

THE INFLUENCE OF COMPENSATION AND ORGANIZATIONAL COMMITMENT ON EMPLOYEE PERFORMANCE THROUGH WORK DISCIPLINE AT PT. RAZZA PRIMA TRANSFORMER MEDAN

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Abstract: This research aims to test and analyze the influence of compensation and organizational commitment on performance through work discipline directly and indirectly. The approach used in this research is a causal approach. The population in this study were all employees of PT. Razza Prima Transformer Medan. The sample in this study using the Slovin formula consisted of 60 employees. Data collection techniques in this research used documentation, observation and questionnaire techniques. The data analysis technique in this research uses a quantitative approach using statistical analysis using Outer Model Analysis, Inner Model Analysis and Hypothesis Testing. Data processing in this research uses the PLS (Partial Least Square) software program. The results of this research show that directly the influence of compensation, organizational commitment and work discipline has a significant effect on performance, compensation and organizational commitment have a significant effect on work discipline, and indirectly compensation and organizational commitment have a significant effect on performance through work discipline at PT. Razza Prima Transformer Medan.

Keywords: Compensation, Organizational Commitment, Work Discipline, Performance

Introduction

Human resources have an important meaning because humans play an active and dominant role in every organizational activity. Humans in organizations play a role as determinants, actors and planners in achieving company goals as well as determining the company's progress and decline. Humans are a different resource from other production factors because humans have heterogeneous feelings, thoughts, desires and backgrounds. Humans also have unlimited needs, meaning that human needs always increase from time to time. Human needs are defined as everything that they have, achieve and enjoy, therefore humans are encouraged to carry out activities by working (Jufrizen, 2016).

Performance is a work result achieved by a person in carrying out the tasks assigned to him which is based on skill, experience, seriousness and time. This performance is a combination of three important factors, namely the ability and interest of a worker, the ability and acceptance of explanations of task delegation and roles as well as the level of motivation of a worker. (Muis et al., 2018).

Employee performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Performance also means the results of employee work seen from the aspects of quality, quantity,

working time and cooperation to achieve the goals set by the organization (Siagian & Khair, 2018).

Compensation is an important factor and is a concern for many organizations in retaining and attracting quality human resources. A good compensation system means providing appropriate and fair rewards according to the employee's contribution to their work. Providing good compensation will encourage employees to work better and more productively (Lupiyoadi & Hamdani, 2011).

Providing compensation not only benefits employees, but is also no less important in improving employee performance so that the achievement of company goals will be maximized. This compensation will be used by the employee to meet his living needs. The amount of this compensation reflects the status, recognition and level of fulfillment of needs enjoyed by the employee. If the remuneration received by employees is greater, it means that their position is higher, their status is better, and their needs are fulfilled more and more. In this way, job satisfaction improves. This is where the importance of compensation lies for employees as sellers of energy (physical and mental) (Arifudin, 2019).

Apart from job satisfaction, organizational commitment is an important factor that can influence employee performance in carrying out their work. Employee commitment to the organization is a behavioral dimension that can be used to measure and evaluate employee strength in surviving and carrying out their duties and obligations to the organization. Commitment is seen as a value orientation towards the organization which shows that individuals really think about and prioritize their work and organization. Individuals will try to give all the effort they have in order to help the organization achieve its goals (Muis et al., 2018).

Organizational commitment describes employees' trust in the organization and the development of organizational members showing attention so as to achieve progress and success. The role of employees involved in it influences the success of the organization, because the higher the good commitment, the quality of work and level of productivity will improve so that organizational goals will be achieved (Luthans, 2012).

Apart from that, disciplined employees can also increase their cooperation. Work discipline is a form of awareness that grows within a person in fulfilling responsibilities and obeying existing regulations within the company. To be able to control employee work discipline, supervision and motivation from the leadership of the organization is required. Supervision is very important in improving employee discipline. In order to encourage employee discipline, it is necessary to have a mutually beneficial working relationship between leaders and employees. Employees show a high level of discipline for the progress of the organization, while leaders provide feedback on employee discipline, namely by providing rewards (compensation) to employees who are disciplined and punishments (punishments) to employees who have low discipline. (Rizal & Radiman, 2019)

Discipline is a tool for managers to communicate with their employees so that these employees can change their behavior and comply with all company rules in accordance with applicable norms. Work discipline greatly influences employee performance, where the higher the employee's discipline, the higher their performance and vice versa (Jufrizen, 2018).

