



Compensation and Work Discipline Drive Employee Performance Outcomes

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Abstract. General Background: In the context of increasing business competition, organizations must manage human resources effectively to achieve optimal performance and production targets. Specific Background: Employee performance at PD Yunas Tasikmalaya showed unstable production outcomes, indicating potential issues related to leadership, compensation, and work discipline. Knowledge Gap: Despite theoretical assumptions that leadership, compensation, and work discipline contribute to employee performance, empirical inconsistencies remain regarding their actual roles in organizational settings. Aims: This study aims to provide empirical evidence on the relationships between leadership, compensation, and work discipline with employee performance at PD Yunas Tasikmalaya. Results: Using a quantitative approach with 115 respondents and multiple linear regression analysis, the findings indicate that compensation and work discipline have significant positive relationships with employee performance, while leadership does not show a significant relationship. Additionally, all variables collectively demonstrate a strong association with employee performance. Novelty: This study highlights the inconsistency between leadership practices and performance outcomes within the same organizational context, contrasting with commonly accepted theoretical expectations. Implications: The results suggest that organizations should prioritize compensation systems and employee discipline mechanisms to achieve consistent performance outcomes, while reevaluating leadership practices to better align with operational needs.

Keywords: Employee Performance, Compensation, Work Discipline

1 Introduction

In this era of globalization, there is fierce competition between companies. Therefore, in order to win the current competition, every company must have a good vision and mission in order to achieve the effective goals of each company. Therefore, this problem will result in an increase in the revenue or profit of a product to be sold compared to before. Every company must have clear objectives, such as generating large profits and maintaining the livelihoods and work performance of its employees. Therefore, every company must be able to use its available resources effectively and efficiently in order to achieve these objectives.

Therefore, every business leader must be able to determine strategies that are in line with the objectives of the business by utilizing available resources, such as production, marketing, financial, and human resources. Human resources are a fundamental resource in a company because every person has different characteristics, behaviors, thoughts, and desires. Therefore, a company needs *professional* management to ensure that all parties involved share the same mindset in achieving the company's goals. This

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way, every request to meet consumer demand is a means of generating profits and sales.

The quality of an organization depends on the quality of the people within it. Therefore, a company must take responsibility for recruiting employees who are more productive and perform well at work. To that end, every company must have a system of rewards and punishments that is commensurate with employee performance and in line with the company's objectives. Employee performance in a company can be influenced by several factors, namely compensation, employee training, work environment, work culture, leadership, motivation, discipline, and job satisfaction.

Thus, the leadership factor in a company needs to be considered because it can affect employee performance. If a company leader cannot direct their employees to carry out work in accordance with what the company wants, then the company will not be able to grow. Therefore, a leader must be able to direct their employees to carry out work in accordance with what they want, because the progress or decline of a company depends on its leader. Every company leader must be able to understand the needs of their workers so that they can work effectively to achieve the company's goals. Therefore, a leader is required to be close to their employees and be able to identify and resolve their problems at work.

In addition to leadership factors that influence employee performance, every company provides compensation to its employees. Compensation is defined as any form of payment or reward given to employees and arising from their work. Compensation must be considered and viewed in relation to employee performance, with the aim of motivating employees to work effectively and efficiently in line with the company's objectives. This can also influence employees to be more focused and consistent in carrying out their duties at the company. [1]

Allowances are a form of compensation outside of salary and wages, which are fixed compensation. The provision of allowances to employees in accordance with their work performance at a company requires *professional* compensation management. It must also be done wisely so that both the company and employees benefit and so that good working relationships are maintained within the company.

With effective leadership and appropriate compensation, it is hoped that the company can continue to develop in a positive direction. However, in addition to company leaders and compensation, employee discipline can also affect employee performance [2]. If a company's employees do not have a disciplined attitude in carrying out their duties, it will be difficult for the company to achieve its desired goals. Therefore, it is very important for every company to implement discipline among its employees, because employee discipline is very important as it is the main key to the success of the company. PD Yunas Trading Company. Located at Jl. Abah Amuy, Kp. Pasanggrahan, RT 04/RW 07, Cimunigeulis Village, Bungursari District, Tasikmalaya Regency, West Java. The owner of this MSME is Mr. H. Nanang Supriatna. The company was founded on May 14, 2003, and is engaged in the garment industry. PD Yunas is a company that sells goods and services. Yunas Trading Company sells and manufactures all types of Muslim clothing, such as hijabs. Gamis and Muslim clothing for men, both adults and children.

