

# The Effect of Compensation and Work Discipline on Employee Performance in State Islamic Religious Higher Education

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## Abstract:

This study aims to analyze the effect of compensation and employee discipline on employee performance at IAIN Kendari. This study uses a quantitative approach. The research sample was 60 employees. Data analysis using descriptive and inferential analysis after fulfilling the requirements for normality, linearity, multicollinearity, and autocorrelation tests. Hypothesis testing using simple regression analysis and path analysis. The study results indicate that satisfactory compensation can lead to an increase in the performance of IAIN Kendari employees, and good work discipline can lead to an increase in the performance of IAIN Kendari employees. Fair compensation can lead to an increase in the performance of IAIN Kendari employees. This research implies that an increase in compensation can improve employee discipline and employee performance at IAIN Kendari.

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

## Abstrak:

Penelitian ini bertujuan untuk menganalisis tentang pengaruh kompensasi dan disiplin pegawai terhadap kinerja pegawai di IAIN Kendari. Penelitian ini menggunakan pendekatan kuantitatif. Sampel penelitian sebanyak 60 pegawai. Analisis data menggunakan analisis deskriptif dan inferensial setelah memenuhi uji persyaratan normalitas, linearitas, multikolinearitas dan autokorelasi. Pengujian hipotesis menggunakan analisis regresi sederhana dan analisis jalur. Hasil Penelitian menunjukkan bahwa kompensasi yang memuaskan dapat mengakibatkan peningkatan kinerja pegawai IAIN Kendari, disiplin kerja yang baik dapat mengakibatkan peningkatan kinerja pegawai IAIN Kendari kompensasi yang memuaskan dapat mengakibatkan peningkatan kinerja pegawai IAIN Kendari melalui disiplin kerja di IAIN Kendari. Implikasi dari penelitian ini adalah peningkatan pemberian kompensasi dapat meningkatkan disiplin pegawai sekaligus dapat meningkatkan kinerja pegawai pada IAIN Kendari.

**Kata Kunci:** *Kompensasi, Disiplin Kerja, Kinerja Pegawai*

## INTRODUCTION

Human resources who have an essential role in every activity of organizations and companies are employees or employees (Gauche et al., 2017; Mills et al., 2021) Good employee performance will positively impact the progress of every organization and company. Employees' performance in quality and quantity is based on the roles given by the organization or company to employees (Rachman, 2020; Sari et al., 2021). Performance is the answer to the success or failure of the goals set by the organization (Rošulj & Petrović, 2020; Roz, 2019).

Regarding employee performance, the phenomena that occurred at the Kendari State Islamic Institute that; 1) the lack of performance discipline caused by the lack of optimal administrative and academic services by the established service operational standards (SOP); 2) a lack of sense of responsibility for the work given; and 3) unstable working conditions will cause absenteeism or absenteeism resulting in decreased employee performance even though there are employees who have shown good performance, but it is unavoidable that there are still employees who sometimes neglect their mandated duties. Negligence in the implementation of these tasks occurs both from the time of execution or completion of the task and its quality, likewise in the implementation of work in a work team or committee for implementing an activity program. Some sometimes have not finished their work by the allotted time or even delegate their work to other employees, which may be due to the compensation given to employees.

Various factors influence employee performance, one of which is work discipline and compensation (Huie et al., 2020; Mahmud & Sanusi, 2021; Trisna & Huda, 2022). Work discipline is individual behavior to comply with the policies and regulations that apply to a company. Work discipline is also a positive behavior in implementing organizational rules and policies (Oley et al., 2019). The indicators of work discipline are attendance, attitude, behavior, and responsibility (Gultom & Situmorang, 2020).

Compensation is everything that employees receive from the organization. Employees receive all kinds of things from the organization in terms of direct financial compensation; indirect and non-financial are forms of compensation (Pratama, 2020). The objectives and benefits of compensation are attractive, justifiable, impartial, protective, cost reduction, and persuasion offers that hold a competitive position (Putri et al., 2019). Employee performance is positively impacted by compensation (Hasing & Sulkarnain, 2019; Sitopu et al., 2021).

Several previous studies have shown that employee performance factors are compensation, work discipline, and work environment (Wu & Nainggolan, 2021). Furthermore, performance can also be influenced by work discipline and work environment (Tyas, 2018). Researchers Zainuri & Mundakir (2018) came to the following conclusions: 1) compensation and work motivation affect employee job satisfaction; 2) Work motivation and job happiness are important variables in employee performance.; 3) compensation and work motivation indirectly through job satisfaction are significant factors in employee

performance is influenced by factors such as remuneration, job motivation, and work discipline, according to similar study (Efendi et al., 2021; Yusuf, 2022). Based on the facts and findings of past research, this study will examine the relationship between compensation and work discipline in IAIN Kendari employee performance and productivity. Employee performance at the Kendari State Islamic Institute was the subject of this study, which sought to determine the impact of salary and work discipline on performance.

