

# Effect of Compensation and Discipline on Employee Performance

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## Abstract

This study aims to determine the effect of compensation and work discipline on performance at the Office of Highways and Construction of the Road and Bridge Technical Implementation Unit of North Sumatra Province. This research is an associative research. The sample in this study were all employees of the Department of Highways and Construction of the Technical Implementation Unit of the Road and Bridge of North Sumatra Province, totaling 47 people. Data collection techniques used were interviews and questionnaires. Data analysis uses multiple linear regression. The results showed that partially, there was a positive and significant effect between compensation on employee performance. Partially, there is a positive and significant influence of work discipline on employee performance. Simultaneously, there is a significant influence between compensation and work discipline on employee performance

Keywords: Compensation, Work Discipline, Performance

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## Introduction

In a corporate organization, both government and private indispensable human resource quality were very good that enable it to work optimally. The existence of a reliable workforce needed by the company to achieve the goal. Human Resources is the resource that has reason and feeling, desire, skill, knowledge, encouragement, and the work that can be generated for the company. To achieve the goal. Although the technology, development of information, capital and materials processed includes the objective (Arianty, Bahagia, Lubis, & Siswadi, 2016). To achieve the success of the company can be done by improving the performance of employees. Employee performance is a very important factor for the organization/company. Performance as the embodiment of an employee as an achievement in following with its role within a company and a certain period. Performance is one measure of the effectiveness or the achievement of organizational goals. In measuring performance of an employee or manager, the needed measurement standards for the implementation of standards is needed to determine the employee's performance whether in accordance with the expected goals, as well as see the magnitude of the deviation of performance, by comparing the results of the actual work as expected (Noermijati, 2013).

To achieve higher performance then the company needs to provide appropriate compensation to its employees. Compensation is an award as a reward for service, attention, hard work and skills of human resources given to an organization both financial and non-financial form. Compensation the better it will encourage awareness of employees to work better and follow the rules of the company (Khair, 2017).

The discipline of an employee into an important role is also to show the integrity of an employee remains well preserved in a company, the level of lack of discipline an employee in the work will influence the activity and productivity of the company in the future. Labor discipline is the behavior of someone who in accordance with the rules, procedures existing work or discipline is the attitude, behavior, and act in accordance with the rules of the organization both written and unwritten. Discipline employees would speed up the company's goals, while discipline will degenerate to obstacle and slow down the achievement of corporate goals (Sutrisno, 2009).

Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges Medan, North Sumatra Provincial Government located at Jalan. Busi, No. 7D Kampung Baru, Medan Maimun. Engaged in the construction of roads and bridges. Development planning consists of four stages: planning, establishment plan, control plan implementation, and evaluation of implementing the plan. The planning phase is implemented to produce a complete draft of a plan that is ready to be set, consisting of four steps. The first step is the preparation of the draft plan of development that is technocratic, thorough, and measurable. The second step, each government agency prepared a draft work plan with the guidelines in the draft development plan has been prepared. Step three involves the community and aligning development plans produced by each level of government through development planning. Finally, the fourth step is the preparation of the final draft planned development.

Based on observations made, the problems that occur in institutions related to compensation is the policy of compensation is not fully compliant expectations of employees because companies often late in providing compensation in the form of travel expenses or SPT (Warrant Task) if employees are instructed to work outside the city to its employees. Discipline in the agencies not effective enough so that their employees still come to work on time and return no earlier than stipulated working hours and the number of working days achieved the employees is lower than the number of working days should be, Related to employee performance related to employee performance Performing assigned tasks and cooperation with fellow employees improve employee performance in fulfilling tasks, in addition, employee performance is still not in line with leadership expectations, this is seen from delays related to work needs, thus spending buildup of work.

