

THE EFFECT OF COMPENSATION ON EMPLOYEE PERFORMANCE WITH WORK DISCIPLINE AS AN INTERVENING VARIABLE FOR OFFICERS CLEANLINES OF BUPATI SERDANG BEDAGAI

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Abstract

This study aims to determine and analyze the effect of compensation on employee performance with work discipline as an intervening variable for cleaning officers at the Serdang Bedagai Regent's Office. The analytical method used is simple linear regression analysis to test the causal relationship between the causal factors and the effect variables. The results of this study obtained that $t_{count} (4.891) > t_{table} (1.701)$, as well as the significance value of $0.000 < 0.05$, it can be concluded that the first hypothesis is accepted, meaning that compensation (X) has a positive and significant effect on Work Discipline (Z). It is known that $t_{count} (2.502) > t_{table} (1.701)$, and the significance value is $0.01 < 0.05$, it can be concluded that the second hypothesis is accepted, meaning that compensation (X) has a positive and significant effect on Employee Performance (Y). It is known that $t_{count} (2.473) > t_{table} (1.701)$, and the significance value is $0.03 < 0.05$, it can be concluded that the third hypothesis is accepted, meaning Work Discipline (Z) has a positive and significant effect on Employee Performance (Y). Path analysis shows that the direct effect of variable X on variable Y2 is 0.421. Meanwhile, the indirect effect through variable Z is $0.679 \times 0.416 = 0.2824$. From the calculation results obtained, it shows that the direct effect through the X variable is greater than the indirect effect on the Y variable.

Keywords: Compensation, Work Discipline and Employee Performance

1. INTRODUCTION

Talking about HRM (Human Resource Management) nowadays is getting more and more attention, because human resources are actors from all levels of planning to evaluation who are able to utilize other resources owned by the organization or company. Mangkunegara (2015:67) understanding of performance (work achievement) 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. Performance in an organization is one element that cannot be separated in an organizational institution, be it government institutions or private institutions.

Performance comes from the word Job Performance or Actual Performance which is a work achievement or actual achievement achieved by a person. The above understanding can be concluded that the performance of human resources is work performance or work (output) both quality and quantity achieved by HR per unit of time in carrying out their work duties in accordance with the responsibilities given to them. Performance is an important thing that must be achieved by every organization, because performance is a reflection of the organization's ability to manage and allocate its resources.

The following are performance facts that are processed based on the absence of all cleaning staff every month in the last few months 2021-2022.

Table 1.1
Percentage of attendance of cleaners

Month	Attendance percentage
October	70%
November	80%

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December	60%
January	90%
February	87%

Source: PK Sergai

The facts and phenomena above are clarified in the description of this study, which shows that the monthly attendance of employees has not reached 100%, which means that this disciplinary action makes all work not realized on time. The table above can also explain how the level of absenteeism or attendance can slow down process performance if many are absent, a simple example is the problem of cleanliness in the agency.

According to Hasibuan (2017:119) Compensation is all income in the form of money, goods directly or indirectly received by employees as compensation for services provided to the company. The establishment of an effective compensation system is an important part of human resource management because it helps attract and retain talented jobs. Human resources, which in this case are employees in an organization, of course try to work with the abilities they have in order to achieve the desired performance of the organization. One of the performance achievements through the compensation is the comfort felt by other employees because the cleanliness of the Serdang Bedagai Regent's office environment is better. The sense of security and comfort in the work atmosphere can encourage employees to be more dedicated in completing work, and will help employees achieve the best performance. Compensation is all compensation received by an employee for services or the results of his work in an organization/company where the compensation can be in the form of money or goods, either directly or indirectly. Compensation is in the form of money, meaning that the worker is paid a certain amount of currency for his work. While compensation is in kind, meaning that the worker is paid certain goods for his services. The term compensation is closely related to financial rewards (financial rewards) given to someone on the basis of an employment relationship. Usually compensation is given in financial form (money) due to monetary expenditure made by an organization.