## RESEARCH METHODS

This research design combines quantitative research methodologies with survey research methods. The survey research method collects data through a questionnaire as a data collection tool. Research in this area is based on deductive reasoning to generate hypotheses, which are then tested; conclusions or hypotheses are made from empirical evidence gathered in the field (Hardani et al. 2020). This study was carried out at the Kendari State Islamic Institute of Religion (IAIN), with 60 employees. Because the population was not more than 100 people, there was no sample in this study, and therefore the entire population was studied, referred to as the so-called saturated sample (Sugiyono, 2017).

A questionnaire with a Likert scale was employed as the primary study instrument. The Likert scale assesses a person's or a group of people's attitudes, views, and perceptions of social issues. Likert scale with answers to statements with a value scale of 5-1. The value in question is the score on the respondents' answers (60 people), where the values used by researchers are as follows:

**Table 1: Questionnaire Scoring**

Alternative Answer	Statement	
	Positive	Negative
Strongly Agree	5	1
Agree	4	2
Simply Agree	3	3
Disagree	2	4
Disagree	1	5

The compensation questionnaire instrument in this study amounted to 40 statements containing 29 positive statements and 11 negative statements. This is given to minimize the tendency of respondents to choose one category. The compensation instrument grid is as follows:

**Table 2: Compensation Questionnaire Grid (X<sub>1</sub>)**

Indicator	Item		Description	
	(+)	(-)	Valid	Invalid
Pay rate	1,2,4,,5,8	3,6,7	1.3.4.5.6.7.8	2
Payment Structure	9,10,11,12,14,15	13,16	11,12,13,14,15,16	9,10
Individual pay	17.18.19.20.21.22	23,24	17.18.19.20.21.22,24	-
Facility	25,26,27,28,31,32	29,30	25,26, 27,28, 30,31, 32	30
Cost.Wage	33,34,35,37,39,40	36,37	33,34,35,36,39,40	37
Amount	<b>29</b>	<b>11</b>	<b>35</b>	<b>5</b>

The instrument used to determine the condition of employee work discipline in this study was in the form of a questionnaire totaling 40 statements containing 28 positive statements and 12 negative statements. The grid for the work discipline questionnaire is as follows:

**Table 3: Grid of Work Discipline Questionnaire (X<sub>2</sub>)**

Indicator	Item		Description	
	(+)	(-)	Valid	Invalid
Behavior at work	1,2,3,4,5,7,8,9	6,10	1,2,3,5,7,8,9	4,10
Punctuality	11,12,13,15,16,17,20	14,18,19	11,12,13,15,16,17,18,19	14,20
Office Rules	21,22,23,26,28	24,25,27,28,30	21,22,23,24,25,26,28,29,30	-
Responsibility	31,32,33,34,35,36,37,40	38,39	31,32,34,35,36,37,38,40	33,39
<b>Amount</b>	<b>28</b>	<b>12</b>	<b>34</b>	<b>6</b>

The employee performance instrument employed was a questionnaire used to determine the extent to which the employee's performance level in carrying out their duties and responsibilities at IAIN Kendari was measured by the organization. This questionnaire consists of 40 statements containing 30 positive and ten negative statements. The lattice of the employee performance instruments is as follows:

**Table 4: Grid of Employee Performance Instruments (Y)**

Indicator	Item		Keterangan	
	(+)	(-)	Valid	Invalid
Service quality	1,2,3,4,6,7	5,8	1,2,3,4,6,7,8	5
Integrity	9,10,11,12		9,10,11,12	
Communication	13,14,15,16		13,14,15,16	-
Speed/Time	17,18,19,21,22,23	20,24	18,19,20,21,22,23	17,24
Ability	25,26,28,30,31,32	27,29	25,26,27,28,30,31,32	-
Initiative	33,34,35,36,37,38	39,40	33,34,35,36,37,40	33,38,39
<b>Amount</b>	<b>30</b>	<b>10</b>	<b>34</b>	<b>6</b>