PT. Razza Prima Trafo is a service company operating in the field of electrical and mechanical engineering, contractor supplier installer. This company is also developing a business that includes maintenance and repair work on distribution transformers specifically in the North Sumatra area. PT. Razza Prima Trafo collaborates with PT. PLN (Persero) to increase electricity connections considering that there is sufficient PLN electricity available to meet the community's need for electricity. Currently PT. Razza Prima Trafo Medan is trying to improve the performance of its employees in order to optimally achieve company goals. However, not all employees are

able to optimize their performance based on the observations of researchers at PT. Razza Prima Trafo, where employee performance is still low in carrying out work, can be seen from the fact that some employees are unable to complete work on time

There are 3 (three) factors that determine PT employees. Razza Prima Trafo, firstly, Job Description, namely an assessment that is tailored to the tasks occupied by the employee, meaning that the indicators in this assessment must focus on the direction of the work, can be measured qualitatively and quantitatively and can be achieved with the employee's abilities, this assessment also has a work time target. . Second, Individual Competency, which is a combination of knowledge, skills and attitudes. The indicators for assessing individual competency are integrity, customer service orientation, adaptation, building relationships, developing other people and collaborating/leading groups. In its activities, this indicator most often involves many people and involves communication. So the role of communication is dominant in the individual competency assessment factor. Third, performance conclusions, namely the final results of the performance assessment of PT employees. Razza Prima Transformer from assessing job descriptions and individual competencies. Based on the previous description and data in table 1.1 above, it can be seen that there are still several employees of PT. Razza Prima Transformer whose performance seen from the aspects of job description, individual competence and performance conclusions is categorized as bad.

Furthermore, there is a problem with compensation where, based on the researcher's initial observations, compensation in the form of bonuses given by the company has not been effective, as companies are often late in giving bonuses to employees. Furthermore, regarding employee work commitment, there is still low employee commitment to the regulations that have been made, where there are employees who lack discipline in respecting time, often arrive late for work hours and go home not according to the specified working hours . Apart from that, not all employees want to spend their careers in the company and not all employees are loyal to the company, this can be seen from the fact that there are several employees who often ask permission to go home before work is over, for reasons of family interests and customs and apart from that there are several employees who Often they are not on time when they enter the office and during work time there are still many employees who should be working in the office but are still outside the office. That there are several employees of PT. Razza Prima Trafo Medan did not arrive on time and was late for the afternoon roll call. Apart from that, during working hours many employees sit around relaxing outside the office, where in this case many employees work outside the office so employees are reluctant to return to the office on time. working hours are over

Literature Review

The Effect of Compensation on Performance

Compensation is a form of remuneration for employees provided to the company. Can be financial or non-financial in a fixed period. Employees who work in an organization definitely need adequate and fair compensation or rewards, even if they can be quite competitive compared to other organizations or companies. A good compensation system will greatly influence a person's work morale and productivity. A good compensation system needs to be supported by rational methods that can result in someone being paid or compensated according to the demands of their work.

Having good compensation in the company will have a positive impact on the company. If employees receive compensation in accordance with what they have done within the company, then employees will tend to do their best for the company. Thus, employees will try to maintain and even improve their performance within the company. However, if employees feel that the compensation provided by the company is not in accordance with the contribution they have made to the company, the employee will tend to be less than optimal in carrying out their duties and responsibilities for the company.

Based on the results of previous research conducted by (Jufrizen Jufrizen et al., 2017) , (Jufrizen Jufrizen, 2018) , (Salman Farisi & Pane, 2020) , (Astuti & Sari, 2018) , (Astuti & Suhendri, 2020) , (Azhar et al., 2020) , (Arismunandar MF & Khair, 2020) , (Sukoco, Tirtayasa, & Pasaribu, 2020) (Harahap & Khair, 2019) , (Harahap & Khair, 2019), (Pratama, 2015) and (Polukan et al., 2019) , (Jufrizen et al., 2020) , (Arif et al., 2019) concluded that compensation affects performance.