## **Literature Review**

### **Employee Performance**

One way in which to view the development of the company is to look at the performance of employees in the company. Performance may be referred to as the actual job performance or achievements attained by a person. Performance is achieved the work of a person based on the requirements of the job (job requirement). A job has certain requirements to be made in achieving the objectives referred to also as a standard job (job standards) (Bangun, 2012), Performance is the result of the quality and quantity of work accomplished by an employee in performing their duties in accordance with the responsibilities given to him (Mangkunagara, 2013), Performance, or the performance is the result of work that can be achieved by one or a group of people in an organization, in accordance with the responsibilities and authorities of each in order to achieve organizational goals (Prawirosentono, 2012), Performance, or the performance is the result of work that can be achieved by one or a group of people in an organization, in accordance with the responsibilities and authorities of each in order to achieve organizational goals (Arifin, Haming, Ramlawati, and Lamo, 2015).

From the definition of performance can be concluded that the performance is the ability of business to achieve better results were obtained from specific job functions. Penilaian performance is an important part of the whole process of the workmanship employees concerned. For employees, the assessment has the role of feedback on things like abilities, strengths, weaknesses, and potential which in turn is helpful to set goals, track, plan and career development (Arianty et al., 2016), Increased employee performance will be closely linked to improved performance of the company in general. Employee performance indicators are: the number of jobs, quality of work, timeliness, presence and collaboration capabilities (Bangun, 2012).

### **Compensation**

Compensation is all remuneration received by an employee for services rendered or its results to an organization or company. The rewards can be cash or goods, either directly or indirectly provided by an organization for the work or service worker on the organization or company.

Compensation is what an employee or worker received a reply from the work that it provides. Both the hourly wages or salaries periodically designed and managed by the human resources department. Compensation given organization exists in the form of money, but there are nonmonetary (Kadarisman, 2012), Similarly, according to (Daulay, Pasaribu, Putri, and Astuti, 2017) compensation is everything received by employees as remuneration for their work or something that cash contributions received by employees in lieu of their services to the company. The case in relation to contain the problem and the various aspects involved, such as benefits, compensation increases, compensation structure, and the scale of compensation. Subsequently according (Nawawi, 2011), Compensation is an award/reward to workers who have contributed in realizing its objectives, through the activities of the so-called work. Untuk measure the effectiveness of this form of compensation payments to the human resources that exist in an organization or company, please note the measurement standard that states that the compensation is stated right, good, effective and beneficial to the organization that manages the compensation (Khair, 2017), Compensation in this case can be categorized into two major categories: (1) direct compensation means a company's remuneration given to employees for giving kepentingan achievements for the sake of the company. This Kompensassi given, since it relates directly to the work performed by the employee. For example: wages/salaries, incentive/bonus, allowance. (2) Compensation indirect provision of compensation to employees in addition based on the policy of the leadership in order to attempt to improve the welfare of employees. Of the compensation is not directly related to the work performed by the employee. Example: holiday allowance, pension, health and other (Nawawi, 2011).

### **Work Discipline**

Discipline is respect for the rules and regulations of the company, which is inside of the employees, which caused it to adjust to volunteer on company rules and regulations (Sutrisno, 2009), Thus when the rules or regulations that exist in the company are overlooked, or often violated, and the employees have a poor work discipline. Labor discipline is a tool used by managers to communicate with employees so that they are willing to change a behavior as well as an effort to raise awareness and willingness to obey all company rules and social norms that apply (Rival & Sagala, 2011), Without the discipline of good employees is difficult for enterprise organizations achieve optimal results. And kesiplinan is the nature of an employee who consciously abide by the rules and regulations of a particular organization. Based on the above, it can be concluded discipline is an attitude to obey the rules that apply remedy achieve performance and achievement of company objectives. The assumption that the leader has a direct influence on employee attitudes acquired habit. The habit is determined by the leader, either the climate or the atmosphere of self-leadership and through personal example. There are several factors that affect labor discipline of employees, namely: The size of the compensation, presence or absence of exemplary leadership within the company, there is not exact rules that can be used as a handle, courage led to fetch action, presence or absence of supervisory leadership, presence or absence of attention to employees and created habits that support the establishment of discipline (Singodimedjo in Sutrisno, 2009), Factors that mempengaruhi labor discipline, namely: leadership factor, factor reward system, the ability factor, factor remuneration, fairness factor, factors inherent supervision, legal sanctions factors, factors of firmness and human relations factor (Afandi, 2016), The indicators of labor discipline are: Attendance, Obedience at work regulations, Adherence to standards of work, a high level of vigilance, and work ethically (Rivai & Sagala, 2011), While indicators of labor discipline is tingkat attendance, obedience to superiors, work awareness and responsibility (Agustini, 2011),

