



The Influence Of Compensation, Work Motivation, and Work Discipline On Employee Performance at PT. Heulang Bandung

Rennie Rennie^{1*}, Sri Sundari², Fernandez Hutagalung³, Marisi Pakpahan⁴, Irwan
Tanamas⁵

¹⁻⁵Management, IBM ASMI, Jakarta, Indonesia

renniesagrang@gmail.com^{1*}, sri.sundari@idu.ac.id², fernandezview@gmail.com³,

marisipakpahan@ibmasmi.ac.id⁴, fxirwantanamas@yahoo.com⁵

Author Correspondence : renniesagrang@gmail.com*

Abstract. Introduction: Human resources play a crucial role in the sustainability of a company, and good employee performance is a critical aspect of its operations. It is important for companies to understand and improve the factors influencing employee performance to enhance the overall quality of the organization. Objective: This study aims to analyse the influence of compensation, work motivation, and work discipline on employee performance at PT. Heulang Bandung, both partially and simultaneously. Method: The research was conducted on the employees of PT. Heulang Bandung, which has a total of 115 employees, using a sample of 55 employees and employing a quantitative method to analyse the influence of variable X on Y. Results: The findings indicate that compensation has a negative and insignificant effect on employee performance (regression coefficient -0.051), while work motivation (coefficient 0.465) and work discipline (coefficient 0.749) have positive and significant effects. These three variables collectively influence employee performance by 86.1%, with 13.9% affected by other factors. The F-test shows a significant effect of these three variables on employee performance with a significance value of 0.000. Conclusion: Work motivation and discipline are the main factors influencing employee performance at PT. Heulang Bandung, while compensation has a lesser impact.

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

1. INTRODUCTION

Human resources (HR) play a crucial role in the success of a company. As valuable assets, HR serves as the primary driving force that enables organizations to achieve their goals. According to Heriyanto (2020), companies need to prioritize HR management in order to further develop. In this context, employees should be viewed as a long-term investment; with the right approach, they can positively impact the company's productivity. As explained by Apriliana & Nawangsari (2021), there are several important principles in HR management, including continuous employee development, balancing the satisfaction of the company and employees, and creating a work environment that encourages employees to optimize their abilities.

Employee performance is one of the main indicators that demonstrate how well a company can utilize its HR. This performance is measured not only by productivity but also by aspects such as initiative, quality of work, and punctuality in achieving company goals (Gerung & Dotulong, 2022). According to various experts, employee performance can be improved through strong motivation, a conducive work environment, and appropriate compensation. Employee motivation plays a significant role here; motivated employees tend

to have higher job satisfaction and enthusiasm. As a result, they are able to contribute more significantly to the overall performance of the company (Novitasari, 2020).

For example, PT. Heulang, a private company in the culinary field, places great importance on employee performance in maintaining the quality of their services. This company specializes in serving high-quality coffee drinks with unique flavors, and employee performance is a key factor in providing the best culinary experience for customers. To ensure optimal employee performance, PT. Heulang focuses on providing fair compensation and a supportive work environment. According to Ardianto et al. (2024), high and relevant compensation directly impacts employee motivation and performance, where employees who receive compensation commensurate with their efforts tend to be more productive and enthusiastic in their tasks.

Compensation is one form of reward given by the company to its employees in exchange for their contributions. According to Mulyeni et al. (2023), compensation can be both physical and non-physical, such as salary, benefits, bonuses, as well as training or professional supervision. Adequate compensation not only serves as a motivator but also as a tool to retain high-performing employees within the company. Fair compensation significantly influences employee well-being, enhances job satisfaction, and ultimately encourages them to perform better. This, in turn, leads to improved overall company performance (Ardianto et al., 2024).