The Effect of Organizational Commitment on Performance

A person who joins an organization certainly brings desires, needs and past experiences that shape his or her work expectations, and together with the organization tries to achieve common goals. To be able to work together and perform well, an employee must have a high commitment to the organization. Employees who are committed to the organization's goals will feel confident and believe that the organization's values and goals are in line with employee expectations so that employee performance will improve. For this reason, clarity of goals and policies implemented by the organization is a very important factor and needs to be implemented properly and correctly so that employee commitment to the organization can grow so that these employees will work seriously (Cahyani et al., 2020) .

Commitment will reflect the level of employee seriousness in carrying out their duties and functions. Because organizational commitment is important, especially for current organizations, because by looking at the extent to which an employee is committed to the organization, and the extent to which the employee intends to maintain his or her membership in the organization, it can also be measured how well an employee is committed to the organization. Organizational commitment is related to employee attitudes that show loyalty and how an employee expresses their concern for the success and good of their organization. Employees who have high involvement in work and have no desire to leave their organization, then this is the basic capital to encourage the growth of organizational commitment, if a person's commitment is high then their performance will be better (Giyanti et al., 2022) .

Based on the results of previous research conducted by (Cahyani et al., 2020) (Adhan, Jufrizen, Prayogi & Siswadi, 2020) (Muis, Jufrizen & Fahmi, 2018) and (Kristine, 2017) shows that organizational commitment has a positive effect on increasing employee performance.

The Influence of Work Discipline on Employee Performance

Work discipline is an attitude, behavior and actions that are in accordance with written and unwritten regulations. Decreased employee discipline can prevent the targets set by the company from being achieved. This indicates that employee performance is not yet optimal due to discipline factors.

Good discipline reflects a person's sense of responsibility for the tasks assigned to employees. Because with the increasing development of an organization/company and the increasing technology used by the company, it causes frequent changes to occur and the wider work that will be carried out by the workforce, so it is necessary to carry out discipline so that the goals of the organization/company can be achieved (Tanjung, 2015)

Work discipline according to (Sinambela, 2012) states that work discipline is compliance with the rules or orders set by the organization. In research (Handayani & Brutu, 2021); (Liyas & Primadi, 2017) ; (Jufrizen & Pulungan, 2017) ; (Jufrizen, 2018) (Jufrizen, 2016), (Arda, 2017) , (Yusnandar, Nefri, & Siregar, 2020) (Hasibuan & Silvy, 2019) , (Faustyna & Jumani, 2015) , (Prayogi & Nursidin, 2019) (Farisi et al., 2020) , (Arianty, 2016) stated that work discipline has a positive influence on employee performance.

The Influence of Compensation on Work Discipline

Compensation is an important factor and is a concern for many organizations in retaining and attracting quality human resources. A good compensation system means providing appropriate and fair rewards according to the employee's contribution to their work. Providing good compensation will encourage employees to work better and more productively (Lupiyoadi & Hamdani, 2011).

Providing compensation to employees must have a logical and rational basis. However, emotional factors related to humanity should not be ignored. Compensation is very important for employees themselves as individuals, because the amount of compensation is a reflection or measure of the value of the employee's work itself. On the other hand, the size of compensation can affect employee work performance, discipline and job satisfaction. If compensation is given appropriately and correctly, employees will gain job satisfaction and be motivated to achieve organizational goals. However, if the compensation provided is inadequate or inappropriate, employee work performance, motivation, discipline and job satisfaction will decrease (Putra, 2022).

Based on the results of previous research conducted by (Putra, 2022) and (Husain, 2020) it was concluded that compensation has an effect on work discipline.

The Influence of Organizational Commitment on Work Discipline

Commitment is a continuous process, and does not just happen, and is an individual experience when joining an organization. Organizational commitment discusses employee behavior in the organization.

Organizational commitment includes member pride, member loyalty, and member will to the organization. Employees have high organizational commitment if they have trust and accept the goals and values of the organization, are willing to strive towards achieving organizational goals, and have a strong desire to remain as members of the organization. Organizational commitment is an employee's belief in accepting the organization's goals and choosing to stay and not leave the organization (Haris , 2017).

commitment or employee loyalty is the degree to which an employee identifies with the company and wants to develop in the company and participate in the organization. Weak organizational commitment tends to cause employees to want to work elsewhere, so that employees want to leave the place where they work. Job satisfaction is influenced by organizational commitment, because high organizational commitment in employees will work better within the company so that they are able to collaborate well and comfortably with co-workers. the need for high organizational commitment among employees in order to be successful at work to foster employee satisfaction (Dwiyanti & Bagia, 2020).

