

DMC Model: A Superb Model for Measuring Employee Performance

Bisma Arianto^{1*}, Wanda G.P.A. Hidayat²

¹Lecturer, Management Department, Faculty of Economics, University of PGRI Adi Buana, 60234 Surabaya, Jawa Timur, Indonesia

²Ph.D candidate, Post Graduate School, Airlangga University, 60118 Surabaya Jawa Timur, Indonesia

*Email: bismaarianto@unipasby.ac.id

Article Info

Volume 83

Page Number: 1654 - 1667

Publication Issue:

May - June 2020

Abstract:

Employee Performance is an achievement by an individual worker that is adjusted to the role or task of the individual in a company or organization within a certain period, which is associated with a certain value or standard size of the company where the individual works. Therefore, a precise model is needed to measure the performance of company employees, because when employee performance rises, it will also improve the company's performance. The model is the DMC model that is discipline, motivation, and compensation. This research is a quantitative study using accidental sampling, with 100 respondents. The data analysis method in this study uses SEM (Structural Equation Model) with SPSS software tools. The results showed that the DMC model (Discipline, Motivation, and Compensation) had a significant positive effect to employee performance. As well as the feasibility of the model reflected by R-Square (R²) of 0.990, which means that the contribution of DMC Model (Discipline, Motivation, and Compensation) affect 99 percent to employee performance, while the remaining 1 percent is influenced by other factors outside the model.

Keywords: Discipline, motivation, compensation, and employee performance

JEL Classification: J3, L1, J8, L2

Article History

Article Received: 11 August 2019

Revised: 18 November 2019

Accepted: 23 January 2020

Publication: 10 May 2020

Introduction

Human Resources (HR) is an important asset to support an organization's success. HR is the executor of all organizational policies so it needs to be equipped with adequate knowledge. The importance of human resources needs to be realized by all levels of management in the company. However advances in technology today, human factors still play an important role for the success of an organization. In the development of globalization, especially with

the entry into force of the AEC (ASEAN Economic Community), many companies are required to be able to maximize employee performance. Employee Performance is the work achieved by individuals that are tailored to the role or duties of individuals in a company or organization within a certain period, which is associated with a certain value or standard size of the company where the individual works.

Bangun (2012) explains that the work results achieved by someone based on job requirements,

based on the definition above shows that employee performance is the result of employee's work in quality and quantity that helps the organization in achieving its goals. Employee performance that is common to most workers includes elements namely quantity of results, quality of results, timeliness of results, attendance, and ability to work together. The performance of employees in the company does not meet the standards. There are some employees who lack discipline such as arriving

late, leaving early, and returning to their tables late after the break is over. And to overcome these things or violations there are no strict sanctions, also the level of absence that is still quite prominent every month. Based on the facts that have been outlined above, the following is a recap of the attendance data from PT Samudera Krida Utama that the authors recap of in the past 1 year namely from January to December 2019 with the details as follows:

Table 1 Employee Attendance Data

No	Month	Number of Attendance	Present Percentage (%)	Number of Missing	Absent Percentage (%)	Total Employees
1	Jan	80	80	20	20	100
2	Feb	81	81	19	19	100
3	March	100	100	0	0	100
4	April	75	75	25	25	100
5	May	55	55	45	45	100
6	June	64	64	36	36	100
7	July	89	89	11	11	100
8	Aug	77	77	23	23	100
9	Sept	66	66	34	34	100
10	Oct	56	56	44	44	100
11	Nov	50	50	50	50	100
12	Dec	80	20	80	20	100

Source: The attendance data processed, 2020

As shown in table 1 shows that for 1 year, there was only one month that the Company's employees showed 100% attendance and in other months showed a very disappointing presence, even though the reasons for not being present or absent included various reasons such as permits, illness, and leave. . Thus the company must further improve good

performance by disciplining employees who are arbitrarily absent from absent. The business that will be carried out by the organization or company to make employees' performance more improved is by paying attention to the level of employee discipline at work. According to Fathoni (2012) discipline is aware of the treatment of obeying all organizational or

company regulations and also the norms that apply. Discipline is illustrated that if workers arrive on time at the specified time, do all the work properly and correctly, comply with regulations, and social norms (Hasibuan, 2013).