Table 1. Achievement of Production Target Results for the Period January – December 2021 Yunas Trading Company

No	Month	Target	Results	Percentage
1	January	26,000 pcs	21,400 pcs	82
2	February	26,000 pcs	26,000 pcs	100%
3	March	26,000 pcs	26,000 pcs	100%
4	April	30,000 pcs	27,000 pcs	90%
5	May	24,000 pcs	20,050 pcs	83
6	June	28,000 pcs	26,000 pcs	100%
7	July	25,000 pcs	26,000 pcs	100%
8	August	24,000 pcs	26,000 pcs	100%
9	September	26,000 pcs	26,000 pcs	100%
10	October	26,000 pcs	19,800 pcs	76
11	November	26,000 pcs	26,000 pieces	100%
12	December	26,000 pcs	26,000 pcs	100

Based on the table above, it can be seen that the production target achieved by Yunas Trading Company in 2021 experienced an unstable production target level. There was even a significant decline in production in several months, such as March, April, July, and October. In several months, production experienced unpredictable declines and increases. This could be influenced by several factors, one of which is employee performance. Employee performance that has an impact on production that does not meet the company's desired targets. As well as the lack of agility or understanding of employees regarding the work performance, resulting in the production targets not being achieved within the specified time.

From the above description, it can be concluded that the gap in this study is about the gap between the theories of Leadership, Compensation, and Work Discipline. Leadership is the way a leader influences the behavior of subordinates so that they are willing to cooperate and work productively to achieve organizational goals. The attitude of leaders in directing, encouraging, and maintaining a positive approach among employees is very important in improving employee performance so that they can work well for the progress and goals of the company. The leadership exercised by the owner of Yunas Trading Company has been effective, as demonstrated by the distribution of tasks to employees according to their abilities and the provision of guidance and encouragement in the form of motivation to achieve the specified production targets. However, the findings show that this is still not enough to improve employee performance, as there are still production targets that employees are unable to meet on time.

Compensation is any form of payment or reward given to employees arising from their work [2]. Compensation given by the company in accordance with employee performance is one way to improve employee performance, whether in the form of

fixed or variable compensation. Yunas Trading Company has attempted to provide compensation in the form of salaries, incentives, bonuses, and allowances to improve employee performance in meeting production targets [3]. However, the efforts made by Yunas Trading Company are still considered insufficient in improving employee performance.

Furthermore, the theory of discipline is the most important function of human resource management and the key to achieving goals, because without good discipline it is difficult to achieve maximum goals [4] Good work discipline is the same as a person's responsibility for the tasks assigned to them. This can also be a motivator for employee performance, employee morale, and the achievement of company and employee goals. The work discipline implemented by Yunas Trading Company is carried out well by setting working hours and strict rules for employees who violate them. However, the fact on the ground is that this has not yet shown an increase in employee performance in achieving the specified production targets.

Based on the results of the researcher's analysis of the phenomenon using *evidence gap*, which relates to findings or evidence found in research that strongly contradicts conclusions or concepts or accepted facts, further research is described as follows:

Research question:

How do leadership, compensation, and work discipline affect employee performance at PD Yunas Tasikmalaya?

Does leadership affect employee performance at PD Yunas Tasikmalaya?

Does compensation affect employee performance at PD Yunas Tasikmalaya?

Does work discipline affect employee performance at PD Yunas Tasikmalaya?

Research objectives: To determine and provide empirical evidence on the variables of leadership, compensation, and work discipline that influence employee performance at PD Yunas Tasikmalaya.

SDG category: In line with SDG category [8https://sdgs.un.org/goals/goal8](https://sdgs.un.org/goals/goal8), namely decent work and economic growth.

1.1 Compensation

Compensation is all income in the form of money, goods, directly or indirectly received by employees in return for services rendered to the company,[4]. Compensation is what an employee receives in return for the work performed, whether hourly wages or periodic salaries, designed and managed by the personnel department. According to theory, compensation indicators are explained as follows: (a). Salary, as compensation for time worked. (b). Incentives, rewards for performance not based on seniority or hours worked. (c). Bonuses, payments made by leaders outside of salary, wages, and incentives. (d). Allowances, other compensation provided outside of salary and wages in the form of *Retirement Plans* and *Cafeteria Benefits* (insurance) or other forms of allowances in the form of work breaks. [5]

