLUSION

This research highlights the importance of effective human resource management in increasing organizational productivity and performance, especially in the banking sector. By paying attention to factors such as adequate compensation and consistent work discipline, this research shows how these two variables can influence each other and contribute to employee performance. The results of the analysis show that compensation does not have a significant influence on employee performance, while work discipline has a positive and significant influence on employee performance. This shows the importance of improving employee work discipline in an effort to improve performance at Bank BRI Palopo Branch. This research is expected to provide a deeper understanding of how appropriate compensation and a high level of work discipline can increase employee motivation and performance at Bank BRI Palopo Branch. The practical implications of this research can help management in designing more effective compensation policies and better performance management strategies, so as to improve the service quality and operational efficiency of the bank.

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