Sutrisno (2013) suggests motivation is a factor that drives a person to do a certain activity, motivation is often interpreted as a factor driving a person's behavior. Mangkunegara (2012) also stated that motivation is a condition or energy that moves employees to be directed or directed to achieve the organizational goals of the company. In order for all activities and activities of the organization or company to run properly and properly, the company must have employees who are well-informed, skilled and competent in their fields so that employee performance increases. According to Hasibuan (2013) work performance is a goal that must be achieved by every employee. This will be a benchmark or hope to form a pattern of good relations between employees and the company. The employees will think that the company where they work can understand and know the necessities of life that are the triggers why they work to get a compensation. Compensation is all income in the form of money, direct and indirect goods received by employees in return for services provided to the company (Hasibuan, 2013). Understanding compensation according to Handoko (2012) is anything that is received by employees as a reward for their work. Compensation is also an award given by employees both directly and indirectly, financially and non-financially equitable to employees for their contribution in achieving organizational goals, so that compensation is needed by any company to improve the performance of its employees. The forms of financial compensation are salary, benefits, bonuses, and commissions. Whereas non-financial compensation includes training, authority and responsibility, appreciation for performance and a supportive work environment. Dewi et al. (2014) explained that

the revolution that occurs in each employee's performance is influenced by compensation. However work discipline and work motivation also need to be improved because it is very important, both of which aim to encourage employees to perform better. Work motivation will encourage someone to work more enthusiastically. While work discipline is an attitude or personality possessed by an employee to carry out the tasks carried out by complying with work procedures that have been set by the company, so that if employees have work discipline and high work motivation, it is not surprising that employees have high performance. This phenomenon is very interesting to study to see whether work discipline, motivation, compensation affect employee performance

Literature Review

Human Resource Management

Human resource management is very important to increase the usefulness and results of the function of human resources in the organization, with the intent and purpose of giving the organization or company an effective work activity. The definition of human resource management according to Abdullah (2014) is the overall activity relating to carrying out organizational work through the functions of planning, organizing, directing, and supervising to achieve organizational goals that have been determined with the help of organizational resources. Human resource management has a special meaning compared to general management or other resource management. Because what will be managed is human, the success or failure of human resource management will have a very broad impact. Human resource management is very important to improve the function and results of human resource work in organizations or companies, with a positive impact and aims to give the organization an effective work activity (Sunyoto, 2015).

Discipline

Every organization is very necessary and must have various requirements that must be obeyed by every employee. Discipline is an action taken by management in giving efforts to members to meet the needs of the organization or company. It is said discipline if employees have the nature to work discipline, etymologically is if there is no great or perfect human being. Good discipline is when the amount of employee responsibility for the tasks assigned to him. Hasibuan (2012) explains that discipline is an intention of what someone does to obey all the rules that have been made by the company that is in force. The company really needs a high level of work discipline to maintain company performance, and requires the role of leaders who are able to behave well, behave wisely and consistently in giving sanctions or penalties for violations of organizational regulations.

Handoko (2011) states that there are two types of disciplinary activities namely preventive discipline and corrective discipline. Preventive discipline is an activity carried out to encourage employees to follow standards and rules so that fraud can be prevented. Management has the responsibility to create preventive disciplines where various standards are known and understood. While corrective discipline is an action taken to deal with further violations. Corrective activities often take the form of punishments and are called disciplinary action, Employees are a very important part in determining the achievement of the goals of an organization, and work discipline can have an influence on employee performance. Someone who has a good spirit of work discipline will achieve the specified goals. The success or failure of an organization in achieving its goals depends on the level of success of each individual organization itself in carrying out their duties (Wahyuddin, 2006). The empirical results of Susanti et al. (2016) employees who have good work discipline are expected to be able to try as much as possible to complete their

for example warning or suspension. Discipline goals should be positive, educate and correct, not negative actions that bring down employees who do wrong. The purpose of discipline is to improve future activities rather than punish past activities.

Management activities are to provide rules or guidelines used in the organization. To run an organization regularly, it is very necessary and can be realized only in conditions of high work discipline. According to Sutrisno (2011), indicators of work discipline are as follows:

Table 2 Indicators of Discipline

Indicators of Discipline	
Obey the rules of time	Judging from the hours of work, hours of return, and hours of rest on time in accordance with the rules in force in the company
Comply with company regulations	Basic rules about how to dress, and behave at work.
Obey the rules of behavior at work	Shown by ways of doing jobs in accordance with the position, duties, and responsibilities and how to relate to other work units.
Obey the other regulations in the company	The rules about what can and what should not be done by employees in the company

work, so as to produce optimal performance for the company. Disciplined employees tend to be punctual in carrying out established procedures and have high responsibilities

Motivation

On the basis and principle, every company would want employees who are competent in good and skilled communication, but the main thing is someone has the intention and commitment to diligently work to produce optimal achievement. Motivation according to

Sunyoto (2015) is a strength that results from one's desire to satisfy his needs. Motivation is very important, because with motivation it is expected that every employee is willing to work hard and enthusiastically to achieve high work productivity. While motivation according to Yatipai et al. (2015) is an encouragement or enthusiasm that arises in a person or employee to do something or work, due to external stimulation both from superiors and the basis for meeting the needs and satisfaction, as well as fulfilling responsibilities for the tasks given and carried out in the organization.