According to Singodimedjo in Edy Sutrisno (2016: 86), discipline is "the attitude of a person's willingness and willingness to obey and obey the norms of the regulations that apply around him. Associated with the success of a company or organization, every communication process that takes place between individuals will produce an influence that supports the performance of employees. Because it is related to the achievement of organizational goals and the sustainability of the organization, employees are required to work optimally. Therefore, employee performance needs to be considered and improved by conducting studies on the factors that affect employee performance. Employees at the Office of the Regent of Serdang Bedagai Cleaning Officers in particular have not received compensation in accordance with the workload of the employees, This makes the potential for a decrease in the performance of employees and will have an impact on not achieving the organization's vision and mission to provide public services to the community. Then the Work Discipline of the employees will also automatically be disturbed because of the assumption that if discipline is carried out it will not necessarily have an impact on increasing the performance of employees. The following is a display of the data on the work carried out by the cleaning staff at the Serdang Bedagai Regent's Office.

Table 1.2
Data on the performance of cleaners at the Serdang Bedagai Regent's Office

Type of work	Work Process
Special environmental cleaner	Served at the offices of the Regent and Deputy Regent and the Regional Secretary
Room and general cleaning staff	General and civil service officers.
Cleaning and Ordering Officer	Environment and Gardens

Source: PK Sergai

This table describes the work carried out by the cleaning staff in the Serdang Bedagai district head office. Regarding how the achievement is more of the tasks and obligations that must be done. Based on the government's regulation regarding regional minimum wage equality PP.78, of course we hope that more Indonesian workers will improve their welfare, including all cleaning workers in Serdang Bedagai Regency. However, in contrast to the reality, it turns out that there are still several categories of workers in this government agency who have not enjoyed equal compensation. Of course this will have a negative impact on the performance of the employee plus the increasing value of the current need for decent living will certainly reduce job satisfaction.

2. LITERATURE REVIEW

2.1 Compensation

Compensation is everything that employees receive as remuneration that is able to provide satisfaction to employees for the work that has been completed. Compensation is divided into two types of financial compensation and non-financial compensation. Inadequate compensation reduces employees' sense of organizational commitment, job satisfaction and work motivation (Fatimah, 2013). Fair compensation through job satisfaction can build organizational commitment and reduce employee turnover (Robert Coulson quoted Rahayu, 2012). Not only compensation can determine the success of the company and maintain employee turnover,

2.2 Employee Performance

Mangkunegara (2011) states that employee performance is the result of work in quality and quantity achieved by an employee in carry out their duties in accordance with the responsibilities assigned to them. Performance is a person's success in carrying out tasks, work results that can be achieved by a person or group of people in an organization in accordance with their respective authorities and responsibilities or regarding how a person is expected to function and behave in accordance with tasks that have been assigned to him as well as the quantity, quality and time used in carrying out tasks (Sutrisno, 2011).

Masram (2017:139) states "Employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with responsibility assigned to him. Human resource performance is work performance or work results, both quality and quantity achieved civil servants for a certain period.

2.3 Work Discipline

According to Veithzal Rivai Zainal (2017:599) stated that: "work discipline is a a tool that managers use to communicate with employees to get them to to change a behavior as well as an effort to increase awareness and willingness of a person to obey all company regulations and applicable social norms. "According to Keith Davis (in Mangkunegara, 2017) work discipline can be defined as: implementation of management to reinforce organizational guidelines. Attitude and behavior in work discipline is characterized by various initiatives, willingness and will to obey regulation.

People who are said to be highly disciplined are not merely obedient and obedient to regulations but also have the will or intention to conform to the regulations organizational regulations. Discipline is a management action to encourage members organizations meet the demands of various conditions. According to Hasibuan (2017: 193), that work discipline is a person's awareness and willingness to obey all company regulations and prevailing social norms. Consciousness is the attitude of a person who voluntarily obeys all regulations and is aware of his duties and responsibilities. So, he will obey or do all their duties well, not under coercion.