1.2 Work Discipline

Discipline is the most important function of human resource management and the key to achieving maximum goals [6] Employee work discipline is behavior in accordance with existing rules and work procedures, or work discipline is an attitude, behavior, and actions that are in accordance with the rules of the organization, both written and

unwritten [7] Indicators according to theory are explained as follows: (a). Punctuality, by observing how employees carry out the agreements that have been made. (b). Proper use of office equipment. The ability of employees to use and maintain company equipment properly is also one of the work disciplines that employees must have. (c). High responsibility, where employees are able to maintain and carry out the tasks assigned to them thoroughly. (d). Producing satisfactory work, which is assessed based on how well employees carry out their assigned tasks. (e). Compliance with rules, which are made so that employees can obey them and maintain discipline within the company. [8]

1.3 Employee Performance

Performance is the result of work achieved by an individual in carrying out the tasks assigned to them [5] . Performance is part of the results achieved by an individual and their work behavior in carrying out work activities [9] . The theory explains the following indicators: (a). Work quantity, which is related to the volume or number of goods produced by employees within a specified period of time. (b). Work quality, which relates to neatness, accuracy, consistency, and completeness in performing tasks assigned by the company. (c). Initiative, which relates to the independence and flexibility of an employee's thinking. (d). Responsibility, which means that an employee must be able to perform their duties well and thoroughly. (e). Cooperation, this is done with the aim of making the work lighter and able to be completed quickly. [10]

1.4 The Influence of Leadership on Employee Performance.

One of the improvements used in management is to increase performance, which is expected to have an impact on sales growth and profits. In addition, company leadership must be able to participate in caring for workers through rewards or gifts given to employees. Employee performance has been proven to improve when financial and non-financial rewards are given [11] From the research conducted by researchers at the Yogyakarta POM Center, it was concluded that leadership behavior has a direct positive effect on job satisfaction, cognitive ability does not directly influence job satisfaction, leadership behavior has a direct positive influence on performance, cognitive ability has a direct positive influence on performance, and job satisfaction does not influence performance [12] Similarly, several studies have shown a positive and significant influence between leadership and employee performance [13]

H1: Leadership Affects Employee Performance

1.5 The Influence of Compensation on Employee Performance

Compensation will help companies achieve their goals and retain, acquire, and maximize employee performance if managed properly. Conversely, if compensation is not provided appropriately and is not managed well, it will increase the likelihood that employees will leave the company, and it will not be easy to replace them.

Dissatisfaction with payments that are considered insufficient will result in reduced performance, causing work stoppages, increasing employee complaints, and leading to psychological and even physical actions. Conversely, if payments are excessive, it will cause the company and individuals to lose their competitiveness and instead cause feelings of guilt, anxiety, and an uncomfortable atmosphere among employees [14].

Research conducted at PT. T obtained results and concluded that there is a significant influence of the compensation variable on the performance variable, a significant influence on the motivation variable on performance, and that compensation and motivation both greatly influence employee performance [15]. Other studies that state that compensation and employee performance greatly influence employee performance are studies conducted on construction services in Denpasar and studies conducted at the Cendana Resort & Spa Hotel in Ubud, Gianyar. [12]

H2: Compensation Affects Employee Performance

1.6 The Effect of Work Discipline on Employee Performance

One of the most important operational functions of HRM is discipline, which refers to the fact that the more disciplined employees are in a company, the higher their work performance will be. It is difficult for a company to achieve optimal results if its employees do not apply good work discipline. A disciplined attitude reflects a person's commitment and readiness to take responsibility for the tasks assigned to them [16]. Such an attitude can boost morale, enthusiasm, and the achievement of company, employee, and community goals in general. Therefore, every manager always strives to ensure that their subordinates have good discipline and work ethic. A manager's leadership is said to be effective if their subordinates practice good work discipline. Maintaining and improving good discipline is difficult because many factors influence it. From the results of research on rural credit banks, researchers concluded that discipline affects employee performance [17]. Meanwhile, research proves that discipline has a positive and significant effect on employees at PT. S

H3: Work Discipline Affects Employee Performance

1.7 Hypothesis

A conceptual framework can illustrate the relationship between independent and dependent variables in the context of research.[18] A conceptual framework is a paradigm of how theory interacts with various components recognized as significant issues. From the description of the hypothesis above, the conceptual framework can be illustrated in Figure 1.