Note that while using a research data analysis technique, it is not intended to test the hypothesis but rather to describe the data observed using average value (mean), standard deviation, mode, variance, maximum and minimum values, and the total and range values. To assess the variables studied, an assessment category is made by first calculating the interval. Furthermore, Inferential Analysis for testing requirements analysis with normality and linearity tests, then hypothesis testing. The null hypothesis is proposed before statistical analysis to prove the proposed alternative hypothesis. Furthermore, path analysis is used to analyze the causal relationship between one variable and another. The causal relationship system involves two types of variables, namely independent variables or better known as exogenous variables, which are usually symbolized by the letter  $X_1, X_2, \dots, X_n$  and, the dependent or affected variable, known as the endogenous variable, is usually symbolized by the letters  $Y_1, Y_2, \dots, Y_n$ . In path analysis research using SPSS software

## RESULTS AND DISCUSSION

The factors measured in this study were endogenous and exogenous variables, as explained below. The theoretical model dictates a variable whose values in the investigation system under research are endogenous variables. The performance of the IAIN Kendari staff serves as the endogenous variable in this study (Y). Among the exogenous factors in this study are compensation ( $X_1$ ) and discipline ( $X_2$ ) ( $X_2$ ). The following are the two variables classified as intermediate variables: discipline and motivation ( $X_2$ ). In fact, in addition to determining the value of the Employee Performance variable (Y), this variable is also affected by the Compensation variable ( $X_1$ ).

The statistical description starts from the Employee Performance variable (Y), then continues on the Compensation ( $X_1$ ) and Discipline ( $X_2$ ) variable.

### *IAIN Kendari Employee Performance (Y)*

Employee performance variable data (Y) has the lowest score of 118 and the highest of 168. Thus, the range of scores is 50. The average value of employee performance score (Y) is 147.76, with a median equal to 150 and a mode of 145. The theoretical minimum score for employee performance (Y) is 34, and the theoretical maximum score is 170, according to the theoretical score of employee performance (Y). Y represents the employee performance score, and the standard deviation of the employee performance score (Y) is 12,818, with a variation of 164,322.

Consider the scenario where the employee performance score (Y) is classified as a low score. In that case, namely  $x < 77$ , an average score is between 77-127, and with a high score, namely  $x \geq 129$ , the conditions for employee performance at IAIN Kendari can be stated as follows: 1) the average score -the average employee performance is 147.76; 2) there are no respondents who have scores in the low category; 3) respondents who have a score with a moderate category as much as 5%; 4) respondents who have a score with a high category as much as 95%. Thus, the study results indicate that most of the employee performance at IAIN Kendari has employee performance which is included in the high category.

By the Sturges rule, employee performance data (Y) can be shown in a group frequency distribution table composed of seven class intervals with an interval of seven lengths, as depicted in the following table 1;

**Table 5. Frequency Distribution of Employee Performance Scores (Y)**

No	Interval Class	f absolute	f relative	f cumulative
1	118-124	2	3	3.33
2	125-131	8	13	16.67
3	132-138	7	12	28.33
4	139-145	8	13	41.67
5	146-152	10	17	58.33
6	153-159	14	23	81.67
7	160-168	11	18	100.00
	<b>Total</b>	<b>60</b>	<b>100</b>	

### Compensation ( $X_1$ )

The compensation variable data ( $X_1$ ) has the lowest score of 118 and the highest of 168. Thus, the range of scores is 48. The average value of the compensation score ( $X_1$ ) is 142,322, with a median equal to 144 and a mode of 160. Based on the theoretical score of compensation ( $X_1$ ), the theoretical minimum score is 35, and the theoretical maximum score is 175. The standard deviation or standard deviation of the compensation score ( $X_1$ ) is 12.876, and the variation is 165.808. Furthermore, if the compensation score ( $X_1$ ) is grouped into a low score category, which is  $<79$ , an average score between 79-130, and a high score, which is  $\geq 131$ , the conditions for providing compensation at IAIN Kendari can be stated as follows: 1) the average score of compensation ( $X_1$ ) of 142,322; 2) there are no respondents who have scores in the low category; 3) respondents who have a score with a moderate category as much as 25%; 4) respondents who have a score with a high category as much as 45%. Thus, the study results indicate that the provision of compensation ( $X_1$ ) at IAIN Kendari has the provision compensation included in the High category.

Compensation data ( $X_1$ ) can be given in a group frequency distribution table consisting of seven classes of intervals with an interval length of seven lengths, as shown in table 6. This is by the Sturgess rule.