From the above understanding and explanation, the researcher can conclude that motivation is something that can encourage someone to do a good job so that the company's goals can be achieved. Work motivation can come from outside the employee or from within the employee itself. Leaders in motivating their employees must realize that people will want to work hard in the hope that employees will meet the needs and desires of the results of their work. Motivation is the encouragement that will be given to the employees. The indicators of motivation in this study refer to Maslow's theory in Sunyoto (2015), shown as a table below

Table 3 Indicators of Motivation

Indicators of Motivation	
Physiological needs	Employees work to meet their daily needs
The need for a sense of security	Employees are working seriously so that the company guarantees work safety
Social needs	Employees really work because the work atmosphere that has been made as comfortable as possible
The desire for appreciation	Employees carry out work obligations in earnest will get the

	proper appreciation
The desire of insight	Employees do the work seriously to improve the ability of employees themselves

Motivation is indeed a need for an individual, especially in the process of achieving a goal, therefore motivation must really be considered by an organization. By providing motivation there will be work willpower and if the willpower is high it will also impact on performance results. This indicates how strong the drive, effort, intensity, and willingness to sacrifice for the achievement of goals. Fernadi et al., (2016) write the meaning of performance as a result of the quality and quantity of performance achieved by an employee in carrying out their duties in accordance with the responsibilities given. Thus this understanding implies that in carrying out their work, the performance of each employee accumulatively affects the company. Thus the company is important to take actions that can maintain and improve the performance of each employee by providing motivation. Empirical results Tampi (2014) that motivation has a positive and significant relationship to employee performance, this is based on motivation done by superiors, it will have an impact on the increasing performance of employees in the company.

Compensation

Compensation according to Gaol (2014) is anything that is received by employees, either in the form of money or not money as a remuneration for the efforts made by employees (employee contributions) that they provide to the organization. Whereas according to Nawawi (2011) compensation is defined as an award or reward to employees or members of an organization that have contributed through the implementation of work to achieve organizational goals. The compensation process

according to Handoko (2011) is a network of complex subprocesses with a view to providing retribution to employees for work performance and to motivate them to achieve the desired level of achievement. Among the components of this process are payment of wages and salaries, as well as supplementary compensation, such as: payment of insurance, leave, sickness and so on. In general, payment of wages within a company

is determined by activities that include job analysis, job description writing, job evaluation, wage and salary surveys, analysis of relevant organizational issues, determination of a work price (which must exceed the minimum wage), setting rules administrative rules for wages, and finally payment of wages to employees. For more details, Handoko (2011) stated the flow of these activities can be seen in the picture below:

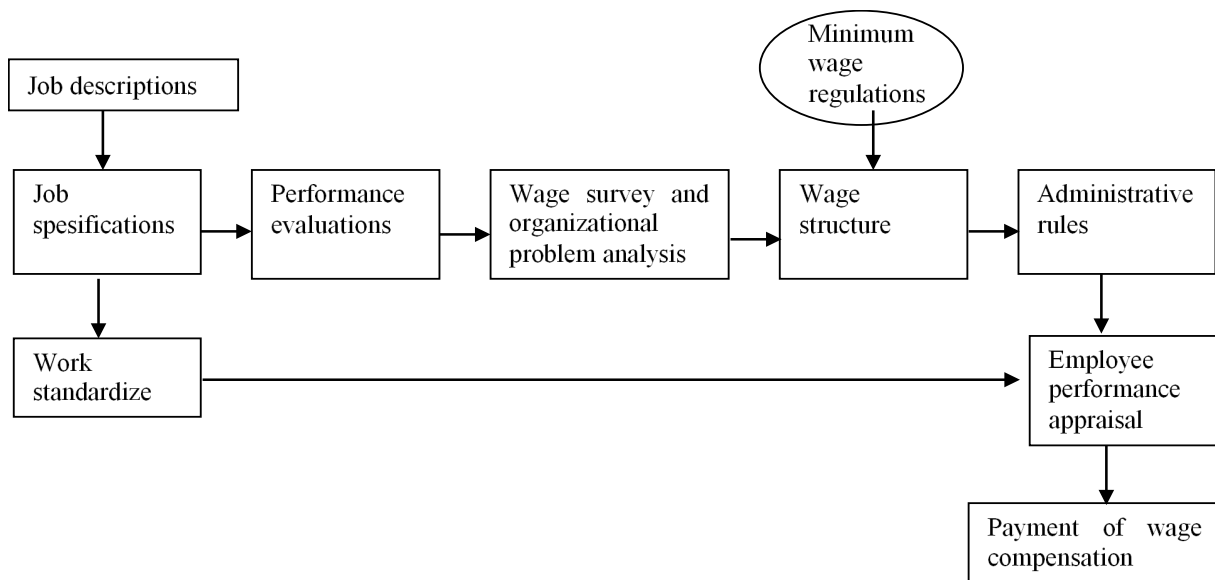


Figure 1 Compensation Process

Compensation is anything that is received by an employee, whether in the form of money or not money in return for services rendered. In this study, compensation indicators are described according to Gaol (2014), as follows:

Table 4 Indicators of Compensation

Indicators of Compensation	
Met the minimum needs	The compensation can meet their minimum needs
Can be binding	The compensation is sufficient, so that employees do not wish to move to another company
Can motivate	The compensation can motivate him to work harder

Fair	The compensation is fair in accordance with their work performance
Not fixed	The compensation received by employees is in accordance with the regional minimum wage

Compensation is indeed a necessity as an employee because employees feel comfortable and comfortable in need of compensation for employees, therefore how companies should make compensation so that employee performance is better and contributes to the company. Muljani (2002) states that workers are one part of company assets that is very

important for the achievement of the company. Conversely, for employees who have a variety of needs, the company is also one place that can satisfy their needs. Compensation is a reward given by the company to employees, for their services in carrying out their duties, obligations and responsibilities imposed on them in the context of achieving company goals.

Employee Performance

Abdullah (2014) states that performance is a picture of the level of achievement of the implementation of a program of activities or policies in realizing the goals, objectives, and mission of the organization as outlined through the strategic planning of an organization. A person's performance is said to be good if the results of individual work can exceed the predetermined roles or targets. Thus the problem of employee performance is also related to the problem of people's ability to develop themselves in order to be able to work towards the goals desired by the organization. Employee performance according to Gaol (2014) is a real behavior that is displayed by everyone as a work performance generated by employees in accordance with their role in the company. Employee performance is a very important thing in the company's efforts to achieve its goals. While the understanding of employee performance according to Hasif et al. (2015) is the quality and quantity of work achieved by an employee in carrying out tasks in accordance with the responsibilities given to achieve organizational goals. Employee performance appraisal is very important to be applied in the company. Performance appraisal needs to be formally based on a set of criteria that are rationally determined and applied objectively and documented systematically. Employee performance is the result of work achieved by employees. Employee performance indicators in

this study according to Siagian (2009), as follows;

Table 5 Employee Performance

Indicators of Employee Performance	
Main tasks	Employees know the main tasks of their work
Knowledge	Employees in work related with their knowledge and skill they have
Related tasks	Employees understand that their duties are related to other employees' tasks
Work difficulties	Employees understand the work difficulties they face
Steps for improvement	Employees understand what corrective steps must be taken to improve performance

Research Method

Data analysis method that will be used in this research is quantitative analysis. Quantitative analysis is done by making the parts that will be made into a group of data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, doing calculations to answer the problem formulation, and doing calculations to test hypotheses that are has been submitted (Sugiyono, 2016). In this study data analysis will use descriptive statistical techniques and Structural Equation Modeling (SEM) methods using SPSS software.

Scale of Measurement

Measurement scale is a reference that is used to determine the length of the interval that is in units of measuring devices. According to Sugiyono (2013) in this case explained that the

measurement scale is an agreement that is used as a reference to determine the length of the short interval in the measuring instrument, so that the measuring tool when used in measurement will produce quantitative data. The scale used for the variables in this study is the ordinal scale. Sekaran (2011) explains that the ordinal scale not only categorizes variables to show differences between various categories, but also ranks them in several ways.