In addition to compensation, employee work motivation also plays a major role in determining their performance. Motivation is the drive that comes from within or from external environments that encourages someone to achieve specific goals. In organizations, work motivation is crucial because motivated employees tend to have higher enthusiasm and job satisfaction. According to Lutfi & Wihara (2021), several factors can influence employee motivation, including a conducive work environment, career development opportunities, recognition of achievements, and adequate compensation. High motivation impacts the quality and quantity of work, which in turn improves the overall performance of the company.

Research conducted by Laksmi & Puja (2024) supports this view by showing that motivation has a significant influence on employee performance. Employees with high work motivation tend to work more productively and qualitatively, contributing to the company's success. Therefore, companies need to consider motivation factors in their HR management strategies to ensure that employees remain motivated and perform at a high level.

However, in addition to compensation and motivation, work discipline is also an important factor influencing employee performance. Work discipline involves an individual's commitment to adhering to the rules, procedures, and norms that apply in the workplace.

According to Pranitasari & Khotimah (2021), work discipline includes adherence to work hours, completion of tasks according to standards, and respect for company hierarchy. Disciplined employees tend to show punctuality and consistency in work quality, which ultimately enhances organizational productivity.

Work discipline has a direct impact on the efficiency and productivity of the company. Disciplined employees help create a professional and orderly work environment, which in turn improves the company's reputation and success. Conversely, a lack of discipline can lead to decreased productivity, increased conflicts among employees, and even financial losses for the company. Thus, work discipline becomes one of the key factors in achieving the company's goals and maintaining good performance.

Overall, effective HR management through the provision of fair compensation, high work motivation, and strong discipline can drive better employee performance. Companies need to ensure that they have effective strategies to retain and enhance employee performance in order to achieve corporate goals. By paying attention to these aspects, companies can improve productivity, create a positive work environment, and achieve long-term success. The findings of this research provide insights for companies regarding the importance of compensation, motivation, and work discipline in maintaining employee performance, which ultimately contributes to achieving corporate goals and employee well-being (Sugiarti, 2023).

2. LITERATURE REVIEW

Employee performance appraisal has important benefits for companies as it provides necessary information for strategic decision-making. Jaelani et al. (2024) state that the goals of performance appraisal include improving job execution, gathering relevant information for workers and managers to make appropriate business decisions, and assisting in the inventory of human resources. This performance appraisal also helps to enhance the motivation and achievements of workers. By observing employee performance regularly—daily, monthly, or annually—companies can assess employees' work performance, which is often equated with work achievements (Sukmawati et al., 2023).

One factor influencing performance is compensation. According to Ardianto et al. (2024), compensation includes salaries, wages, bonuses, and other forms such as insurance and medical benefits received by employees in return for their contributions. Apriyadi et al. (2023) add that compensation is a reward for employees for their contributions to achieving the company's goals. Compensation is not just a form of financial remuneration, but also serves as motivation that encourages employees to continue working and improving productivity.

Therefore, compensation plays a crucial role for both the company in retaining employees and for employees in maintaining their optimal performance.

In addition to compensation, motivation is also an important factor affecting performance. Generally, motivation is defined as the drive that encourages an individual to work more effectively and integratively to achieve personal satisfaction and organizational goals (Firdaus, 2023). This motivation can arise both consciously and unconsciously, depending on the physical and psychological needs that prompt an individual to take certain actions. High motivation in the workplace can enhance overall employee productivity and satisfaction. Work discipline is equally important. Daryanti & Widyastuti (2023) mention that discipline is the willingness of employees to adhere to company rules, and this plays a vital role in maintaining operational efficiency. Good discipline minimizes potential disruptions in the work process, thereby increasing productivity. Calista et al. (2024) add that discipline is part of employee development that must be consistently enforced by management as part of the organizational culture.

Based on research, factors such as compensation, motivation, and work discipline all have a significant influence on employee performance. Compensation has been shown to have the greatest impact on performance improvement, while work motivation and discipline also contribute positively, albeit with varying degrees of influence. This emphasizes the importance of integrating various factors into human resource management strategies to optimize performance. Companies need to ensure that the compensation provided is fair and adequate, that employee motivation is consistently maintained, that discipline is effectively implemented, and that a supportive work environment is created. This research also provides a strong foundation for the development of better HR policies and encourages further research in the field of employee performance and management.