Table 6: Frequency Distribution of Compensation Score ( $X_1$ )

No	Interval Class	f absolute	f relative	f cumulative
1	118-124	2	3	3.33
2	125-131	8	13	16.67
3	132-138	7	12	28.33
4	139-145	8	13	41.67
5	146-152	10	17	58.33
6	153-159	14	23	81.67
7	160-168	11	18	100.00
<b>JUMLAH</b>		<b>60</b>	<b>100</b>	

Source: Data Processing Results, 2021

### Employee Discipline ( $X_2$ )

Discipline variable data ( $X_2$ ) has the lowest score of 110 and the highest of 160. Thus, the range of scores is 50. The average value of the discipline score ( $X_2$ ) is 136.71, with a median equal to 139 and a mode of 132. Based on the theoretical score co-discipline ( $X_2$ ), it can be stated that the theoretical minimum score is 34, and the theoretical maximum score is 170. The standard deviation of the discipline score ( $X_2$ ) is 14.195, and the variation is 201.51. Furthermore, if the discipline score ( $X_2$ ) is grouped into a low score category, which is  $<77$ , an average score is between 77-127, and a high score, which is  $\geq 128$ , then the disciplinary conditions ( $X_2$ ) at IAIN Kendari can be stated as follows: 1) the average score discipline average ( $X_2$ ) is 136.71; 2) there are no respondents who have scores in the low category; 3) respondents who have a score with a moderate category as much as 30%; 4) respondents who have a score with a high category as much as 70%. Thus, the study results indicate that the discipline ( $X_2$ ) at IAIN Kendari has discipline that is included in the High category.

Based on the Sturges rule, disciplinary data ( $X_2$ ) can be presented in a group frequency distribution table consisting of 7 class intervals with an interval length of 7, as shown in table 7;

**Table 7: Distribution of Discipline Score Frequency ( $X_2$ )**

No	Interval Class	f absolute	f relative	f cumulative
1	110-116	7	12	11.67
2	117-123	8	13	25.00
3	124-130	4	7	31.67
4	131-137	9	15	46.67
5	138-144	14	23	70.00
6	145-151	7	12	81.67
7	152-160	11	18	100.00
<b>TOTAL</b>				<b>100.00</b>
		<b>60</b>	<b>100</b>	

### Testing Requirements Analysis

When performing path analysis, the data must meet precise statistical test conditions that the data must meet. As a result, numerous statistical tests are performed before doing data analysis using path analysis, which is required prior to conducting path analysis. The following are some statistical tests that the data must pass to be used in path analysis: 1) the error normality test, 2) the test of significance and linearity of the regression coefficients, and 3) the correlation test. The three statistical tests required for path analysis are described in detail.

### Error Distribution Normality Test ( $X-\hat{X}$ )

We employed the One-Sample Kolmogorov-Smirnov test with a significance threshold of 0.05 for this investigation. The data is considered normal if the significance level is more significant than 5 percent or  $\alpha = 0.05$ . The test conditions are as follows: If the probability (Sig)  $> 0.05$ , then  $H_0$  is accepted, and it may be concluded that the residual value (error) is usually distributed. If the probability (Sig) is less than 0.05, the hypothesis ( $H_0$ ) is rejected, and it is determined that the residual value (error) spreads in an extensive range of values (Herawati, 2016).

The following are the findings of the normalcy test, which was performed using the Kolmogorov-Smirnov approach, as shown in the accompanying table:

**Table 8: Normality Test Results of Compensation Data, Work Discipline, and Employee Performance**

One-Sample Kolmogorov-Smirnov Test			
		Unstandardized Residual	
N		60	
Normal Parameters <sup>a,b</sup>		Mean	,0000000
		Std. Deviation	11,23412523
Most Differences	Extreme	Absolute	,066
		Positive	,046
		Negative	-,066
Test Statistic		,066	

Asymp. Sig. (2-tailed)	,200c,d
a. Test distribution is Normal.	
b. Calculated from data.	

Source: Output SPSS 26

It is 0.200 based on the Kolmogorov-Smirnov value in the One-Sample Kolmogorov-Smirnov Test table, which is a one-sample value. Thus, the Kolmogorov-Smirnov value is greater than the significance level of 0.05, indicating that the data is significant. So both models have met the normality test, usually distributed. In addition, the results of the Probability Plot test values show that the plot points are near or follow the diagonal line so that they have met the normality test, which is usually distributed.

### *Autocorrelation Test*

To determine whether or not the linear regression model correlates with both the confounding error in period t and the confounding error in period t prior to the test being done, autocorrelation tests are employed in conjunction with the linear regression model. In the case of a correlation, the condition is referred to as an autocorrelation situation. There are a variety of tests that may be used to detect autocorrelation signs. There are several of these, including the Durbin-Watson test (DW), the Lagrange Multiplier test (LM test), the Q statistical test, and the Run test.