While the scale used for the instrument in this study is the Likert scale. Sugiyono (2011) explains that the Likert scale is a scale used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena. The Likert scale is designed to examine how strongly the subject agrees or disagrees with the statement on the 5-point Likert scale (Sekaran, 2011: 31). The composition of the Likert scale as follows;

Table 6 Likert scale

Point	Answer
Score 1	Strongly Disagree (SD)
Score 2	Disagree (D)
Score 3	Neutral (N)
Score 4	Agree (A)
Score 5	Strongly Agree (SA)

Hypothesis, the hypothesis proposed in this study is as follows:

- H1: Discipline affects to employee performance
H2: Motivation affects to employee performance
H3: Compensation affects to employee performance

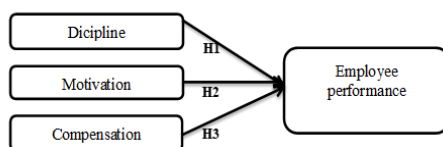


Figure 2 Research of DMC Model

From the figure above that in a company there is a work discipline that can affect the level of employee performance, besides that employees also have the right to compensation in order to affect the performance of the company, and the existence of motivation that can affect employee performance on work and responsibilities.

$$\begin{aligned}
 \text{Employee Performance}_{it} &= \beta_0 + \beta_1 D_{it} \\
 &+ \beta_2 M_{it} + \beta_3 C_{it} \\
 &+ \varepsilon_{it}
 \end{aligned}$$

Information:

EP_{it}	: Employee Performance
β_0	: Constant
$\beta_1, \beta_2, \beta_3$: Coefficient
D_{it}	: Discipline
M_{it}	: Motivation
C_{it}	: Compensation
ε_{it}	: Error

Data Analysis Results

a) Validity Test

Validity testing is a function to measure the validity of a statement or questionnaire. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. Significance test is done by comparing the value of r-arithmetic with r-table for degree of freedom (df) = number of constructs -2. If r-arithmetic (for each item r can be seen in the corrected item - total correlation column) > r-table and the value of r is positive, then the item or question is said to be valid (Ghozali, 2009). The validity test results can be seen in the table below.

Table 7 Validity test results

Variable	Statement	Pearson Correlation	r - table	Conclusion
Discipline (D)	D1	0.923	0.300	Valid
	D2	0.841	0.300	Valid
	D3	0.895	0.300	Valid
	D4	0.925	0.300	Valid
	D5	0.956	0.300	Valid
Motivation (M)	M1	0.919	0.300	Valid
	M2	0.364	0.300	Valid
	M3	0.872	0.300	Valid
	M4	0.917	0.300	Valid
	M5	0.787	0.300	Valid
Compensation (C)	C1	0.701	0.300	Valid
	C2	0.946	0.300	Valid
	C3	0.948	0.300	Valid
	C4	0.911	0.300	Valid
	C5	0.752	0.300	Valid
Employee Performance (EP)	EP1	0.859	0.300	Valid
	EP2	0.905	0.300	Valid
	EP3	0.879	0.300	Valid
	EP4	0.940	0.300	Valid
	EP5	0.872	0.300	Valid

Source: Primary data processed, 2020

Based on table 7, it can be concluded that all items that measure the independent variables namely discipline, motivation, and compensation as well as the dependent variable namely employee performance, the whole statement item can be declared valid. This happens because the entire statement item produces a calculated r value greater than 0.300

b) Reliability Test

The reliability test is to measure a questionnaire which is an indicator of a variable or building on a variable. A questionnaire is said to be reliable or reliable if a person's answers are consistent or stable over time. A construct or variable is said to be reliable if it gives a Cronbach Alpha value > 0.6 (Ghozali, 2009). The following table 8 will shows the results of the reliability test for the four variables used in this study.

Table 8 Reliability Test Results

Variable	Cronbach Alpha	Conclusion
Discipline (D)	0.968	Reliable
Motivation (M)	0.905	Reliable
Compensation (C)	0.944	Reliable
Employee Performance (EP)	0.961	Reliable

Source: Primary data processed, 2020

Classical assumption test

a) Normality Test

In this test will use a graphical approach, namely the standard P-Plot of regression standard graph, with this test required that the distribution of research data must follow a diagonal line between 0 and the X and Y axis meeting.

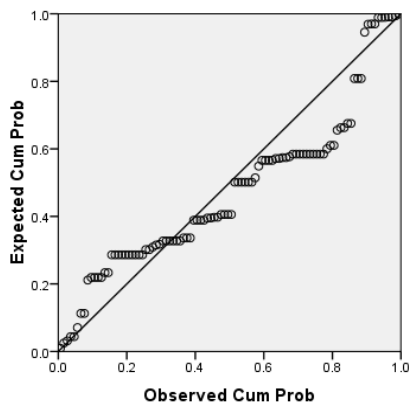


Figure 3 Normality Test Results Using P-Plot Graphs

From the graph above, it can be seen that the data distribution has followed a diagonal line between 0 (zero) with the meeting of the Y axis (Expected Cum. Prob.) With the X axis (Observed Cum. Prob.). This shows that the data in this study were normally distributed. Thus it can be concluded that the regression model has fulfilled the normality assumption.