3. METHODS

This research employs a quantitative method based on the philosophy of positivism. The aim of this study is to collect data using research instruments, which are then analyzed statistically to test the established hypotheses. This approach was chosen because it is relevant for investigating measurable issues and involves a large population, such as the effects of compensation, motivation, and work discipline on employee performance at PT Heulang Bandung. This method is highly appropriate for objectively uncovering facts, using research designs such as surveys and inferential analysis (Sugiyono, 2021).

In this study, the sample was determined using a random sampling method, where each of the 115 employees at PT Heulang has an equal chance of being selected. Using Slovin's formula, it was found that the necessary sample size is 53 employees. Data were collected through closed questionnaires using a Likert scale, which allows the study to measure employees' perceptions and attitudes regarding compensation, motivation, and work discipline. Subsequently, I used SPSS Version 25 software to analyze the collected data.

The results of this research are expected to provide insights into how these three factors influence employee performance. By using the Likert scale, the researcher can measure employee responses to the posed questions, which are then analyzed to determine the relationships and impacts of these factors on performance. This statistical approach ensures accurate and valid results to support the research objectives.

4. RESULTS

PT. Heulang is located in the city of Bandung, which is renowned as one of the culinary and creative culture hubs in Indonesia. Situated in a strategic area, the company's location leverages the culinary tourism appeal of Bandung, which is always frequented by both local and international visitors. Research conducted with 55 employees at PT. Heulang Bandung yielded the following findings:

Tabel 1. Level of Compensation, Work Motivation, Work Discipline, and Employee Performance

		Compensation	Work Motivation	Work Discipline	Employee Performance
Valid	Good	29	27	24	28
	Bad	26	28	31	27
	Total	55	55	55	55

Tabel 2. Multiple Linear Regression Test

Model	Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Error Std.	Beta			
1	(Constant)	.973	1.355		.718	.476
	X1	-.051	.080	-.048	-.639	.526
	X2	.465	.126	.386	3.684	.001
	X3	.749	.127	.613	5.884	.000

This study shows that the majority of respondents, specifically 52.7% of employees, assess the compensation provided by the company as adequate. However, the regression results indicate that compensation has a negative relationship with employee performance, with a coefficient of -0.051 and a t-value of -0.639, which is smaller than the t-table value. This suggests that the impact of compensation on employee performance is not significant. While compensation is important, these results indicate that improvements in compensation alone are not sufficient to significantly affect performance at PT. Heulang Bandung. It is possible that other factors, such as motivation and discipline, play a more significant role in influencing employee productivity.

Furthermore, the analysis of employee work motivation shows more positive results. About 49.1% of employees have good motivation, while 50.9% have poor motivation. The motivation regression coefficient of 0.465, with a t-value of 3.684 ($>$ t-table), indicates that motivation has a significant and positive impact on performance. This means that the higher the motivation of the employees, the better their performance. These results suggest that enhancing work motivation is an effective step to improve employee performance at PT. Heulang Bandung, and the influence of motivation is quite strong based on the statistical results.

Additionally, the study also found that work discipline has a significant impact on employee performance. Although more respondents reported poor work discipline (31 respondents) compared to those with good discipline (24 respondents), the regression coefficient of 0.749 indicates that work discipline has a positive relationship with employee performance. With a t-value of 5.884 ($>$ t-table), work discipline proves to be an important factor in enhancing productivity.

Tabel 3. Coefficient Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932 ^a	.869	.861	1.737

These results are reinforced by a coefficient of determination (Adjusted R Square) of 0.861, indicating that compensation, motivation, and discipline together influence performance by 86.1%. Other unexamined factors contribute only 13.9%.