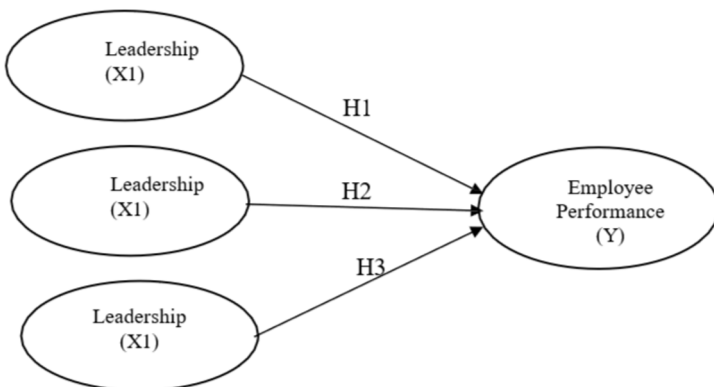


Fig. 1. Conceptual Framework

Explanation:

—► : The independent variables partially influence the dependent variable

H1: Leadership partially influences the performance of PD Yunas Tasikmalaya employees

H2: Compensation partially influences the performance of PD Yunas Tasikmalaya employees

H3: Work discipline partially influences the performance of PD Yunas Tasikmalaya employees

2 Method

In this study, quantitative research techniques were used. Quantitative techniques are research methods based on positive philosophy, used in analyzing specific populations and samples. In collecting information and data, research equipment and quantitative/statistical data processing were used, with the aim of evaluating preliminary assumptions that had been made [18]. The research was conducted at PD. Yunas (Annisa Hijab) Jl. Abah Amuy, Kp. Pasanggrahan, RT 04/RW 07, Cimunigeulis Village, Bungursari District, Tasikmalaya Regency, West Java. The population taken in this study was 115 PD Yunas employees. The sampling method used in this study was simple random sampling, and the sampling was based on the theory that the sample is part of the number and characteristics of the research population. Sampling techniques basically consist of two types, namely *probability sampling* and *non-probability sampling* techniques. Sampling in this study was conducted using *non-probability sampling techniques* [8]. The sampling taken in this study was to take all of the population as a sample using a saturated sample or census approach, with a total sample of 115 employees of the Yunas Trading Company.

In this study, the data collection technique used was a questionnaire. A questionnaire is a data collection technique that involves providing respondents with a set of written statements or questions to answer. In terms of measurement scale, this study used a *Likert* scale [20], where each respondent filled in each answer to each statement provided with a gradation ranging from very positive to very negative (strongly agree, agree, somewhat agree, disagree, strongly disagree). The process of searching for and compiling data obtained from interviews, field notes, documentation, and organizing data into categories, describing them in sub-units, conducting research, sorting out which parts are important and which will be studied, and making conclusions so that they are easy to understand by oneself and others is called data analysis [19]. Next is the classical assumption test, which consists of a normality test, autocorrelation test, multicollinearity test, linearity test, and heteroscedasticity test. Then there is hypothesis testing, which consists of t and F tests, multiple correlation coefficient (R) tests, and multiple determination coefficient (R^2) tests.

3 Results and Discussion

3.1 Results

Descriptive Statistical Analysis. This descriptive analysis is used to analyze data by describing and illustrating the data collected from questionnaires distributed to

respondents. In this study, 115 respondents were obtained. From the results of data collection on respondents' gender, there were 55 male respondents with a percentage of 48%, while there were 60 female respondents with a percentage of 52%. Based on age, respondents aged 22-28 years old were the most numerous, with a percentage of 62%, while 20 respondents aged < 21 years old had a percentage of 17% and 24 respondents aged 29-35 years old had a percentage of 21%. The highest percentage of respondents' education was high school/vocational school with a percentage of 71% or 82 respondents, and the lowest percentage was respondents with a bachelor's degree/S1 with a percentage of 2% or 2 respondents. Meanwhile, the percentage of respondents with junior high school education was 27% or 31 respondents.

Validity Test. Employee performance variables will be measured in this study. If an instrument can test employee performance, then the instrument can be said to be valid. A factor analysis is conducted to correlate the number of factors with the measured values, where n table 115 is determined by the formula $df=(n-2)$, so that $df=115-2=113$. Then, it can be seen from the r table in the vertical table $113=0.182$. The data is considered valid if it has an r count value greater than the r table.

Table 2. Validity Test

Variable	Variable	Calculated r	Table r	Sig.	Description
Leadership	X1.1	0.568	0.182	0.00	VALID
	X1.2	0.695		0.00	VALID
	X1.3	0.699		0.00	VALID
	X1.4	0.759		0.00	VALID
	X1.5	0.714		0.00	VALID
Compensation	X2.1	0.758	0.182	0.00	VALID
	X1.5	0.714		0.00	VALID
	X2.1	0.758		0.00	VALID
	X2.2	0.858		0.00	VALID
	X2.3	0.841		0.00	VALID
	X2.4	0.800		0.00	VALID
	X3.1	0.586		0.00	VALID
Work Discipline	X2.4	0.800	0.182	0.00	VALID
	X3.1	0.586		0.00	VALID
	X3.2	0.432		0.00	VALID
	X3.3	0.652		0.00	VALID
	X3.4	0.530		0.00	VALID
	X3.5	0.293		0.00	VALID
	X3.6	0.183		0.50	VALID
Employee Performance	Y.1	1	0.182	0.00	VALID
	Y.2	0.205		0.28	VALID
	Y.3	0.388		0.00	VALID
	Y.4	0.482		0.00	VALID
	Y.5	0.252		0.07	VALID

Based on the results of the validity test above, it can be concluded that all

questionnaire items from all variables have a calculated r value > table r value, so the results of this test can be declared valid and reliable in measuring assessment data.