Based on the results of previous research conducted by Septiani et al, 2016, it was concluded that organizational commitment has a significant influence on work discipline .

The Effect of Compensation on Employee Performance Through Work Discipline

Compensation is a form of remuneration for employees provided to the company. Can be financial or non-financial in a fixed period. Employees who work in an organization definitely need adequate and fair compensation or rewards, even if they can be quite competitive compared to other organizations or companies. A good compensation system will greatly influence a person's work morale and productivity. A good compensation system needs to be supported by rational methods that can result in someone being paid or compensated according to the demands of their work. According to (Larasati, 2018) compensation is all rewards received by employees in financial and non-financial form, either directly or indirectly, for obligations given by the company and employees receive services fairly.

Compensation for employees will provide job satisfaction for employees. If an employee receives appropriate compensation for what he has done for the company, the employee will also get good job satisfaction (Hasibuan, 2010) .

The Influence of Organizational Commitment on Employee Performance Through Work Discipline

A person who joins an organization certainly brings desires, needs and past experiences that shape his or her work expectations, and together with the organization tries to achieve common goals. To be able to work together and perform well, an employee must have a high commitment to the organization. Employees who are committed to the organization's goals will feel confident and believe that the organization's values and goals are in line with employee expectations so that employee performance will improve. For this reason, clarity of goals and policies implemented by the organization is a very important factor and needs to be implemented properly and correctly so that employee commitment to the organization can grow so that these employees will work seriously , (Pratama, 2018) .

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Method

The research approach describes the type or form of research that underlies the research. The research approach used in this research is an associative approach. The population in this study were all employees at PT. Razza Prima Trafo Medan has 60 employees. Meanwhile, to determine the number/size of samples in this study using a saturated sample, all members of the population were used as a sample of 60 PT employees. Razza Prima Transformer Medan. The data analysis technique used in this research is quantitative data analysis." The data analysis techniques used in this research are outer model testing, inner model testing and hypothesis testing

Result and Discussion Auter Model Analysis

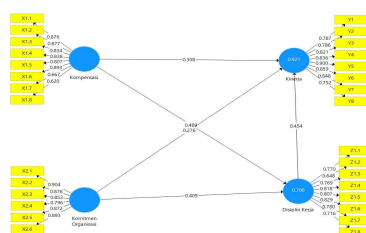


Figure 1: Standardized Loading Factor Inner and Outer Model

Table 1: Results of Cronbach's alpha And Composite Reliability

	Cronbach's Alpha	Composite Reliability
Work Discipline	0.901	0.920
Performance	0.932	0.944
Organizational Commitment	0.933	0.947
Compensation	0.921	0.937

Based on table 1 above, it shows that the composite reliability value for work discipline is 0.920 ; performance of 0.944 ; organizational commitment of 0.947 ; performance was 0.937, Cronbach's alpha value for work discipline was 0.901 ; performance of 0.932 ; organizational

commitment of 0.933 ; performance of 0.921 . The four latents obtained *composite reliability values* and *Cronbach's alpha values* above 0.6 so it can be said that all factors have good reliability or dependability as a measuring tool.

Table 2: Average Variance Extracted (AVE) Results

	Average Variance Extracted (AVE)
Work Discipline	0.592
Performance	0.680
Organizational Commitment	0.751
Compensation	0.652

Based on table 2 above, it shows that the AVE value for work discipline is 0.592 ; performance of 0.680 ; organizational commitment of 0.751 ; performance of 0.652 . The four variables have an AVE that is above 0.5 so that the construct has good *convergent validity* where the latent variable can explain on average more than half of *the variance* of the indicators.