The Durbin Watson test was conducted in this investigation, and the results of the test revealed no autocorrelation between salary and work discipline variables and employee performance variables in this study. Table 9 shows the results of the autocorrelation test, which may be found below;

**Table 9: Autocorrelation Test Results**

<b>Model Summary<sup>b</sup></b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,483a	,234	,207	11,42952	1,805
a. Predictors: (Constant), Work Discipline, Compensation					
b. Dependent Variable: Employee Performance					

The results of the autocorrelation test in table 5 above indicate that the Durbin-Watson coefficient is 1.805 and is close to a value of 2. Thus, it can be concluded that in the regression between the compensation variable ( $X_1$ ) and work discipline ( $X_2$ ) on the employee performance variable, there is no autocorrelation.

### *Multicollinearity Test*

The regression model's multicollinearity was examined to see if the independent and dependent variables correlated. A good regression model should be uncorrelated with the independent variables. The tolerance value and accompanying VIF can determine if the research regression model is multicollinear. A research regression model with tolerance more than 0.10 and



variance invariance less than 10 does not show multicollinearity. The table below shows the results of the multicollinearity test.

**Table 10: Multicollinearity Test Results**

Coefficients <sup>a</sup>		
Model	Collinearity Statistics	
	Tolerance	VIF
1	(Constant)	
	Compensation	,878 1,140
	Work Discipline	,878 1,140

a. Dependent Variable: Employee Performance

Table 10 shows that the VIF value for all independent variables is close to 1. Similar to tolerance, all independent variables are close to 1. Thus, there is no multicollinearity between  $X_1$  and ( $X_2$ ) and (Y).

### Data Linearity Test

The linearity test seeks to identify the regression line equation for the independent variables  $X_1$  and  $X_2$  on the dependent variable (bound) or Y simultaneously. This test is required in correlation and regression. If the probability or significance value is less than 0.05, two variables are considered linear. In SPSS-26, findings for the variables Compensation ( $X_1$ ) and work discipline ( $X_2$ ) on employee performance (Y) are given as follows:

### Compensation Linearity Test ( $X_1$ ) on Employee Performance (Y)

Based on the data on employee compensation and performance at IAIN Kendari, a linearity test of the data was carried out using SPSS 26, the results of which can be seen in Table 11 below:

**Table 11: Test Results for Linearity of Compensation Data on Employee Performance**

ANOVA Table								
			Sum	of	Df	Mean	F	Sig.
			Squares			Square		
Y	*	Between	(Combined)	6575,433	30	219,181	2.023	.031
X1		Groups	Linearity	1614,898	1	1614,898	14.908	.001
			Deviation from Linearity	4960,535	29	171,053	1.579	.112
Within Groups				3141,500	29	108.328		
Total				9716,933	59			

Source: SPSS-26 Test Results Output

Following the results of the linearity test of the research data, which are displayed in table 11, the significance value of Deviation From Linearity on the compensation variable on employee performance is 0112, indicating that the research data is not linear. The significant value of each variable analyzed is more extensive than  $\alpha = 0.05$ . It can be inferred that the regression line for each variable studied is linear, allowing it to be used to predict the magnitude of the employee performance variable at IAIN Kendari, as shown in the following table.

## Linearity Test of Work Discipline (X<sub>2</sub>) on Employee Performance (Y)

Based on data on work discipline and employee performance at IAIN Kendari, a linearity test of the data was carried out using SPSS-26, the results of which can be seen in Table 12 below:

**Table 12: Test Results for Linearity Variable Work Discipline on Employee Performance ANOVA Table**

		Sum of Squares	df	Mean Square	F	Sig.
Y* X <sub>2</sub> Between Groups	(Combined)	5212,767	34	153,317	,851	.674
	Linearity	1448,122	1	1448,122	8,038	.009
	Deviation from Linearity	3764,645	33	114,080	,633	<b>.891</b>
Within Groups		4504,167	25	180,167		
Total		9716,933	59			

Source: SPSS-26 Test Results Output

Following the linearity test of the research data, shown in Table 12 above, the significant value for Deviation From Linearity on the work discipline variable on employee performance is .891, which indicates that the research data is not linear. The significant value of each of the factors analyzed is more extensive than  $\alpha = 0.05$ , and it can be inferred that the regression line of these variables is linear, allowing the regression line to be used to estimate the size of the employee performance variable at IAIN Kendari.

## Hypothesis Test

After this analysis's conditions are met, path analysis is used to test hypotheses. As stated previously, the two-path analysis conditions are met for hypothesis testing. Path testing involves determining and testing path coefficients and assessing research ideas.

Prior to verifying the hypothesis, the path coefficient must be determined. Determine the path coefficients for each substructure contained in the structural model. Determine the correlation coefficient between variables in the structural model. The path analysis requirements were tested, and the study findings of remuneration and discipline on employee performance were reported.