Reliability Test. Reliability testing is the result of measurements using the same object, which will produce the same data. A variable is said to be reliable if it gives a *Cronbach's alpha* value >0.60.

Table 3. Reliability Test

Variable	Alpha Value Cronbach	Critical Value	Description
Leadership (X1)	0.720		Reliable
Compensation (X2)	0.825		Reliable
Work Discipline (X3)	0.785	0.6	Reliable
Employee Performance (Y)	0.740		Reliable

From the table above, *Cronbach's Alpha* reliability coefficient values were obtained for the leadership variable (0.720), compensation variable (0.825), work discipline variable (0.784), and employee performance variable (0.740). Based on the reliability test results, it can be stated that *the Cronbach's Alpha ts* are reliable because the *Cronbach's Alpha* values exceed 0.60 (>0.60).

Normality Test. The normality test aims to test whether the disturbance variables or residuals in the regression model have a normal distribution, as it is known that the t and F tests assume that the residual values follow a normal distribution. There are two ways to detect whether the residuals are normally distributed or not, namely through statistical tests and graphical analysis [19].

In this study, a statistical test using the nonparametric *Kolmogorov-Smirnov* method was chosen to be used, with the following conditions:

- a. If the significance value in the *Kolmogorov-Smirnov* test is less than 0.05, the circulating data is declared to be non-normal.
- b. If the significance value in the *Kolmogorov Smirnov* test is greater than 0.05, the circulating data is declared normal.

Table 4. Normality Test Results

		<i>Unstandardized Residual</i>
N		115
<i>Normal Parameters</i> ^{a,b}	<i>Mean</i>	.0000000
	<i>Std. Deviation</i>	2.45275931
	<i>Absolute</i>	.096
<i>Most Extreme Differences</i>		

Continued **Table 4.**

	<i>Unstandardized Residual</i>
<i>Positive</i>	.050
<i>Negative</i>	-.096
<i>Test Statistic</i>	.096
<i>Asymp. Sig. (2-tailed)</i>	.200 ^c

The normality test results obtained in this study show that the significance value of the *Kolmogorov Smirnov* test is 0.200, which is greater than 0.05, thus indicating that the research data is normally distributed. To determine whether the data is normal or not, we can look at the results of the *Plot of Regression Residual* graph by observing the distribution. Data can be said to be normally distributed if the distribution of the data forms points that are close to the diagonal line as follows:

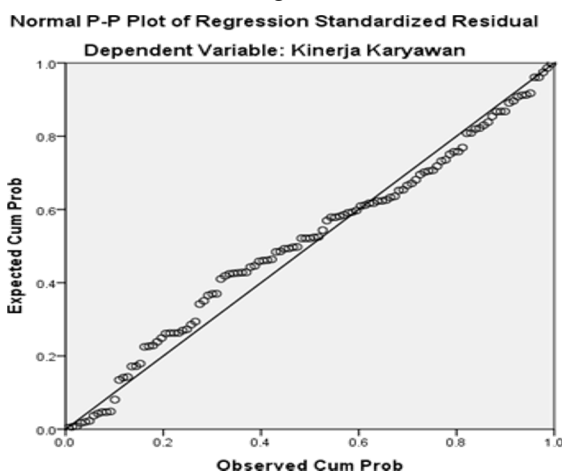


Fig. 2. Normal Probability Plot

Based on the results of the *Normal Probability Plot* graph above, which indicates that the data distribution is located in the diagonal line area and follows the direction of the diagonal line, it can be stated that the data is normally distributed.

Linearity Test. This test is a requirement in correlation or *linear* regression analysis. The linearity test aims to determine whether two or more variables being tested have a significant linear relationship or not. To determine whether the data in a study is linear or not, the significance level can be seen in the linearity test. In this study, the *Test For Linearity* method was used with a significance level of 0.05 or less than 0.05.