3. IMPLEMENTATION METHOD

The data used is quantitative data according to Sugiyono (2015) which is data in the form of numbers or qualitative data that is numbered. In this study, primary data in the form of data from

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questionnaires and interviews conducted by researchers (Ghozali 2011). Data collection techniques carried out are by: Questionnaires or questionnaires are a number of questions or written statements about factual data or opinions related to the respondent, which are considered facts or truths that are known and need to be answered by the respondent (Suroyo anwar 2009:168.). In this questionnaire, a closed question model will be used, namely questions that have been accompanied by previous alternative answers so that respondents can choose one of these alternative answers.

Sample According to (Sugiyono, 2016:81) that: "The sample is part of the number and characteristics possessed by the population. This sampling must be carried out in such a way that a sample is obtained that can truly function or can describe the actual state of the population, in other terms it must be representative. Data analysis is a desire to group, make a sequence, manipulate and abbreviate data so that it is easy to read and understand.

Simple regression analysis according to Ghozali (2011) is based on a causal or functional relationship between one independent variable and the dependent variable. This regression coefficient aims to determine whether the independent variables contained in the regression equation individually affect the value of the dependent variable. Simple linear regression analysis serves to examine the causal relationship between the causal factors and the effect variables.

4. RESULTS AND DISCUSSION

4.1 Normality test

Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2016). Testing the normality of the data can be done using two methods, graphs and statistics. Test the normality of the graph method using a normal probability plot.

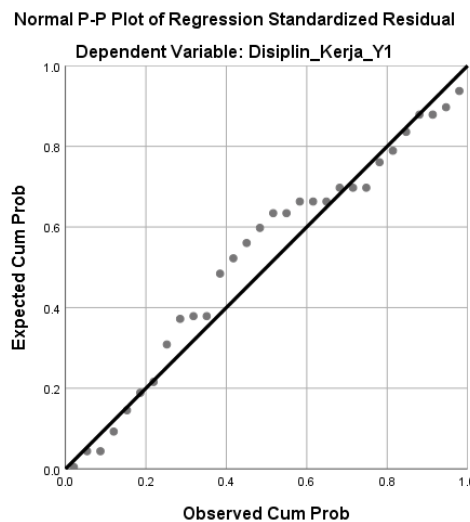


Table 4.1. Normal P Plot

Data that is normally distributed will form a straight diagonal line and plotting residual data will be compared with a diagonal line, if the distribution of residual data is normal, the line that describes the actual data will follow the diagonal line (Ghozali, 2016).

4.2 Multicollinearity Test

The multicollinearity test aims to determine whether there is a correlation between the independent variables in the regression model. The multicollinearity test in this study is seen from the tolerance value or variance inflation factor (VIF).

Table 4.1 Multicollinearity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	2.823	2.863		.986	.333		
	Compensation_X	.828	.169	.679	4,891	.000	1,000	1,000

a. Dependent Variable: Discipline_Kerja_Z

Source: Data processed from attachment 4 (2022)

The tolerance value of Compensation (X) is 1,000, all of which are greater than 0.10, while the VIF value of Compensation (X) is 1,000, all of which are less than 10. Based on the calculation results above, it can be seen that the tolerance value of all independent variables is greater than 0.10 and the VIF value of all independent variables is also smaller than 5 so that there is no correlation symptom in the independent variables. So it can be concluded that there is no symptom of multicollinearity between independent variables in the regression model.

4.3 Heteroscedasticity Test

The heteroscedasticity test aims to test whether from the regression model there is an inequality of variance from the residuals of one observation to another observation. A good regression model is one with homoscedasticity or no heteroscedasticity. One way to detect the presence or absence of heteroscedasticity is the Glejser test, in the Glejser test, if the independent variable is statistically significant in influencing the dependent variable, then there is an indication of heteroscedasticity.

Table 4.2 Glejser Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1,654	1,721		.961	.345
	Compensation_X	-.016	.102	-.029	-.156	.877

a. Dependent Variable: Abs_RES

Source: Data processed from attachment 4 (2022)

Based on the above test, the significance value of Compensation (X) is greater than 0.05 (5%) which is 0.877, so there is no indication of heteroscedasticity.