b) Multi-collinearity Test

The method that can be used to detect the presence of multi-collinearity symptoms is done by looking at the value of Variance Inflation Factor (VIF), and the tolerance value. If the tolerance value is close to 1, and the VIF value is lower than 10, that's mean no multi-collinearity. The VIF and tolerance value are presented in table below:

Table 9 Multi-collinearity Test Result

Variable	Tolerance value	VIF	Conclusion
Discipline (D)	0.53	8.734	No multi-collinearity
Motivation (M)	0.70	4.301	No multi-collinearity
Compensation (C)	0.70	4.359	No multi-collinearity

Source: Primary data processed, 2020

Based on table 9 above, it can be seen that the tolerance value is close to 1 and the value of the variance inflation factor (VIF) is lower than 10 for each variable, then this means that in this DMC model there is no correlation between each independent variables (no multi-collinearity).

Results and Discussion (DMC Model)

The result of multiple linear regression between DMC Model (discipline, motivation, and compensation) to employee performance can be obtained as follows:

Table 10 Regression results

Variable	Coefficient	Sig.
(Constant)	-0.013	0.738
Discipline (D)	0.697	0.000
Motivation (M)	0.165	0.000
Compensation (C)	0.154	0.000

Source: Primary data processed, 2020

So, the model is $EP = -0.013 + 0.697D + 0.165M + 0.154C + e$

The results of the multiple linear regression equation above provide the understanding that:

1. A constant value of -0,013, meaning that if DMC model (discipline, motivation and compensation) are absent or equal to 0, then the employee's performance will be 0.013.
2. β_1 (coefficient of discipline) is positive, meaning that if work discipline is increasing, the resulting employee performance increases.
3. β_2 (coefficient of motivation) is positive, meaning that if motivation is increasing, the resulting employee performance is increasing.
4. β_3 (coefficient of compensation) is positive, meaning that if compensation is increasing, then employee performance will also increase.

Model Feasibility Test

a) Goodness of Fit Test

This test is conducted to determine whether work discipline, motivation and compensation in together will affect to employee performance. The results of this test shows as below:

Table 11 ANOVA test results

Model	F	Sig.
Regression	3043.27	0.000

Source: Primary data processed, 2020

From the above table it can be seen that the value of the F test with a significance level of 0,000 (below 0.05) is 3043.27. Based on the level of significance, it was concluded that H0 was rejected and H1 was accepted. This means that the independent variables consisting of work discipline, motivation and compensation together have a significant effect on the dependent variable, namely employee performance (Y).

b) Multiple Determination Coefficient (R^2)

The coefficient of multiple determination (R^2) aims to determine the amount of contribution or the overall contribution of the independent variable (work discipline, motivation and compensation) to the dependent variable (employee performance) and the rest is influenced by the independent variable that is not included in the model.

Table 12 R-Square Model summary

Model	R - Square	Adjusted R Square	Std. Error of Estimate
1	0.990	0.989	0.08930

Source: Primary data processed, 2020

The results of the coefficient of determination and multiple correlation coefficients show the R-square is 0.990, which means that the contribution of DMC Model (discipline, motivation, and compensation) affect 99 percent to Employee performance, while the remaining 1 percent is influenced by other factors outside the model.

c) Hypothesis Testing (t Test)

The Hypothesis Test uses the t test to determine the overall effect of the independent variable on the dependent variable by comparing the significant t value. This study uses a probability of 95% significance level with $\alpha = 0.05$, so that it can be seen the effect of individual independent variables with the criteria if p-value is $< \alpha = 0.05$, it can be conclude that the independent variable has a significant effect on the dependent variable.

If p-value $> \alpha = 0.05$, it can be conclude that the independent variable has no significant effect on the dependent variable.

Table 13 Regression Results

Model	t	Sig.
Discipline (D)	15.576	0.000
Motivation (M)	3,855	0.000
Compensation (C)	3,822	0.000

Source: Primary data processed, 2020

Based on the multiple regression test calculations listed in table 13, the test results provide an understanding that:

a. The effect of discipline to employee performance

Based on the results, the coefficient value is positive and the significance value (P-value) for work discipline is $0,000 < (\alpha = 0.05)$, so it rejects the Ho and can be conclude that discipline has a significant influence on employee performance.

b. The effect of motivation to employee performance

Based on the results, the coefficient value is positive and the significance value (P-value) for work discipline is $0,000 < (\alpha = 0.05)$, so it rejects the Ho and can be conclude that motivation has a significant influence on employee performance

c. Effect of compensation on employee performance

Based on the results, the coefficient value is positive and the significance value (P-value) for work discipline is $0,000 < (\alpha = 0.05)$, so it rejects the Ho and can be conclude that discipline has a significant influence on employee performance

The Effect of Discipline to Employee Performance

From the output using the Structural Equation Model (SEM) with SPSS software above shows that discipline has a significant effect on employee performance. This result gives the meaning that work discipline has the most influence on employee performance with a note that if an employee has a good level of work discipline then his performance will also increase to be much better. This is also evidenced by previous research by Treshia et al (2015) with the research title Effect of Motivation, Work Discipline, and Compensation on Employee Performance (Study case in PT IE Company) with the results of motivation, work discipline, and compensation research having positive and significant effects on employee performance. The difference in this research is the object of research.