**Table 13: Intervariable Correlation Matrix**

Correlation	X1	X2	Y
X1	1.000	0.350	0.408
X2	0.350	1.000	0.386
Y	0.408	0.386	1.000

*Note: all correlation coefficients are significant on  $\alpha = 0,05$*

All correlation coefficients between variables are positive, as can be seen in the data in Table 13. Furthermore, all of the correlation coefficient values are statistically significant at  $\alpha = 0.05$ . In contrast to this, the results of the computation of the path coefficient value using the Lisrel 8.80 program revealed that the following information was obtained: Inter-variable effects on substructure-1 are caused by a combination of endogenous factors, Y, and two

exogenous variables,  $X_1$  and  $X_2$ , which act together. A representation of the coefficient matrix between exogenous variables is shown in substructure-1. In order to calculate the correlation inverse matrix, one must first calculate the correlation coefficient matrix between exogenous variables, as illustrated in Table 13. Use the mathematical functions provided in Microsoft Excel to compute the inverse correlation matrix between exogenous variables in substructure-1 (see Resources).

It is necessary to determine the correlation coefficient after obtaining the correlation matrix and the inverse correlation matrix between the exogenous variables in substructure-1. When the inverse correlation matrix and the correlation matrix between exogenous and endogenous variables in substructure-1 are switched, it is then possible to calculate each route coefficient ( $\rho_{ji}$ ). Manual computations, SPSS software, and Lisrel 8.80 software created this report (Student Edition). According to the literature,  $R^2_{YX_{1,2}} = 0,234$  corresponds to the coefficient of determination in substructure-1. In other words, differences in changes in Compensation ( $X_1$ ) and Discipline ( $X_2$ ), when taken together, can account for 0.234 of variations in changes in the Employee Performance variable ( $Y$ ). In this study, we looked at the influence of other variables on the teacher service quality variable, which was  $Y_{X_{1,2}} = 0.77$ . Employee performance is influenced by a total of 0.77 factors in addition to these two variables, as shown in the table.

Concerning the path coefficients in substructure-1, the comprehensive or F test yielded a result of  $F_{count} = 8,691$ . Meanwhile,  $F_{table} = F(0,05;2;57)$  in substructure-1 of 3,16 has the value  $F(0,05;2;57)$ . As a result,  $F_{count}$  is more than  $F(0,05;2;57)$ . As a result, the hypothesis  $H_0: Y_1 = Y_2 = 0$  is rejected, while the hypothesis  $H_1$  is accepted. Thus, the variation of the variables  $X_1$  and  $X_2$  together may adequately explain the variance of the Employee Performance variable, as seen in the graph below ( $Y$ ). As a result, it can be carried over to the individual test or the t-test.

Table 14 displays the t-test findings. This table shows that t-count for all substructure-1 path coefficients is greater than  $t_{table} = t_{0,05}(60-3-1) = 1,672$ . So, in substructure-1, all path coefficients are important.

**Table 14: Path Coefficient Individual Test Results on Substructure-1**

Path Coefficient ( $\rho$ )	$t_{count}$	$t_{table}$		Test results
		$t(0,05;90)$	$t(0,01;90)$	
$\rho_{Y_1} = 0,31$	2,53	1,672	2,394	Significant
$\rho_{Y_2} = 0,28$	2,26	1,672	2,394	Significant

The influence between variables on substructure-2 consists of an endogenous variable, namely  $X_2$ , and one exogenous variable, namely  $X_1$ . The path coefficient on substructure-2 is based on manual calculations, SPSS software, and Lisrel 8.80 software (Student Edition). The coefficient of determination on substructure-1 is known, namely  $R^2_{X_2X_1} = 0,35$ . This means that variations in compensation changes ( $X_1$ ) can explain 0.35 variations in changes in discipline variables ( $X_2$ ). The influence of other variables on discipline is  $\rho^2_{X_1} = 0,88$ . This shows that in addition to the compensation variable, other

variables affect discipline with an effect of 0.88.

The comprehensive or F test of the path coefficient on substructure-2 resulted in  $F_{\text{count}} = 8,094$ . Meanwhile,  $F_{\text{table}} = F_{(0,05;2;57)}$  on substructure-1 of 3,16. Thus  $F_{\text{count}} > F_{(0,05;2;57)}$ . Therefore,  $H_0: \rho_{21} = 0$  is rejected and  $H_1$  is accepted. As a result, the variance of the compensation variable ( $X_1$ ) can explain the variation of the disciplinary variable quite well, and vice versa ( $X_2$ ). As a result, it can be carried over to the individual test or the t-test. The t-test calculations yielded the results reported in Table 15. Table 15 shows that the t-count value of the substructure-1 path coefficient is more relevant than the  $t_{\text{table}} = t_{0,05 (60-3-1)}$ . As a result, the route coefficient for substructure-2 is statistically significant or considerably different.