Table 5. Linearity Test

Variable	F	Sig Linearity	Condition	Conclusion
X1*Y	11.957	0.001	Sig <0.05	Linear
X2*Y	24.215	0.000	Sig <0.05	Linear
X3*Y	108.296	0.000	Sig <0.05	Linear

Based on the above test results, the *Sig Linearity* value for the leadership variable with employee performance obtained a calculated f value of 11.957 with a significance level of $0.001 < 0.05$. the compensation variable with employee performance obtained a calculated f value of 24.215 with a significance level of $0.00 < 0.000$, and the work discipline variable with employee performance obtained a calculated f value of 108.296 with a significance level of $0.000 < 0.05$. From all these variables, the *Sig Linearity* value is < 0.05 , so it can be said that the relationship between the variables is linear.

Autocorrelation Test. This test is used to determine whether there is a deviation from the classical assumption of autocorrelation, which is the correlation that occurs between the residuals in one observation and another observation in the regression model. The steps taken in the test are: sample size (N) = 115, number of independent variables (k) = 3, significance level used (a) = 5%, then looking at the *Durbin Watson* table, we obtain $dL = 1.6427$ and $dU = 1.7496$. The criteria used in making decisions in the autocorrelation test can be seen in the table below:

Table 6. Autocorrelation Test

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Standard Error of the Estimate</i>	<i>Durbin-Watson</i>
1	.954 ^a	.911	.909	.31169	2.053

Based on the data above, the *Durbin Watson* value is 2.053 with $dL < d < 4-dU$ ($1.6427 < (2.053) < (1.7496)$), so it can be concluded that there is no autocorrelation in this study.

Multicollinearity Test. This test is used to determine whether the regression model has a relationship between independent variables. In the regression model, multicollinearity is measured using VIF (*Variance Inflation Factor*). If the VIF value is less than or equal to 10 and the *tolerance* value is greater than 0.1, then multicollinearity is declared to be absent or not occurring.

Table 7. Multicollinearity Test

Model	<i>Collinearity Statistic</i>	
	<i>Tolerance</i>	<i>VIF</i>
Leadership (X1)	.867	1.153
Compensation (X2)	.830	1.204
Work Discipline (X3)	.849	1.179

The results above show that *the variance inflation factor* (VIF) value of the leadership variable is 1.153 (< 10) with a *tolerance* value of $0.867 > 0.1$, while the compensation variable has a value of 1.204. (< 10) with a *tolerance* value of $0.830 > 0.1$ and a work discipline variable of 1.179 (< 10) with a *tolerance* value of *tolerance* of $0.849 > 0.1$, it can be said that the variables used do not experience correlation between variables, so they are free from multicollinearity.

Heteroscedasticity Test. This test is conducted to determine the inequality of residuals in a study. Heteroscedasticity does not occur in a study and can be determined through the results of the regression graph method, with the following conditions:

- a. If the distribution of points on the graph forms a regular pattern, such as wavy, widening and then narrowing, it can be said that heteroscedasticity occurs.
- b. If there is no pattern or the points on the graph are scattered below or above the number 0 on the Y-axis, it can be said that there is no heteroscedasticity.

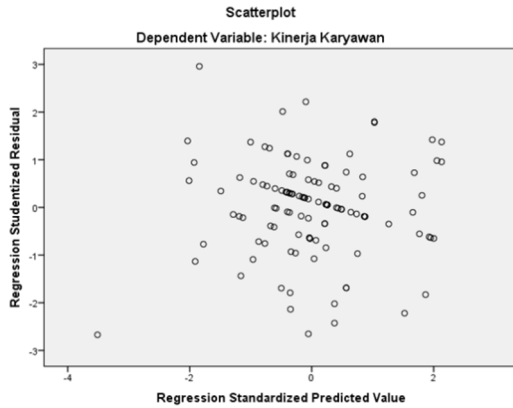


Fig. 3. Heteroscedasticity Test Results

The results of the Heteroscedasticity Test above show that this study does not form a specific pattern and the *scatterplot* points are scattered randomly, both above and below the number 0 on the vertical axis or Y-axis, so it can be said that there is no heteroscedasticity.