Table 3: Discriminant Validity

	Work Discipline	Performance	Organizational Commitment	Compensation
X1.1	0.658	0.739	0.605	0.876
X1.2	0.705	0.785	0.698	0.877
X1.3	0.645	0.734	0.641	0.834
X1.4	0.641	0.708	0.637	0.838
X1.5	0.592	0.703	0.609	0.807
X1.6	0.663	0.747	0.637	0.893
X1.7	0.622	0.646	0.472	0.667
X1.8	0.595	0.560	0.506	0.620
X2.1	0.738	0.784	0.904	0.621
X2.2	0.662	0.685	0.876	0.617
X2.3	0.694	0.764	0.853	0.667
X2.4	0.573	0.717	0.796	0.646
X2.5	0.662	0.728	0.872	0.642
X2.6	0.688	0.778	0.893	0.703
Y1	0.790	0.787	0.646	0.600
Y2	0.739	0.786	0.643	0.616
Y3	0.731	0.821	0.726	0.673
Y4	0.763	0.836	0.752	0.793
Y5	0.754	0.900	0.750	0.836
Y6	0.800	0.859	0.659	0.735
Y7	0.781	0.848	0.739	0.727
Y8	0.663	0.752	0.739	0.775
Z1.1	0.770	0.722	0.568	0.693
Z1.2	0.648	0.514	0.520	0.394
Z1.3	0.769	0.662	0.558	0.565
Z1.4	0.818	0.794	0.544	0.735
Z1.5	0.807	0.698	0.564	0.636
Z1.6	0.829	0.797	0.710	0.682
Z1.7	0.780	0.757	0.757	0.642
Z1.8	0.716	0.612	0.516	0.465

Based on table 3 above, it shows that the *discriminant validity* or *loading factor value* for each variable has a higher correlation with the variable compared to other variables. Likewise with the indicators for each variable. This shows that the placement of indicators on each variable is correct

Inner Model Analysis

Table 4: Discriminant Validity

	R Square	R Square Adjusted
Work Discipline	0.706	0.695
Performance	0.921	0.916

From the table above 4 it is known that the influence of compensation, organizational commitment and work discipline on performance with an r-square value of 0.921 indicates that variations in performance values can be explained by variations in compensation values, organizational commitment and work discipline of 92.1% or in other words that The model is substantial (good), and 7.9% is influenced by other variables. Furthermore, the influence of compensation and organizational commitment with an r-square value of 0.706 indicates that variations in work discipline values can be explained by variations in compensation values and organizational commitment of 70.6% or in other words that the model is substantial (good), and 29.4% is influenced by other variables

Table 5: F-Square Value

	Work Discipline	Performance
Work Discipline		0.767
Performance		
Organizational Commitment	0.249	0.339
Compensation	0.357	0.389

Based on table 5 above it is known that: The effect of compensation on performance has an F^2 value of 0.389 indicating that there is a large (good) effect .The effect of compensation on work discipline has an F^2 value of 0.357, indicating that there is a large (good) effect .The influence of organizational commitment on performance has an F^2 value of 0.339, indicating that there is a moderate effect .The influence of organizational commitment on work discipline has an F^2 value of 0.249, indicating that there is a moderate effect .The influence of work discipline on work discipline has an F^2 value of 0.767, indicating that there is a large (good) effect

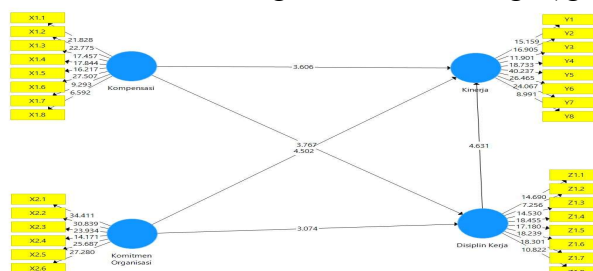


Figure 2: T-Value Inner and Outer Model

Table 6: Direct Influence Path Coefficient Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Work Discipline -> Performance	0.454	0.456	0.098	4,631	0,000
Organizational Commitment -> Work Discipline	0.409	0.412	0.133	3,074	0,002
Organizational Commitment -> Performance	0.276	0.275	0.061	4,502	0,000
Compensation -> Work Discipline	0.489	0.491	0.130	3,767	0,000
Compensation -> Performance	0.308	0.305	0.085	3,606	0,000