**Table 15: Individual Test Results of Path Coefficients on Substructure-2**

Path Coefficient ( $\rho$ )	t-count	t-table		Test results
		$t_{(0,05;90)}$	$t_{(0,01;90)}$	
$\rho_{21} = 0,35$	2,85	1,672	2,394	Significant

### Statistical Hypothesis Testing

It is necessary to calculate the path coefficients to evaluate the presented hypothesis and determine if exogenous factors have a direct or indirect effect on endogenous variables in the structural model. When the statistical t-count value of each path coefficient is calculated, it is determined if the path coefficient is significant or not. If the statistical t-count value is more than the t-table, the path coefficient is significant; otherwise, the path coefficient is not significant. The following sections explain the outcomes of the decisions made on all suggested hypotheses.

#### Hypothesis 1: There is a Direct Effect of Compensation ( $X_1$ ) on Employee Performance ( $Y$ )

The direct effect of compensation ( $X_1$ ) on employee performance ( $Y$ ), the hypothesis being tested is as follows.

$$H_0: \beta_{Y1} \leq 0$$

$$H_1: \beta_{Y1} > 0$$

The results of the calculations show that the path coefficient  $X_1$  ke  $Y$  ( $Y_1$ ) is 0.31 with  $t_{\text{count}} = 2.53$  and that the path coefficient  $X_1$  ke  $Y$  ( $Y_1$ ) is 0.31. At the value of  $\alpha = 0.05$ , the t-table was found to be 1.672. Because the value of t-count (2.53) is more than the value of t-table (1.672),  $H_0$  is rejected and  $H_1$  is accepted, the path coefficient is significant. Based on these data, it is possible to conclude that compensation has a direct and beneficial impact on employee productivity and performance. This suggests that changes in the rate of rise in compensation will result in an increase in the performance of employees.

## **Hypothesis 2: There is a Direct Effect of Discipline (X<sub>2</sub>) on Employee Performance (Y)**

The direct effect of Discipline (X<sub>2</sub>) on Employee Performance (Y), the hypothesis tested is as follows;

$$H_0: \beta_{Y2} \leq 0$$

$$H_1: \beta_{Y2} > 0$$

With an at-count of 2.26, the calculation results show that the path coefficient from X<sub>2</sub> to Y<sub>2</sub> ( $\rho_{Y2}$ ) is 0.28 with an at-count of 0.28. At  $\alpha = 0.05$ , the t-table is 1.672, which is a significant value. Because the value of t-count (2.26) is greater than the value of t-table (1.672), H<sub>0</sub> is rejected, and H<sub>1</sub> is accepted, the path coefficient is significant. Based on these data, it is possible to conclude that discipline has a direct positive impact on employee performance in the workplace. This means that adjustments in the increase in discipline will increase the performance of the employees involved.

## **Hypothesis 3: There is a Direct Effect of Compensation (X<sub>1</sub>) on Discipline (X<sub>2</sub>)**

The direct effect of Compensation (X<sub>1</sub>) on Discipline (X<sub>2</sub>), the hypothesis being tested is as follows.

$$H_0: \beta_{Y3} \leq 0$$

$$H_1: \beta_{Y3} > 0$$

The path coefficient X<sub>1</sub> to X<sub>2</sub> ( $\rho_{X21}$ ) is 0.35 with a t-count = 2.85. t-table = 1.672 at 0.05. The path coefficient is significant since t-count (2.85) > t-table (1.672) rejects H<sub>0</sub> and accepts H<sub>1</sub>. Based on these findings, Compensation (X<sub>1</sub>) directly affects Discipline (X<sub>2</sub>). Changes in remuneration will lead to enhanced discipline.