4.4 Multiple Linear Regression Test

Multiple linear regression testing explains the magnitude of the role of the Compensation variable (X) on the Work Discipline variable (Z). Data analysis in this study used multiple linear regression analysis using SPSS 25.0 for windows.

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Table 4.3. Multiple Linear Regression Results

		Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.823	2.863		.986	.333		
	Compensation_X	.828	.169	.679	4,891	.000	1,000	1,000

a. Dependent Variable: Discipline_Kerja_Z

Source: Data processed from attachment 4 (2022)

Based on these results, the multiple linear regression equation has the formulation: $Z = a + b X +$, so that the equation is obtained: $Z = 2.823 + 0.828 X +$

4.5 Coefficient Determination (R2)

The coefficient of determination is used to see how much the independent variable contributes to the dependent variable. The greater the value of the coefficient of determination, the better the ability of the independent variable to explain the dependent variable. If the determination (R2) is getting bigger (closer to 1), it can be said that the influence of the variable Compensation (X) is big against Work Discipline variable (Z).

Table 4.4. Coefficient of Determination

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.679a	.461	.441	1,798	.924

a. Predictors: (Constant), Compensation_X

b. Dependent Variable: Discipline_Kerja_Z

Source: Data processed from attachment 4 (2022)

It can be seen that the adjusted R square value is 0.441 or 44.1%. This shows if variable Compensation (X) can explain the Work Discipline variable (Z) by 44.1%, the remaining 55.9% (100% - 44.1%) is explained by other variables outside this research model.

4.6 Normality test

Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2016). Testing the normality of the data can be done using two methods, graphs and statistics. Test the normality of the graph method using a normal probability plot.

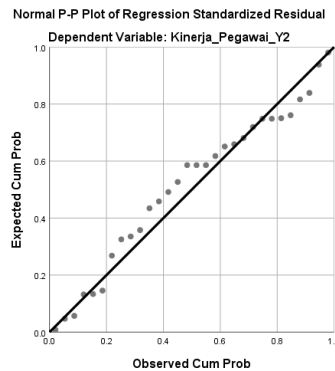


Table 4.2. Normal P Plot

Data that is normally distributed will form a straight diagonal line and plotting residual data will be compared with a diagonal line, if the distribution of residual data is normal, the line that describes the actual data will follow the diagonal line (Ghozali, 2016).

4.7 Multicollinearity Test

The multicollinearity test aims to determine whether there is a correlation between the independent variables in the regression model. The multicollinearity test in this study is seen from the tolerance value or variance inflation factor (VIF).

Table 4.5 Multicollinearity Test Results

Model		Coefficients ^a				Collinearity Statistics		
		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Tolerance	VIF
1	(Constant)	3,783	2,154		1,756	.090		
	Compensation_X	.427	.170	.421	2,502	.019	.539	1,854
	Discipline_Work_Z	.346	.140	.416	2,473	.020	.539	1,854

a. Dependent Variable: Performance_Employee_Y
Source: Data processed from attachment 4 (2022)

The tolerance value of Compensation (X) is 0.539, Work Discipline (Z) is 0.539, all of which are greater than 0.10, while the VIF value of Compensation (X) is 1.854 and Work Discipline (Y1) is 1.854, all of which are smaller than 10. Based on the calculation results above, it can be seen that the tolerance value of all independent variables is greater than 0.10 and the VIF value of all independent variables is also smaller than 5 so that there is no correlation symptom in the independent variables. So it can be concluded that there is no symptom of multicollinearity between independent variables in the regression model.

4.8 Heteroscedasticity Test

The heteroscedasticity test aims to test whether from the regression model there is an inequality of variance from the residuals of one observation to another observation. A good regression model is one with homoscedasticity or no heteroscedasticity. One way to detect the presence or absence of heteroscedasticity is the Glejser test, in the Glejser test, if the independent variable is statistically significant in influencing the dependent variable, then there is an indication of heteroscedasticity.