The testing criterion is to reject H_0 if $P\text{value} < \alpha = 5\%$ or 0.05. From the table above, it can be seen that: The effect of compensation on performance has a path coefficient of 0.308. This influence has a probability value (p-values) of $0.000 < 0.05$, meaning that compensation has a significant effect on employee performance at PT. Razza Prima Transformer Medan. The effect of compensation on work discipline has a path coefficient of 0.489. This influence has a probability value (p-values) of $0.000 < 0.05$, meaning that compensation has a significant effect on work discipline at PT. Razza Prima Transformer Medan. The influence of organizational commitment

on performance has a path coefficient of 0.276. This influence has a probability value (p-values) of $0.000 < 0.05$, meaning that organizational commitment has a significant effect on employee performance at PT. Razza Prima Transformer Medan. The influence of organizational commitment on work discipline has a path coefficient of 0.409. This influence has a probability value (p-values) of $0.002 < 0.05$, meaning that organizational commitment has a significant effect on work discipline at PT. Razza Prima Transformer Medan. The influence of work discipline on performance has a path coefficient of 0.454. This influence has a probability value (p-values) of $0.000 < 0.05$, meaning that work discipline has a significant effect on employee performance at PT. Razza Prima Transformer Medan

Table 7: Path Coefficient Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Organizational Commitment -> Work Discipline -> Performance	0.185	0.188	0.075	2,479	0.014
Compensation -> Work Discipline -> Performance	0.222	0.224	0.076	2,921	0.004

The testing criterion is to reject H_0 if $P\text{value} < \alpha = 5\%$ or 0.05. From the table above, it can be seen that: The effect of compensation on performance through work discipline has a path coefficient of 0.222. This influence has a probability value (p-values) of $0.004 < 0.05$, meaning that compensation has a significant effect on employee performance through work discipline at PT. Razza Prima Transformer Medan. The influence of organizational commitment on performance through work discipline has a path coefficient of 0.185. This influence has a probability value (p-values) of $0.014 < 0.05$, meaning that organizational commitment has a significant effect on employee performance through work discipline at PT. Razza Prima Transformer Medan

Effect of Compensation On Performance

From the results of the analysis of hypothesis testing the effect of compensation on performance has a path coefficient of 0.308. This influence has a probability value (p-values) of $0.000 < 0.05$, meaning that compensation has a significant effect on employee performance at PT. Razza Prima Transformer Medan.

This shows that the better the compensation given to employees, the better the employee's performance will be, where the compensation is always on time and in accordance with the employee's wishes, the employee will be more active in carrying out his work so that the employee's performance will be better.

Compensation is a form of remuneration for employees provided to the company. Can be financial or non-financial in a fixed period. Employees who work in an organization definitely need adequate and fair compensation or rewards, even if they can be quite competitive compared to other organizations or companies. A good compensation system will greatly influence a person's work morale and productivity. A good compensation system needs to be supported by rational methods that can result in someone being paid or compensated according to the demands of their work.

Having good compensation in the company will have a positive impact on the company. If employees receive compensation in accordance with what they have done within the company, then employees will tend to do their best for the company. Thus, employees will try to maintain and even improve their performance within the company. However, if employees feel that the compensation provided by the company is not in accordance with the contribution they have made to the company, the employee will tend to be less than optimal in carrying out their duties and responsibilities for the company.

Based on the results of previous research conducted by (Jufrizen Jufrizen et al., 2017) , (Jufrizen Jufrizen, 2018) , (Salman Farisi & Pane, 2020) , (Astuti & Sari, 2018) , (Astuti & Suhendri, 2020) , (Azhar et al., 2020) , (Arismunandar MF & Khair, 2020) , (Sukoco et al., 2020) (Harahap & Khair, 2019) , (Harahap & Khair, 2019), (Pratama, 2015) and (Polukan et al., 2019) , (J Jufrizen et al., 2020) , (Arif et al., 2019) concluded that compensation affects performance.

The Effect of Organizational Commitment on Performance

From the results of the hypothesis testing analysis of the influence of organizational commitment on performance has a path coefficient of 0.276. This influence has a probability value (p-values) of $0.000 < 0.05$, meaning that organizational commitment has a significant effect on employee performance at PT. Razza Prima Transformer Medan

This shows that with the increasing organizational commitment of PT. Razza Prima Trafo Medan, employee performance will increase, where with committed employees, employees will feel confident and believe that the values and goals of the organization are in line with employee expectations so that employees will work harder so that employee performance will increase.