Multiple Linear Regression Analysis

Table 8. Multiple Linear Regression Analysis Test Results

Model	<i>Unstandardized^a Coefficients</i>		<i>Standardized Coefficients</i>		
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>T</i>	<i>Sig.</i>
(Constant)	11,010	.299		37,151	.000
Leadership (X1)	.009	.012	.021	.705	.482
Compensation (X2)	.050	.012	.133	4.275	.000
Work Discipline (X3)	.311	.011	.894	29,075	.000

Based on the results in the table above, the regression model for the four variables can be determined as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + e1 \tag{1}$$

Based on the regression equation obtained, the following can be interpreted:

- a. Constant (a). The result of calculating the constant value is 11.010. This value indicates that there is no influence of independent variables between leadership, compensation, and discipline, so the value of the dependent variable, namely employee performance, remains constant at 11.010.
- b. Leadership. The coefficient for this variable is positive (0.009) between the leadership variable and the employee performance variable. This means that these variables have a positive relationship. Therefore, the conclusion is that if the leadership variable increases by one unit, the productivity variable will increase by 0.009 units.
- c. Compensation. The coefficient between the compensation variable and the employee performance variable is positive (0.050). This means that these variables have a positive relationship. Therefore, it can be concluded that if the compensation variable increases by one unit, the employee performance variable will increase by 0.050 units.
- d. Work Discipline. The coefficient between the work discipline variable and employee performance is positive (0.311). This means that these variables have a negative relationship. Therefore, it can be concluded that if the organizational culture variable increases by one unit, the work performance variable will increase by 0.311 units.

Partial Hypothesis Test (T). This test serves to determine whether the variables of recruitment, selection, and job placement have a significant effect on employee performance variables. If the t-test results produce a significance value of less than 0.05 (sig <0.05), then the research hypothesis is accepted.

Table 9. Partial Hypothesis Test Results (T)

<i>Model</i>	<i>Unstandardized^a Coefficients</i>		<i>Standardized Coefficients</i>		
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>T</i>	<i>Sig.</i>
(Constant)	11.010	.299		37,151	.000
Leadership (X1)	.009	.012	.021	.705	.482
Compensation (X2)	.050	.012	.133	4.275	.000
Work Discipline (X3)	.311	.011	.894	29,075	.000

If the probability value is <0.05, then there is a partial effect on employee performance

- a. Leadership on employee performance. The calculated t-value is (0.705) while the table t-value is (1.658), so the calculated t-value < table t-value (0.705 < 1.984) and the significance value (0.482 > 0.05).therefore, it is concluded that H0 is accepted and H1 is rejected, which means that partially, the leadership variable (X1) does not have a positive and significant effect on the employee performance variable at PD Yunas Tasikmalaya.
- b. Compensation for employee performance. The calculated t-value is (4.275) while the table t-value is (1.658), so the calculated t-value is > table t-value (4.275 > 1.658) and the significance value is (0.000 < 0.05). it can be concluded that H0 is rejected and H2 is accepted, meaning that the selection variable (X2) partially has

a positive and significant effect on the employee performance variable at PD Yunas Tasikmalaya.

- c. Work discipline on employee performance. The calculated t-value is (29.075) while the table t-value is (1.658), so the calculated t-value > table t-value (29.075>1.658) and the significance value (0.000 < 0.05). therefore, it is concluded that H0 is rejected and H3 is accepted, which means that the job placement variable (X3) has a positive and significant effect on the employee performance variable at PD Yunas Tasikmalaya.

Simultaneous Test (F)

Table 10. Simultaneous Test (F)

	Model	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	F	<i>Sig.</i>
1	Regression	110.383	3	36,794	378,791	.000 ^b
	Residual	10,782	111	6,179		
	Total	121,165	114			

a. Dependent Variable: Employee Performance (Y)
 b. Predictors: (Constant), Work Discipline (X3), Compensation (X2), Leadership (X1)

The significance value of the F test for the influence of Leadership (X1), Compensation (X2), and Work Discipline (X3) is 0.000 < 0.05. Calculated F > Table F, calculated F is 378.791 > 2. 686, which indicates that the variables of Leadership (X1), Compensation (X2), and Work Discipline (X3) simultaneously have an effect on employee performance at PD Yunas Tasikmalaya.

Multiple Correlation Coefficient Test (R)

Table 11. Results of the Multiple Correlation Coefficient Test

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.954 ^a	.911	.909	.312

The table shows the results of the R test, which indicates a value of 0.954 or 95.4%. This shows that the relationship between the independent and dependent variables is 95.4%, which is a very strong relationship according to the correlation interpretation table below.

Table 12. Interpretation of Correlation Coefficient

Interpretation Range of Correlation Coefficient Values	Correlation Value (relationship between variables X and Y)
0.00 – 0.199	Very low
0.20 – 0.399	Low
0.40 – 0.599	Moderate
0.60 – 0.799	Strong

Multiple Coefficient of Determination Test (R^2)

Table 13. Results of Multiple Determination Coefficient Test R^2

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.954 ^a	.911	.909	.312

Based on the results above, the R^2 -value is approaching 100%, which means that the influence of all independent variables on the dependent variable is greater. The determination coefficient formula is as follows: $KP=r^2 \times 100\% = 0.911 \times 100 = 91\%$. This value can be explained by the results of the multiple determination test (R^2) of 0.911 or 91%, it can be explained that the variables of leadership, compensation, and work discipline are able to explain the employee performance variable in this study, and the remaining 9% is explained by other variables that were not included in this study.