Table 4.6 Glejser Test Results

Model	Coefficients ^a				Sig.
	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	
1 (Constant)	.671	1.187		.566	.576
Compensation_X	.226	.094	.555	2.409	.523
Discipline_Work_Z	-.209	.077	-.624	-2,709	.112

Dependent Variable: Abs_RES
Source: Data processed from attachment 4 (2022)

Based on the above test, the significance value of Compensation (X) is greater than 0.05 (5%) which is 0.523, Work Discipline (Z) is greater than 0.05 (5%) which is 0.112, so there is no indication of heteroscedasticity.

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4.9 Multiple Linear Regression Test

Multiple linear regression testing explains the magnitude of the role of Compensation (X) and Work Discipline (Z) on Employee Performance (Y). Data analysis in this study used multiple linear regression analysis using SPSS 25.0 for windows.

Table 4.7. Multiple Linear Regression Results

Model		Coefficients ^a				Collinearity Statistics		
		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Tolerance	VIF
1	(Constant)	3,783	2,154		1,756	.090		
	Compensation_X	.427	.170	.421	2,502	.019	.539	1,854
	Discipline_Work_Z	.346	.140	.416	2,473	.020	.539	1,854

a. Dependent Variable: Performance_Employee_Y
 Source: Data processed from attachment 4 (2022)

Based on these results, the multiple linear regression equation has the formulation: $Y = a + b1X + b2Z$, so that the equation is obtained: $Y = 3.783 + 0.427 X + -0.346 Z$

4.10 Coefficient Determination (R²)

The coefficient of determination is used to see how much the independent variable contributes to the dependent variable. The greater the value of the coefficient of determination, the better the ability of the independent variable to explain the dependent variable. If the determination (R²) is getting bigger (closer to 1), it can be said that the influence of the variable X is large on Work Discipline (Z).

The value used to see the coefficient of determination in this study is in the adjusted R square column. This is because the adjusted R square value is not susceptible to the addition of independent variables.

Table 4.8. Coefficient of Determination

Model	Model Summary ^b				
	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.767a	.588	.557	1,330	2,046

a. Predictors: (Constant), Discipline_Kerja_Y1, Compensation_X
 b. Dependent Variable: Performance_Employee_Y
 Source: Data processed from attachment 4 (2022)

It can be seen that the adjusted R square value is 0.557 or 55.7%. This shows that Work Discipline (Z) and Compensation (X) can explain Employee Performance (Y) by 55.7%, the remaining 44.3% (100% - 55.7%) is explained by other variables outside the research model. this.

4.11 Partial Test (t)

The t statistic test is also known as the individual significance test. This test shows how far the influence of the independent variable partially on the dependent variable.

Table 4.9 Partial Test (t) of Equation I

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	2.823	2.863			.986	.333		
	Compensation_X	.828	.169	.679		4,891	.000	1,000	1,000

a. Dependent Variable: Discipline_Kerja_Z

Source: Data processed from attachment 4 (2022)

- a. Hypothesis Testing the effect of the Compensation variable (X) on the Work Discipline variable (Z).

Obtained a ttable value of 1.701. From the description it can be seen that tcount (4.891) > ttable (1.701), as well as the significance value of 0.000 < 0.05, it can be concluded that the first hypothesis is accepted, meaning that the Compensation variable(X) has a positive and significant effect on Work Discipline (Z).

Table 4.10 Partial Test (t) of Equation II

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	3,783	2,154			1,756	.090		
	Compensation_X	.427	.170	.421		2,502	.019	.539	1,854
	Discipline_Work_Z	.346	.140	.416		2,473	.020	.539	1,854

a. Dependent Variable: Performance_Employee_Y

Source: Data processed from attachment 4 (2022)

- a. Compensation Effect Hypothesis Test (X) on Employee Performance (Y)

Obtained a ttable value of 1.701. From the description it can be seen that tcount (2.502) > ttable (1.701), and the significance value is 0.01 < 0.05, it can be concluded that the second hypothesis is accepted, meaning that Compensation (X) has a positive and significant effect on Employee Performance (Y).