A person who joins an organization certainly brings desires, needs and past experiences that shape his or her work expectations, and together with the organization tries to achieve common goals. To be able to work together and perform well, an employee must have a high commitment to the organization. Employees who are committed to the goals of the organization will feel confident and believe that the values and goals of the organization are in line with employee expectations so that employee performance will be better. For this reason, clarity of goals and policies implemented by the organization is a very important factor and needs to be implemented properly and correctly so that employee commitment to the organization can grow so that these employees will work seriously.

According to (Samsudin, 2006) the definition of organizational commitment is a promise (agreement/contract) to do something. Promises to ourselves or others that are reflected in our actions. Commitment is a complete confession, as a true attitude that comes from the character that comes from within a person.

The results of this research are supported by (Cahyani et al., 2020) (Adhan, Jufrizen, Prayogi & Siswadi, 2020) (Muis, Jufrizen & Fahmi, 2018) and (Kristine, 2017) show that organizational commitment has a positive effect on increasing employee performance.

The Effect of Work Discipline on Performance

From the results of the analysis of hypothesis testing the influence of work discipline on performance has a path coefficient of 0.454. This influence has a probability value (p-values) of $0.000 < 0.05$, meaning that work discipline has a significant effect on employee performance at PT. Razza Prima Transformer Medan.

This shows that work discipline is able to improve the performance of PT employees. Razza Prima Trafo Medan, where with the level of discipline possessed by employees, employees will obey the regulations made so that employees will be more enthusiastic in carrying out their work, thereby increasing employee performance.

Work discipline is an attitude, behavior and actions that are in accordance with written and unwritten regulations. Decreased employee discipline can prevent the targets set by the company from being achieved. This indicates that employee performance is not yet optimal due to discipline factors.

Good discipline reflects a person's sense of responsibility for the tasks assigned to employees. Because with the increasing development of an organization/company and the increasing technology used by the company, it causes frequent changes to occur and the wider work that will be carried out by the workforce, so it is necessary to carry out discipline so that the goals of the organization/company can be achieved (Tanjung, 2015)

Work discipline according to (Sinambela, 2012) states that work discipline is compliance with the rules or orders set by the organization. In research (Handayani & Brutu, 2021); (Liyas & Primadi, 2017) ; (Jufrizen & Pulungan, 2017) ; (Jufrizen, 2018) (Jufrizen, 2016), (Arda, 2017) , (Yusnandar et al., 2020) (Hasibuan & Silvy, 2019) , (Faustyna & Jumani, 2015) , (Prayogi & Nursidin, 2019) (S Farisi et al., 2020) , (Nel Arianty, 2016) stated that work discipline has a positive influence on employee performance.

Effect of Compensation Regarding Work Discipline

From the results of the hypothesis testing analysis, the effect of compensation on work discipline has a path coefficient of 0.489. This influence has a probability value (p-values) of $0.000 < 0.05$, meaning that compensation has a significant effect on work discipline at PT. Razza Prima Transformer Medan.

This shows that the better the compensation given to employees, the better the employee's work discipline will be, where compensation is always provided on time and in accordance with the employee's wishes, the employee will be more obedient to the rules that have been made so that work discipline will be better.

Compensation is an important factor and is a concern for many organizations in retaining and attracting quality human resources. A good compensation system means providing appropriate and fair rewards according to the employee's contribution to their work. Providing good compensation will encourage employees to work better and more productively (Lupiyoadi & Hamdani, 2011) .

Providing compensation to employees must have a logical and rational basis. However, emotional factors related to humanity should not be ignored. Compensation is very important for employees themselves as individuals, because the amount of compensation is a reflection or measure of the value of the employee's work itself. On the other hand, the size of compensation can affect employee work performance, discipline and job satisfaction. If compensation is given appropriately and correctly, employees will gain job satisfaction and be motivated to achieve organizational goals. However, if the compensation provided is inadequate or inappropriate, employee work performance, motivation, discipline and job satisfaction will decrease (Putra, 2022).

Based on the results of previous research conducted by (Putra, 2022) and (Husain, 2020) it was concluded that compensation has an effect on work discipline.