## **Conceptual Framework**

### **Effect of compensation on employee performance**

Compensation is the remuneration given by the company to labor, because labor is contributing energy and thoughts for the betterment of the company to achieve the goals set in both the short and long term (Sastrohadiwiryo, 2003), Appropriate compensation for the employee's desire and ability of the company, will create a healthy cooperative relationship for the betterment of the company's performance (Firmandari, 2014). Based on the research results (Jufrizen, 2016) indicates that compensation significant effect on employee performance. Similar to the results of research (Arifin, 2017) variable compensation and signifikan positive effect on performance. Several other studies mention that the compensation effect on performance (Arianty 2008); (Sumenge, 2016); (Priyono & Suheriyatmono, 2016); (Jufrizen, Lumbanraja, Salim, and Gultom, 2017); (Yuddin, 2017) and (Sudiardhita et al., 2018),

### **Effect of work discipline on employee performance**

labor discipline is respect for the rules and regulations of the company, which is inside of the employees, which caused it to adjust to volunteer on company rules and regulations (Sutrisno, 2009), The decline in labor discipline on Department of Highways and Development Kosntrusi Technical Implementation Unit of Roads and Bridges in North Sumatra Province make a schedule of activities has been set by the agency can not be completed on time. This indicates that non-optimal performance of employees at Department of Highways and Development Kosntrusi Technical Implementation Unit of Roads and Bridges in North Sumatra Province. Influenced by factors of labor discipline. Research result (Jufrizen, 2018) concluded that the discipline of work and significant positive effect on employee performance. So with the work discipline the employee's performance can be improved. Similar to the results of research (Arda, 2017) labor discipline significant effect on employee performance. It was explained that the higher labor discipline also increase the performance of employees. As for research (Tanjung, 2015) stated that the discipline of work and significant positive effect on employee performance. Then some other studies indicate that the presence of positive and significant relationship between the variables of discipline on employee performance (Priyono & Suheriyatmono, 2016); (Sumenge, 2016); (Rachmawati & Mauludin, 2018); (Saripuddin & Hand, 2017) and (Siswadi, 2016),

### **Compensation and work discipline influence the employee performance**

Compensation and discipline on the performance of employees may be indicated bersam influence both on the performance of employees at the Department of Highways and Development Kosntrusi Technical Implementation Unit of Roads and Bridges in North Sumatra Province. The level of indiscipline employees is quite high and their compensation policies are not yet fully up to expectations of employees can cause a decline in the performance of the employee and the targets set by the company can not be completed on time. It indicated that the discipline of work and compensation, both these variables affecting or impacting on the declining performance of employees at the Department of Highways and Development Kosntruksi Technical Implementation Unit of Roads and Bridges in North Sumatra Province. Results of research conducted by (Astutik, 2016) states that compensation positive effect on employee performance. Any increase in the compensation will be followed by an increase in employee performance. Performance may improve if the compensation of employees increased. Labor discipline also a positive effect on employee performance. The increase in labor discipline will be followed by an increase in employee performance. Employee performance may improve if the increased work discipline. Variable compensation and discipline of work jointly affect the performance of employees. Result research (Masruroh, 2012) No effect of compensation and disciplinary significant and positive work simultaneously on employee performance.

## Research Methods

### Research Approach

Based on the type of problem being investigated, the place and time to do as well as the techniques and tools used in conducting the study, the research is associative research with quantitative approach. The main topic of the dependent variable was about the employee's performance, while the independent variables are compensation and work discipline.