The Effect of Motivation on Employee Performance

The result above shows that motivation has a significant effect to employee performance. This results give meaning to having high motivation so the employee performance produced will also be high. In this case motivation can affect employee performance because by having a high level of motivation, each employee will carry out and complete every job and task with enthusiasm and with good work targets. This is also evidenced by previous studies examined by Sutrisno et al (2016) with the title Effect of Motivation and Work Discipline on Employee Performance at the Municipal Civil Service Police Office in Semarang, the results of the study stated that motivation has a significant effect on employee performance.

The Effect of Compensation on Employee Performance

The result shows that compensation has a significant effect on employee performance. It gives meaning if compensation in a company is given with good standards and satisfies employees, it will improve employee performance. In achieving employee

performance, good compensation and with a good standard also has a role in making employees excited and earnest in achieving good work targets as expected by the company. This is also evidenced by previous studies examined by Ilham et al (2015) with the title Effect of Training, Compensation and Work Discipline against Employee Job Performance (Studies in the Office of PT. PLN (Persero) Service Area and Network Malang). It can be concluded that training, compensation, and work discipline have positive and significant effects on employee performance.

Conclusion

Based on the results of research and analysis that has been done, some conclusions can be drawn as follows:

First, work discipline has a significant positive to the performance of the employees from PT. Samudera Krida Utama, which means that the better the level of employee discipline at work, the easier it will be for employees to achieve good employee performance.

Second, motivation has a significant influence on the positive direction of the performance of employees from PT. Samudera Krida Utama, which means that if an employee has high motivation, the employee will be able to achieve good employee performance.

Third, compensation has a significant influence with a positive direction on the performance of the employees from PT. Samudera Krida Utama, which means that by giving good compensation with good compensation standards, it is also able to stimulate employee morale in achieving good employee performance.

Limitation of study

This study only took samples at PT. Samudera Krida Utama, so that the results of the research can be further developed into a wider scope. And this research only examines DMC Model (discipline, motivation, and compensation).

Suggestion

Based on the entire discussion and analysis results that have been carried out, the following suggestions can be given:

- a) The company is expected to improve work discipline by increasing firmness in providing sanctions for any violations committed by employees and by implementing better regulations so that each employee can work with more discipline.
- b) The company is expected to continue to provide and increase employee motivation by giving awards and career paths to employees who have good performance so that each employee will continue to be passionate about working.
- c) The company is expected to continue to pay attention to the compensation of employees and improve it better so that each employee is able to feel highly valued for all the work done by employees properly so that each employee is able to be more eager to work and be able to produce better employee performance.
- d) In this study only discusses three independent variables that influence the dependent variable, perhaps with further research the independent variable is more multiplied or looking for other independent variables and using other research objects.

Research Implications

Broadly speaking, this research is expected to provide the following benefits:

a) Practical Contributions

The results of this study are expected to be used as consideration for company leaders as there are many benefits from work discipline, work motivation, compensation and employee performance so that they benefit in the future.

b) Theoretical Contributions

The results of this study can provide knowledge about human resource management for readers and can be used as

reference material for students who intend to develop and apply this research in the future.

c) Policy Contribution

Make it easy for top management to make decisions for the company and to develop policies and suggestions to improve the performance of the Company's employees.