The Influence of Organizational Commitment on Work Discipline

From the results of the hypothesis testing analysis, the influence of organizational commitment on work discipline has a path coefficient of 0.409. This influence has a probability value (p-values) of $0.002 < 0.05$, meaning that organizational commitment has a significant effect on work discipline at PT. Razza Prima Transformer Medan.

This shows that with the increasing organizational commitment of PT. Razza Prima Trafo Medan, employee work discipline will increase, where with committed employees, employees will feel confident and believe that the values and goals of the organization are in line with employee expectations so that employees will obey the rules that have been established so that employee work discipline will increase. .

Effect of Compensation On Performance Through Work Discipline

From the results of the analysis of hypothesis testing the effect of compensation on performance through work discipline has a path coefficient of 0.222. This influence has a probability value (p-values) of $0.004 < 0.05$, meaning that compensation has a significant effect on employee performance through work discipline at PT. Razza Prima Transformer Medan .

This shows that the better the compensation given to employees, the better the employee's work discipline will be, where compensation is always provided on time and in accordance with the employee's wishes, the employee will be more obedient to the rules that have been made so

that work discipline will be better. then employees will be more active in carrying out their work so that employee performance will increase.

Compensation is a form of remuneration for employees provided to the company. Can be financial or non-financial in a fixed period. Employees who work in an organization definitely need adequate and fair compensation or rewards, even if they can be quite competitive compared to other organizations or companies. A good compensation system will greatly influence a person's work morale and productivity. A good compensation system needs to be supported by rational methods that can result in someone being paid or compensated according to the demands of their work. According to (Larasati, 2018) compensation is all rewards received by employees in financial and non-financial form, either directly or indirectly, for obligations given by the company and employees receive services fairly.

Compensation for employees will provide job satisfaction for employees. If an employee receives appropriate compensation for what he has done for the company, the employee will also get good job satisfaction (Hasibuan, 2010) .

Effect of Compensation On Performance Through Work Discipline

From the results of the hypothesis testing analysis of the influence of organizational commitment on performance through work discipline has a path coefficient of 0.185. This influence has a probability value (p-values) of 0.014 <0.05, meaning that organizational commitment has a significant effect on employee performance through work discipline at PT. Razza Prima Transformer Medan.

This shows that with the increasing organizational commitment of PT. Razza Prima Trafo Medan, employee work discipline will increase, where with committed employees, employees will feel confident and believe that the values and goals of the organization are in line with employee expectations so that employees will obey the rules that have been established so that employee work discipline will increase. In this way, employees will be more active in carrying out their work so that employee performance will increase.

A person who joins an organization certainly brings desires, needs and past experiences that shape his or her work expectations, and together with the organization tries to achieve common goals. To be able to work together and perform well, an employee must have a high commitment to the organization. Employees who are committed to the organization's goals will feel confident and believe that the organization's values and goals are in line with employee expectations so that employee performance will improve. For this reason, clarity of goals and policies implemented by the organization is a very important factor and needs to be implemented properly and correctly so that employee commitment to the organization can grow so that these employees will work seriously , (Pratama, 2018) .

commitment or employee loyalty is the degree to which an employee identifies with the company and wants to develop in the company and participate in the organization. Weak organizational commitment tends to cause employees to want to work elsewhere, so that employees want to leave the place where they work. Job satisfaction is influenced by organizational commitment, because high organizational commitment in employees will work better within the company so that they are able to collaborate well and comfortably with co-workers. the need for high organizational commitment among employees in order to be successful at work to foster employee satisfaction (Dwiyanti & Bagia, 2020).

Conclusion

Based on the results of the research and discussion previously stated, the following conclusions can be drawn: Compensation directly has a significant effect on employee performance at PT. Razza Prima Transformer Medan. Directly, organizational commitment has a significant effect on employee performance at PT. Razza Prima Transformer Medan. Work

discipline directly has a significant effect on employee performance at PT. Razza Prima Transformer Medan. Compensation directly has a significant effect on work discipline at PT. Razza Prima Transformer Medan. Directly, organizational commitment has a significant effect on work discipline at PT. Razza Prima Transformer Medan. Indirectly, compensation has a significant effect on employee performance through work discipline at PT. Razza Prima Transformer Medan. Indirectly, organizational commitment has a significant effect on employee performance through work discipline at PT. Razza Prima Transformer Medan

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