Tabel 4.F Test

ANOVA ^a						
	Model	Sum of quares	df	Mean Square	F	Sig.
	Regression	1018.135	3	339.378	112.544	.000 ^b
	Residual	153.792	51	3.016		
	Total	1171.927	54			

Meanwhile, the F-test with a significance level of 0.000 indicates that the three independent variables compensation, work motivation, and work discipline have a significant simultaneous impact on employee performance.

5. DISCUSSION

Several recent studies support the view that compensation does not always have a positive impact on employee performance, especially in the long term or when viewed from a non-financial perspective. In a study conducted by Khofi et al. (2023), it was found that although an increase in compensation can provide a temporary boost, the relationship between compensation and performance is not significant. In fact, in some cases, an excessive focus on financial incentives can reduce employees' intrinsic motivation, as they become more interested in rewards than the quality of the work itself. These results indicate that compensation is not always the primary determinant in improving employee performance across various companies.

However, findings from other studies show that good compensation, both financial and non-financial, can be an important factor in motivating employees. Ronaldi (2023) revealed that when employees feel valued through fair and competitive compensation, they tend to be more enthusiastic and productive. This suggests a variation in research results regarding the relationship between compensation and performance, depending on the industry context and nature of the work. Additionally, a study conducted by Pandya (2024) reinforces that both intrinsic and extrinsic motivation play an important role in driving performance. Recognition, rewards, and a supportive work environment create a conducive atmosphere for better productivity, showing that psychological factors like motivation can be more significant than compensation in some cases.

Furthermore, research on work discipline provides additional insights into how other factors can influence employee performance. Zakariya et al. (2024) found that good work discipline helps maintain efficiency and punctuality, which contributes to improved performance. On the other hand, Diposentono et al. (2023) emphasized that overly strict disciplinary rules can hinder creativity, especially in creative industries. Further research, such as that conducted by Ardhianto et al. (2024), suggests that the integration of compensation, motivation, and discipline is key to significantly enhancing employee performance. These findings highlight the importance of balancing various motivational and management factors in achieving optimal performance, whether in the banking sector, creative industries, or education.

6. CONCLUSION

This study concludes that compensation, motivation, and work discipline have varying effects on employee performance at PT Heulang Bandung. The regression analysis results indicate that compensation, although deemed adequate by most employees, does not have a significant impact on performance. This is shown by the negative coefficient and a t-statistic smaller than the t-table value, indicating that changes in compensation do not directly correlate with performance improvement. Other factors, such as motivation and work discipline, appear to play a larger role in influencing employee performance.

Work motivation shows a significant positive effect on employee performance. With a positive regression coefficient and a t-statistic greater than the t-table value, motivation is proven to be an important factor driving performance. Employees with high work motivation tend to perform better, indicating that efforts to enhance motivation can contribute significantly to the company's productivity.

Work discipline also plays a crucial role in improving employee performance. The results of the study show that employees with good work discipline are more likely to achieve higher performance. This is reinforced by a significant t-statistic and a high regression coefficient. Overall, this study demonstrates that a combination of motivation and work discipline are the key factors in improving employee performance, with compensation playing only a limited role in this context.

7. LIMITATION

This study has several limitations that need to be considered. First, the research was conducted solely at PT Heulang Bandung, so the results may not be generalizable to other companies or different industry sectors. The organizational conditions and work culture at this company may differ from those at other companies, which could affect the results if applied in a different context. Additionally, this study used data from 53 employee samples selected through random sampling. Although this method aims to provide a fair representation, the relatively small sample size may not fully reflect the entire employee population, particularly for more in-depth analysis of other variables that may influence employee performance.

The study relied solely on quantitative data from closed-ended questionnaires, which might limit deeper exploration of the factors affecting performance. Further research using a qualitative approach or a mixed-methods approach could provide richer insights into aspects of motivation, compensation, and work discipline from the employees' perspective.

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