- b. Hypothesis Testing the Effect of Work Discipline (Z) on Employee Performance (Y)

Obtained a ttable value of 1.701. From the description it can be seen that tcount (2.473) > ttable (1.701), and the significance value of 0.02 < 0.05, it can be concluded that the third hypothesis is accepted, meaning that Work Discipline (Z) take effect positive and significant on Employee Performance (Y).

4.12 Path Analysis

In order to prove that whether a variable is able to become a variable that mediates the relationship between the independent variable and the dependent variable, it will be calculated the direct and indirect influence between the independent variable and the dependent variable.

To perform direct and indirect calculations, it is carried out from the following standardized coefficients of regression equations I and II:

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Table 4.11 Value of Standardized Coefficients Equation I
Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1(Constant)	2.823	2.863	
Compensation_X	.828	.169	.679

a. Dependent Variable: Disipline_Kerja_Z

Source: Data processed from attachment 4 (2022)

Table 4.12 Value of Standardized Coefficients Equation II
Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1(Constant)	3,783	2,154	
Compensation_X	.427	.170	.421
Discipline_Work_Z	.346	.140	.416

a. Dependent Variable: Performance_Employee_Y

Source: Data processed from attachment 4 (2022)

Furthermore, the standardized coefficients beta values will be included in the path analysis image as follows:

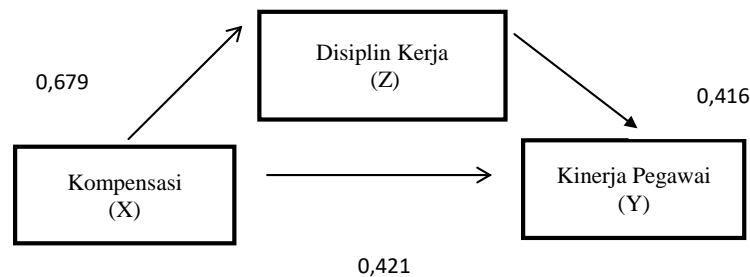


Figure 4.3 Path Analysis

Path analysis shows the direct effect of variable X on variable Y2 of 0.421. Meanwhile, the indirect effect through variable Z is $0.679 \times 0.416 = 0.2824$. From the calculation results obtained, it shows that the direct effect through the X variable is greater than the indirect effect on the Y variable. These results can be seen in the following table:

Table 4.13 Direct and Indirect Relationships

No	Variable	Direct	Indirect	Total	Criteria	Conclusion
1	Product quality (X)	0.421	0.679	-	Significant	As Independent Variable
2	Customer satisfaction (Z)	0.416	-	0.282	Significant	As Variable Intervening

5. CONCLUSION

Based on the results of research and discussion in the previous chapter, it can be concluded as follows:

- a. Obtained a ttable value of 1.701. From the description it can be seen that $t_{count} (4.891) > t_{table} (1.701)$, as well as the significance value of $0.000 < 0.05$, it can be concluded that the first hypothesis is accepted, meaning compensation (X) has a positive and significant effect on Work Discipline (Z).
- b. Obtained a ttable value of 1.701. From the description it can be seen that $t_{count} (2.502) > t_{table} (1.701)$, and the significance value is $0.01 < 0.05$, it can be concluded that the second hypothesis is accepted, meaning that Compensation (X) has a positive and significant effect on Employee Performance (Y).
- c. Obtained a ttable value of 1.701. From the description it can be seen that $t_{count} (2.473) > t_{table} (1.701)$, and the significance value of $0.03 < 0.05$, it can be concluded that the third hypothesis is accepted, meaning that Work Discipline (Z) has a positive and significant effect on Employee Performance (Y).
- d. Path analysis shows the direct effect of variable X on variable Y of 0.421. Meanwhile, the indirect effect through variable Z is $0.679 \times 0.416 = 0.2824$. From the calculation results obtained, it shows that the direct effect through the X variable is greater than the indirect effect on the Y variable.

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