### Operational Definition

#### Employee performance

Performance is achieved the work of a person based on the requirements of the job (job requirement). A job has certain requirements to be made in achieving the objectives referred to also as a standard job (job standards).

**Table 1.** Performance Indicators

No.	Indicator	Item Questions
1.	number of Jobs	- I was able to settle the amount of work assigned to me properly - I was able to do the work more than one job
2.	Quality Work	- I was able to complete the work in accordance with the target company - I was able to complete the work in accordance with the expectations of the leadership
3.	Punctuality	- I was able to finish the work on time - I was able to finish employ in excess of the specified time
4.	Kehadiriran	- My presence is never empty every mingguny
5.	Ability Cooperation	- I have always worked well with co-workers

Source: (Bangun, 2012)

### Compensation

Compensation is the compensation given by the company to individuals as remuneration for their willingness to do various jobs and tasks of the organization.

**Table 2.** Indicators Compensation

No.	Indicator	Item Questions
1.	Pay Levels	- I've had enough with the level of payment that I received - I feel I have received has been paid in accordance with the level of ability of the company
2.	Payment structure	- I was satisfied with the compensation I received to see that my office has
3.	Determination of the individual fee	- With this level of education I got, I was happy with the compensation I received - See how long I've worked, I've been satisfied with the compensation I received
4.	Payment method	- I already feel comfortable with the method of payment given to me
5.	Payment control	- I became a passion to work with the compensation I received - I feel that I receive payments measured from the results of my work

Source: (Mangkunagara, 2013)

## Work Discipline

Labor discipline is respect for the rules and regulations of the company, which is inside of the employees, which caused it to adjust to volunteer on company rules and regulations.

**Table 3.** Indicators of Discipline

No.	Indicator	Item Questions
1.	Attendance	- I never missed a week - My attendance rate is increasing every month
2.	Adherence to the boss	- I always do the tasks assigned supervisor - I always keep a good relationship with the boss
3.	awareness works	- I always do my work appropriate hours of work - I do the work according to my office
4.	Responsible	- I have always been responsible with the work I do

Source: (Agustini, 2011)

## Population and Sample

The population in this study were all employees Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges Medan, North Sumatra Provincial Government as many as 47 employees. The sample in this study is similar to the population that all employees of the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges Medan, North Sumatra Province that as many as 47 employees.

## Data collection technique

Research data collection techniques are ways to gather the relevant data for research (Juliandi, Irfan, and Manurung, 2014), Data required in this study were collected from primary sources and secondary sources. Secondary data was collected directly from the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges Medan, North Sumatra Provincial Government, Primary data collected directly from the respondents to the survey technique using questionnaires and interviews.

## Data analysis technique

Multiple linear regresi analysis used to determine the effect of independent variables on the dependent variable. The following formula to see multiple linear analysis.

## Results and Discussion

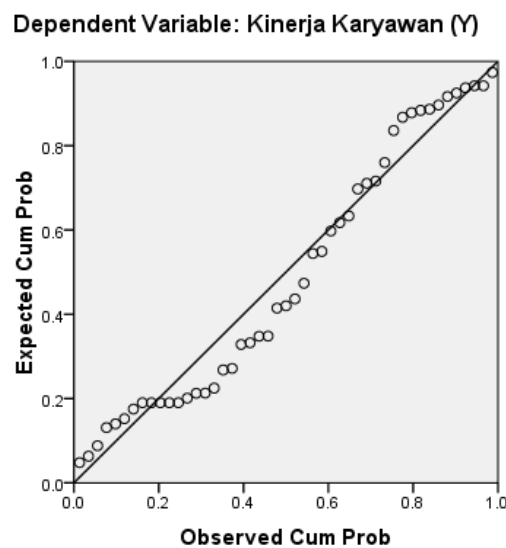
### Classic Assumption Test

In multiple linear regression, known as multiple regression some classical assumptions or known as BLUE (Best Linear Estimation unbiased). Simple classic assumption test aims to identify whether the regression model is a good model or tidak. Ada some simple classical assumption test aims to identify whether the regression model is good or not. There are some classic assumption test are:

### Normality

Data normality test done to see if the regression model, the dependent variable and independentnya have a normal distribution or not, if the data spread around the diagonal line and follow the direction of the diagonal line of the regression model meet the assumption of normality.