## **Hypothesis 4: There is an Indirect Effect of Compensation (X<sub>1</sub>) on Employee Performance (Y) Through Discipline (X<sub>2</sub>)**

The indirect effect of compensation (X<sub>1</sub>) on employee performance (Y) through discipline (X<sub>2</sub>), the hypothesis being tested is as follows;

$$H_0: \beta_{Y12} \leq 0$$

$$H_1: \beta_{Y12} > 0$$

The direct and indirect effect of the compensation variable (X<sub>1</sub>) on employee performance (Y) through discipline (X<sub>2</sub>). The direct effect of compensation (X<sub>1</sub>) on discipline (X<sub>2</sub>) has an Unstandardized Coefficients value of 0.309, and the direct effect of discipline (X<sub>2</sub>) on employee performance (Y) has an Unstandardized Coefficients value of 0.250. Based on the results of the Sobel test (Z test), the indirect effect of compensation (X<sub>1</sub>) on employee performance (Y) through discipline (X<sub>2</sub>) obtained a significance value of 3.291 with a p-value of 0.0010 at ( $\alpha = 0.05$ ). Based on these findings, compensation has a favorable indirect effect on employee performance via punishment. This suggests that salary increases will lead to improvements in employee performance via the mediating variable, discipline.

The calculation results show that the path coefficient of  $X_2$  to  $Y$  ( $\rho_{Y2}$ ) is 0.28 with a  $t_{\text{count}} = 2.26$ . At  $\alpha = 0.05$ ,  $t_{\text{table}} = 1.672$  is obtained. Because the value of  $t_{\text{count}} (2.26) > t_{\text{table}} (1.672)$  rejects  $H_0$  and accepts  $H_1$ , then the path coefficient is significant. Based on these data, it is possible to conclude that discipline has a direct positive impact on employee performance in the workplace. This means that adjustments in the increase in discipline will increase the performance of the employees involved. Employee performance is positively influenced by work discipline, according to the findings of research conducted by Isvandari & Fuadah (2017) and Sutanto (2018), which found that work discipline has the same unidirectional effect on employee performance.

According to the Work Discipline variable, employee performance is positively influenced. This conclusion reflects the findings of previous research by Iptian et al. (2020), who determined that discipline had a favorable and significant impact on employee performance. A study conducted by Razak et al. indicated that work discipline had a favorable and significant impact on employee performance. This is consistent with previous research (2018).

The calculation results show that the path coefficient  $X_1$  to  $X_2$  ( $\rho_{X21}$ ) is 0.35 with a  $t_{\text{count}} = 2.85$ . At  $\alpha = 0.05$ , it is obtained that  $t_{\text{table}} = 1.672$ . Because the value of  $t_{\text{count}} (2.85) > t_{\text{table}} (1.672)$  rejects  $H_0$  and accepts  $H_1$ , then the path coefficient is significant. Based on these findings, it can be stated that there is a direct effect of ( $X_1$ ) on ( $X_2$ ). This means that changes in the increase in compensation will cause an increase in discipline. The results of this study strengthen the research that there is a positive and significant effect of compensation variables on employee work discipline (Isvandari & Fuadah, 2017). Another study conducted by Yudanegara et al., (2017) concluded that the compensation given to employees would affect employee work discipline.

The direct and indirect effect of the compensation variable ( $X_1$ ) on employee performance ( $Y$ ) through discipline ( $X_2$ ). The direct effect of compensation ( $X_1$ ) on discipline ( $X_2$ ) has an Unstandardized Coefficients value of 0.309, and the direct effect of discipline ( $X_2$ ) on employee performance ( $Y$ ) has an Unstandardized Coefficients value of 0.250. Based on the results of the Sobel test (Z test), the indirect effect of compensation ( $X_1$ ) on employee performance ( $Y$ ) through discipline ( $X_2$ ) obtained a significance value of 3.291 with a p-value of 0.0010 at ( $\alpha = 0.05$ ). Compensation has a favorable indirect effect on employee performance via punishment. This suggests that increases in compensation will improve employee performance via the mediating variable, work discipline.

Based on the initial findings, the study's findings are as follows. First, remuneration has a 0.31 direct effect on employee performance. Second, discipline has a 0.28 direct effect on employee performance. Third, pay has a direct effect on the discipline of 0.35. 4. The mediating variable (discipline) positively influences employee performance with a significant value of 3.291 and an indirect effect of 0.103. As stated by Ri Iptian et al. (2020), Isvandari & Fuadah (2017), and Pratama (2020), Work discipline has a positive and significant effect on employee performance.

## CONCLUSION

Starting from the results of data analysis of research conducted on employees of IAIN Kendari, it can be concluded that; 1) Good compensation results in an increase in the performance of IAIN Kendari employees; 2) Good discipline results in an increase in the performance of IAIN Kendari employees; 3) High compensation results in an increase in employee discipline at IAIN Kendari and 4) Good compensation results in an increase in employee performance through increasing employee discipline at IAIN Kendari.

Thus, this research can be concluded that variations in employee performance at IAIN Kendari are positively influenced both directly and indirectly by variations in employee compensation and discipline. This research implies that an increase in compensation results in an increase in work discipline and, at the same time, affects the performance of employees at IAIN Kendari.

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