3.2 Discussion

First hypothesis: Leadership affects employee performance at PD Yunas Tasikmalaya. Based on the results of the analysis, it was proven that leadership does not affect employee performance at PD (Trading Company) Yunas. This shows the results of the respondents' statements that leaders are still less than optimal in giving instructions, helping employees overcome obstacles, making policies when making decisions, providing motivation, and assigning tasks towards employees.

The results of the study are supported by the theory that one of the improvements used in management is an effort to improve performance, which is expected to have an impact on sales growth and profits. In addition, company leadership must participate in caring for workers through rewards or gifts given to employees. Employee performance has been proven to improve when financial and non-financial rewards are given. However, this can create either a positive or negative relationship, depending on the attitude and authority of the leader towards employees[5] . This is proven by previous research which states that leadership does not affect employee performance in the *Production* Department of PT.C [20] . However, there is also previous research stating that leadership affects employee performance at the Cendana Resort & Spa Hotel in Ubud, Gianyar [1]. Previous research results show a gap in the influence between leadership variables and employee performance. This can be concluded because the leadership at PD (Trading Company) Yunas has no relationship with employee

performance, so what employees do does not greatly affect employee performance.

Second Hypothesis: Compensation affects employee performance at PD Yunas Tasikmalaya. Based on the analysis, it can be concluded that compensation affects employee performance at UD Yunas. This proves that providing compensation to employees in accordance with state law aims to improve employee welfare and reward the hard work contributed by employees to the company, which has produced output in line with the company's targets.

The results of this study are supported by the theory that if managed properly, compensation will help companies achieve their goals and acquire, retain, and maintain good employees [11]. Conversely, without adequate compensation, existing employees are very likely to leave the company, and it is not easy to find replacements. The result of dissatisfaction with perceived inadequate pay will reduce performance, increase complaints, cause strikes, and lead to physical and psychological actions [21]. Conversely, excessive payments will also reduce the competitiveness of the company and individuals and cause anxiety, guilt, and an uncomfortable atmosphere among employees [22]. This is proven by previous research stating that compensation has a significant effect on employee productivity in the construction services sector in Denpasar [14]. Furthermore, compensation affects the work productivity of employees at PT. T, as researched by [15].

Third Hypothesis: Work discipline affects employee performance at PD Yunas Tasikmalaya. Based on the analysis examined in this study, it is stated that work discipline affects employee performance. This is evidenced by the rules given by leaders, showing the most significant impact compared to other indicators. Good discipline reflects the extent of a person's sense of responsibility for the tasks assigned to them [23]. This encourages enthusiasm for work, a strong work ethic, and the realization of the goals of the company, employees, and society. Therefore, every leader always strives to provide good rules so that their subordinates have good discipline.

The results of this study are supported by the theory that discipline is the most important operational function of HRM because the better the employee discipline, the higher the work performance that can be achieved. Without good employee discipline, it is difficult for a company to achieve optimal results. Good discipline reflects the extent of a person's sense of responsibility for the tasks assigned to them [9]. This encourages enthusiasm for work, a spirit of work, and the realization of the goals of the company, employees, and society [20]. This theory is also supported by previous research stating that work discipline influences employee performance and shows that the work discipline variable has a positive and significant relationship with employee performance at PT. S. This is consistent with other previous research stating that the hypothesis test results show that the work discipline variable significantly influences the employee performance variable at rural credit banks [13].

4 Conclusion

Based on the results of the research and discussion outlined above, the following conclusions can be drawn:

- a. Based on the results of hypothesis testing, it is proven that the leadership variable does not affect the performance of employees at PD (Trading Company) Yunas. This indicates that the leadership attitude towards employees is still less than optimal.
- b. Based on the results of hypothesis testing, it was proven that the compensation variable affects the performance of employees at PD (Trading Company) Yunas. This means that providing better compensation in accordance with the law will have an effect on the performance of employees at PD (Trading Company) Yunas.
- c. Based on the results of hypothesis testing, it was proven that the work discipline variable affects the work productivity of PD (Trading Company) Yunas employees. This means that performing work in accordance with established rules has a significant effect on the performance of PD (Trading Company) Yunas employees.

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