**Normal P-P Plot of Regression Standardized Residual**



**Figure 1.** Normality

From the test results of P-Regression Plots can be seen that the regression model are normal with the data follows the diagonal line and spread around the point of the diagonal line, it can be concluded that the regression model has to meet the assumptions of normality.

**Multicollinearity**

Multicollinearity symptoms can be seen from the value of Tolerance and VIF (Variance Inflation Factor), two measures indicate each independent variable Which explained by the other independent variables, Tolerance is a measure of variability of independent variables were selected that were not described other independent variables. The values used for Tolerance > 0.1, and VIF < 5, then it does not happen multikolinieritas

**Table 4.** Test multicollinearity

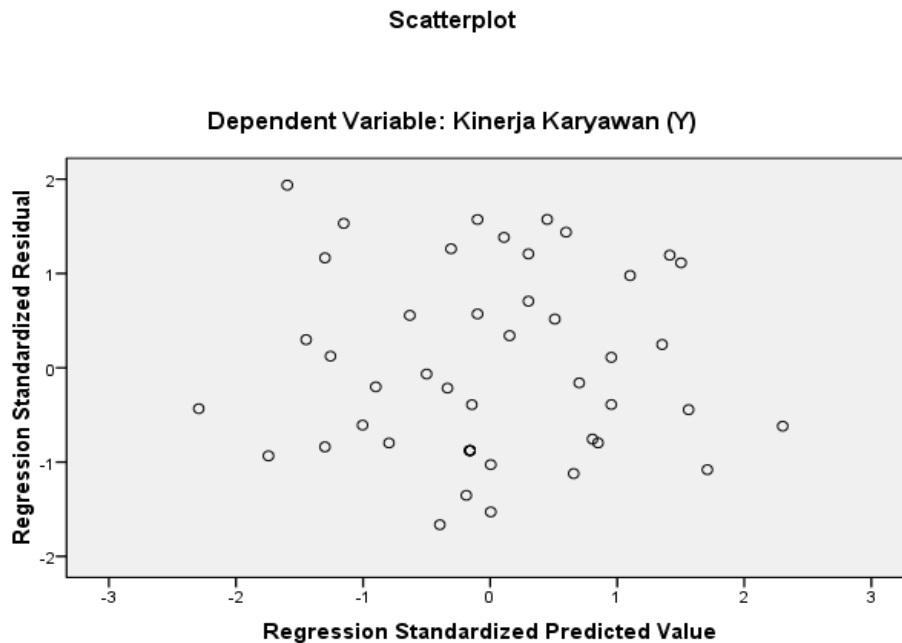
		<b>Coefficients<sup>a</sup></b>					
		Coefficients unstandardized		standardized Coefficients	t	collinearity Statistics	
Model		B	Std. Error	beta		tolerance	VIF
1	(Constant)	9,071	4,051		2,239		
	Compensation (X1)	.270	.104	.313	2,590	.830	1,205
	Work discipline (X2)	.459	.113	.490	4,052	.830	1,205

a. Dependent Variable Performance

From the above table two independent variables namely compensation and discipline have VIF within tolerance limits have been determined (no more than 4 or 5), so that does not happen multicollinearity the independent variables of this study because of the manner in which votes are to meliha inflation factor variants (Variant Factor inflation/VIF) that does not exceed 4 or 5.

### Heteroscedasticity

Heteroscedasticity used to test whether the regression model, occur inequality variance of residuals of an observation to another. If the residual variance of an observation the other remains, then called Homocedasticity, and if different variances called heteroscedasticity. Good model is not happening heteroscedasticity.