References

- [1] Abdullah, M. (2014). *Employee Performance Management and Evaluation*. Yogyakarta: Aswaja Pressindo.
- [2] Bangun, W. (2012). *Human Resource Management*. 5thEd. (1). Jakarta: Erlangga.
- [3] Darmadi, H. (2011). *Educational Research Methods*. Revised Edition, Bandung: Alfabeta.
- [4] Ernanto B, Baga LM, Sunarti E. 2015. The effect of the application of corporate culture on work motivation and employee performance at PT Rekayasa Industri. *Journal Applications of Business and Management* 1(1):1–11. DOI: 10.17358/JABM.1.1.1
- [5] Fathoni, A. (2012). *Organization and Management of Human Resources*. Jakarta: Rineka Cipta
- [6] Gaol, L.J. (2014). *Human Capital Human Resource Management*. Revised Edition. Jakarta: Kompas Gramedia
- [7] Ghozali, I. (2008). *Multivariate Analysis Application with the IBM SPSS Program*. 5(1). Semarang: Diponegoro University
- [8] Handoko, T. H. (2012). *Management of Personnel and Human Resources*. 2(2). Yogyakarta: BPEE.
- [9] Khoza, N., N. Chetty., A.N. Carodia. (2016). Impact of Leadership Style on Employee Performance in the Forensic Science Laboratory of The South African Police Service in Amanzimtoti. *Journal of Business and Management Review*.6 (1): 2-25.
- [10] Mangkunegara, (2012). *Human Resources Management*. PT Youth Rosdakarya. Bandung.

- [11] Mathis, R. L., and J. H. Jackson. (2016). *Human Resource Management*. Issue 10 Volume 3. Jakarta: Salemba Empat.
- [12] Moeheriono. (2012). *Competency Based Performance Measurement. Revised Edition*. Jakarta: Raja Grafindo Persada.
- [13] Muljani, N. (2002). Compensation as a Motivator to Improve Employee Performance. *Journal of Management & Entrepreneurship*. 4 (2): 113
- [14] Nawawi, H. (2011). *Evaluation and Performance Management in Corporate and Industrial Environments*. Issue 5 Volume 3. Gadjah Mada University Press. Yogyakarta.
- [15] Permatasari, R., and M. Usman. (2008), Closure of Diastema by Using Nanofiller Composites, *Indonesian Journal of Dentistry*. 15 (3): 239-246.
- [16] Raza, Mohsin Ali and Muhammad Musarrat Nawaz. (2011), Impact of Job Enlargement on Employees' Job Satisfaction, Motivation and Organizational Commitment: Evidence from Public Sector of Pakistan, *International Journal of Business and Social Science*. 2(18)
- [17] Sofat, Surbhi. (2012). Effect of Motivation on Employee Performance and Organizational Productivity. *Journal of Applied Management & Computer Science*-ISSN 0976-0458
- [18] Samad, Saminah. (2011). The Effects of Job Satisfaction on Organizational Commitment and Job Performance Relationship: A Case of Mangers in Malaysia's Manufacturing Companies. *European Journal of Social Science*. 18(4)
- [19] Saluy, A.B., and Y. Treshia. (2015). The Effect of Work Motivation, Work Discipline and Compensation on Employee Performance (Case Study in PT IE Company). *Journal of Management*. 1 (1): 56-57.
- [20] Sari, N.N.P. (2015). The Influence of Organizational Culture and Work Discipline on the Performance of Office Workers at PT. PLN (Persero) Pekanbaru City East Rayon Area. *Journal of Business Administration*. 1 (1): 7-15.
- [21] Sekaran, U. (2011). *Research Methods for Business Issues 1 and 2 Volume 3*. Salemba Empat. Jakarta.
- [22] Siagian, S.P. (2004). *Basic Principles of Human Resource Management*. Issue 1 Volume 3. Publisher Binarupa Aksara. Jakarta.
- [23] Sunyoto, D. (2015). *Human Resources Management and Development*. Issue 1 Volume 2. First Printing. CAPS (Center for Academic Publishing Service). Yogyakarta.
- [24] Sugiyono. (2011). *Quantitative, Qualitative, and R&D Research Methods*. Issue 1 Volume 1 Afabeta. Bandung.
- [25] Sutrisno., A. Fathoni., And M. Minarsih. (2015). The Effect of Work Motivation and Discipline on Employee Performance in Semarang Municipal Civil Service Police Office. *Journal of Management*. 2 (2): 3-11.
- [26] Sutrisno, E. (2011). *Human Resources Management*. 1(3). Jakarta: Kencana Prenada Media Group.
- [27] Looks good. (2014). The Effect of Leadership Style and Motivation on Employee Performance at PT Bank Negara Indonesia. *Journal Acta*. 3 (1): 117-124.
- [28] Thaief, I., A. Baharuddin., And M. S. Idrus. (2015). Effect of Training, Compensation and Work Discipline against Employee Job Performance (Studies in The Office of PT. PLN (Persero) Service Area and Network Malang). *Journal of Management*. 7 (11): 4-11.
- [29] Vera, P., and M. Wahyuddin. (2006). The Effect of Leadership, Motivation, Training, and Work Environment on Employee Performance in the Surakarta Water Supply Area. *Journal of Competitiveness Data*. 4 (2): 135-14