**Figure 2.** The scatterplot

From Figure 2 above shows that the dots spread randomly, does not form a clear pattern, and either above or below the spread Anka 0 on the Y axis, thus "did not happen heteroscedasticity in the regression table. Good model is not happening heteroscedasticity.

### Multiple Linear Regression Analysis

Multiple linear regression analysis aims to predict the dependent variable value changes due to changes of the value of the independent variable. Where the test formula is:

**Table 5.** Results of Multiple Linear Regression

Mel		Coefficients		standardized	T	Sig.
		unstandardized		Coefficients		
		B	Std. Error	beta		
1	(Constant)	9,071	4,051		2,239	.003
	Compensation (X1)	.270	.104	.313	2,590	.001
	Work discipline (X2)	.459	.113	.490	4,052	.000

a. Dependent Variable: Performance

Based on calculations performed above will be obtained IBM SPSS multiple linear regression equation regression model as follows:

$$Y = 9.071 + 0.270 X_1 + 0.459 X_2$$

Model equation above means:

- a. Constant value of = 9.071 showed independent variables, compensation and discipline in a constant state does not change (at denan 0) then the constants will remain valued at 90.71%



- b. Regression coefficient compensation amounted to 0,270 indicates that if the variable compensation increases the dependent variable performance units will increase by 27.0%
- c. The regression coefficient is equal to 0,459 working didiplin shows that if the discipline of work has increased one unit then the dependent variable performance will increase by 45.9%

**Hypothesis Test**

**Partial test (t test)**

Partially or t-test is a test that was done to determine the effect of independent variables on the dependent variable, partially criteria of the partial testing can be seen below

**Table 6.** Test Results t

Mel		Coefficients unstandardized		standardized	T	Sig.
		B	Std. Error	beta		
1	(Constant)	9,071	4,051		2,239	.003
	Compensation (X1)	.270	.104	.313	2,590	.001
	Work discipline (X2)	.459	.113	.490	4,052	.000

a. Dependent Variable: Performance

**Effect compensation on performance**

Based on Table 6 above was obtained t count for the variable compensation of 2,590 to kesalahan 5% 2-party test and  $df = n-2$  ( $47-2 = 45$ ), was obtained t table 2.014. At this point  $t = 2,590 > t$  table 2.014. This means that the compensation effect on the performance of employees in the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province.

**Effect work discipline on performance**

Based on Table 6 above was obtained t count for discipline variables of 4,052 for a 5% error test two parties and  $dk = n-2$  ( $47-2 = 45$ ), was obtained t table 2.014 In this case  $t = 4,052 > t$  table 2.014 , That is discipline affect the performance of employees at the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province.

**Simultaneous Test (Test F)**

Simultaneous test is intended to find out the relationship between independent and dependent variables by examining all independent variables (together) with the dependent variable. Testing Compensation and the Discipline of the performance can be seen below

**Table 7. ANOVAb**

Model		Sum of Squares	Df	mean Square	F	Sig.
1	Regression	152 652	2	76 326	19 162	.000a
	residual	175 263	44	3983		
	Total	327 915	46			

a. Predictors: (Constant), Work Discipline (X2), compensation (X1)

b. Dependent Variable: Employee Performance (Y)

Based on the above table 7 obtained  $f$  count for discipline variables of 19.162 for a 5% error test two parties and  $dk = n-2$  ( $47-1 = 46$ ), obtained  $f$  table 3,20 In this case  $f$  count =  $19.162 > f$  table 3.20. This means that compensation and disciplinary effect on the performance of employees at the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province.

Furthermore, look at the probability value of the sig is 0,000're extent signifika a previously set is 0,005 then  $sig$   $0,000 > a$  0,005, so  $H_0$  rejected this means there is significant influence between discipline and performance at the Department of Highways and Development Construction Technical Implementation Unit road and Bridge North Sumatra Province.

## Discussion

In this study, all of the independent variable (compensation and disciplinary) have a positive influence on the performance in the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province.

### 1. Effect Compensation on Performance

Based on the results of data processing is known that there is a positive and significant influence between compensation and performance at the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province. This means that the better or large compensation awarded would eat can improve the performance of employees at the Department of Highways and Construction Development Unit Technical implementation of the Road and Bridge North Sumatra Province. This is in line with the opinion (Daulay et al., 2017) compensation is everything received by employees as remuneration for their work or something that cash contributions received by employees in lieu of their services to the company. Various aspects of the work both in government and private agencies can provide satisfaction for employees if there is a compensation program, which means that in the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province compensation have a significant role in influencing the performance of the employees, it's good the company conducted a survey of employees for different employee wishes of the concept of compensation they received. This study also received the results of previous studies conducted by (Jufrizen, 2016) indicates that compensation significant effect on employee performance. Similar to the results of research (M. Arifin, 2017) variable compensation and sifnifikan positive effect on performance. Several other studies such as researchers (Thaief, Baharuddin, Priyono, & K., 2015); (Jufrizen et al., 2017); (Men & Heriyanto, 2019) and (Hafied, 2017) indicates that compensation significant effect on employee performance.

### 2. Effect Discipline Influence on Performance

Based on the results of data processing in mind that there is influence between the performance in the discipline with the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province. This means that the higher the employee's discipline eat will be able to improve the performance of employees. According to (Sutrisno, 2009) is respect for the rules and regulations of the company, which is inside of the employees, which caused it to adjust to volunteer on company rules and regulations. The decline of labor discipline Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province make the rules set by the agency and do not obey the rules that have been set. This indicates that non-optimal performance of employees at the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province which is influenced by factors of labor

discipline. This study are consistent with previous studies by (Jufrizen, 2018) which concluded that the discipline of work and significant positive effect on employee performance. Research result (Arda, 2017) labor discipline significant effect on employee performance. It was explained that the higher labor discipline also increase the performance of employees. while research (Parashakti, Haryadi, & Nashar, 2018) stated that the discipline of work and significant positive effect on employee performance. Then some other studies indicate that the presence of positive and significant relationship between the variables of discipline on employee performance (Thaief et al., 2015); (Hafied, 2017); (Saripuddin & Hand, 2017); (Jeffrey & Dinata, 2017); (Siswadi, 2016); (Sardjana, Sudarmo, and Suharto, 2018); (Saputra, Sudiro, & Sudiro, 2018) and (Men & Heriyanto, 2019),

### 3. Compensation and Work Discipline influence the Employee Performance

Based on the results of data processing is known that kompensasi and discipline have a significant effect on performance. This means there is influence between compensation and discipline of work with the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province. An employee will be increased performance if compensation are met, and will make the company's objectives and employee needs will be met or achieved. Likewise employee compensation are not met then the level of employee performance will decline. With the grant, the company expects that employees achieve satisfaction in their work. According to (Sutrisno, 2009) Good discipline is self-discipline. Normal Kecenderungan orang is doing what it was his duty and occupy the rules of the game. This is in line with the results of the study. This is in line with the results of research (Masrurroh, 2012) no simultaneous effect of compensation and working discipline in a positive and significant impact on employee performance.

## Conclusion

From the analysis that has been discussed before it can be concluded as follows:

1. Compensation has a positive and significant impact on the performance of employees in the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province. Assuming that the better the compensation received by employees of the employee's performance will be better or increased
2. Work discipline has a positive and significant impact on the performance of employees at the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province. Assuming that the better discipline of work performed by employees, the performance of employees will increase.
3. Compensation and the Discipline of work has positive and significant impact on the performance of employees at the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province. Assuming that the better the compensation provided will improve labor discipline and will affect the performance of employees.

## Suggestion

Based on the conclusions described above, the advice that can be given is:

1. Granting compensation in improving the performance of employees at the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in North Sumatra Province has been pretty good, so should the effort to maintain the compensation measures so that the performance achieved with the maximum permanent employees
2. Should companies need to improve discipline in the work at the Department of Highways and Development Construction Technical Implementation Unit of Roads and Bridges in

North Sumatra Province in order to create order in a company with such performance in an enterprise will increase.

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