

The Role of Compensation and Work Discipline in Enhancing Employee Performance in Public Utility Organizations: Empirical Evidence from Medan City

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This study investigates the influence of compensation and work discipline on employee performance in PUD Kota Medan, a public utility organization in Indonesia. Grounded in human resource management theory, the study adopts a quantitative research design using a descriptive survey approach. The population comprised all employees of PUD Kota Medan, with a sample of 40 respondents selected through simple random sampling. Data were collected using a structured questionnaire measured on a Likert scale. The data were analyzed using validity and reliability testing, classical assumption diagnostics, and multiple linear regression analysis, supported by t-test, F-test, and coefficient of determination using SPSS 24. The empirical results indicate that compensation has a positive and statistically significant effect on employee performance ($t = 3.459$; $p < 0.05$). Similarly, work discipline also demonstrates a positive and significant effect on employee performance ($t = 5.857$; $p < 0.05$). Furthermore, the simultaneous effect of compensation and work discipline on employee performance is statistically significant ($F = 107.286$; $p < 0.001$). The coefficient of determination ($R^2 = 0.845$) reveals that 84.5% of the variation in employee performance is explained by compensation and work discipline, while the remaining 15.5% is influenced by other unobserved factors. The findings suggest that the implementation of fair compensation systems and strong disciplinary mechanisms plays a crucial role in improving employee performance within public sector organizations. This study contributes to the existing literature on human resource management by providing empirical evidence from a municipal utility context in a developing economy.

Keywords: Compensation; Work Discipline; Employee Performance; Human Resource Management; Public Sector Organization

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1. Introduction

Employee performance is an essential construct in the study of organizational and public administration since it impacts considerably service quality, efficiency and institutional effectiveness especially in government-owned enterprises (Hutasoit et al., 2021). Public sector companies evaluate performance not only through productivity measures but also through service reliability, responsiveness and accountability to stakeholders, reflecting a wider mandate of providing public value (H. Lubis et al., 2024). As a utility firm that is part of the local government, the Medan City Public firm (PUD) has a very crucial role in supporting the development of the region through the provision of critical public services. Nevertheless, human

resource concerns still provide a barrier for the organization. There are challenges of optimizing employee performance, especially those linked to remuneration structures and enforcement of work discipline (Performance et al., 2021). These difficulties suggest that performance variations are related not just to operations but also to managerial features and behaviors in human resource management (Sany et al., 2025).

Many public sector organizations in developing nations continue to struggle with ongoing issues associated to suboptimal staff performance, despite its strategic importance (Sinaga, 2022). These kinds of problems are typically characterized by low productivity, variability in the quality of service provided, and operational inefficiencies (Kim & Fernandez, 2022). Such conditions suggest sub-optimal human resource management practices in terms of employee behavioral and performance outcomes. This is especially true in contexts with bureaucratic limitations, limited performance-based incentives, and weak accountability systems (Purba et al., 2025). Hence, the performance of public sector employees is of key concern as it directly influences service delivery and the performance of the business. Recent literature underscores the need to improve HRM systems to reduce these long-standing performance gaps and improve public sector responsiveness and efficiency (Gulo et al., 2026).

The theoretical framework of this study is built in Equity Theory (Adams, 1965) and Expectancy Theory (Vroom, 1964). Equity Theory focuses on the employees' perception of the fairness of the allocation of rewards. Perceived unfairness in compensation might diminish motivation and performance (Pebri, 2020). According to Expectancy Theory, employee work is motivated by expected benefits and perceived value of those rewards. Motivational force is affected by perceptions of expectancy, instrumentality, and valence (Guslina, 2025). The two theories remain useful for understanding how compensation systems and reward structures affect employee motivation and performance outcomes in today's public sector, especially in organizations facing challenges of pay equity and performance-based incentives (Purba et al., 2025). Compensation in this context is an important extrinsic motivation that affects employee performance outcomes.

Compensation is the total financial and non-financial compensation a firm offers for employee contributions, including salary, bonuses, and benefits. Empirical research has shown a positive and significant effect of fair and competitive pay systems on employee motivation, work satisfaction and performance (Budiyo et al., 2022). Compensation fairness and perceived incentive adequacy have also been identified as critical factors of employee behavioral outcomes in modern human resource management studies inside public and private sector firms (Lesmana, 2021). Conversely, insufficient compensation packages may result in decreased motivation, engagement, and higher intentions to leave, particularly in public sector contexts marked by limited budgets and salary inflexibility (Ayuningtyas & Fadli, 2023).

Besides salary, work discipline also has a crucial role in developing the employee's performance. Work discipline means that employees abide by the rules, procedures and standards of conduct at work (Tambun et al., 2026). Current literature on public administration links high levels of discipline with higher efficiency, lower absenteeism, and stronger organizational control mechanisms (Napitupulu et al., 2026). It is also noted in recent research that disciplined personnel are more likely to meet performance targets on a consistent basis and contribute favorably to the effectiveness of the business through enhanced behavioral compliance and task execution (Hasibuan et al., 2026). Moreover, employee discipline is increasingly viewed as part of wider behavioral HRM systems that integrate incentive, supervision and performance accountability mechanisms in public organizations (Herfianti et al., 2025)

Empirical evidence also shows that compensation and work discipline significantly affect employee performance, individually or jointly, particularly in public sector organizations where HRM practices

significantly contribute to shaping employee behaviors and outcomes (Iman Saro, 2024). Modern public management literature also suggests that HRM policies such as fair and competitive pay systems, and disciplined work conduct together enhance employee motivation, accountability, and performance outcomes (Lim et al., 2024). These attributes lead to better service delivery, increased productivity, and more effective organizational functioning within government institutions (Saputri, 2020). However, despite increased empirical focus, most previous studies are still limited to private sector or large-scale organizations, where organizational structures and incentive systems are considerably different from those of public institutions (Endri, 2022). Therefore, little attention has been paid to local government-owned utilities, especially in the Indonesian regional context where bureaucratic constraints, rigid administrative systems, and budget constraints may shape HRM effectiveness in different ways and potentially influence employee performance differently (Gandung, 2024).

This indicates a clear research gap, both empirically and contextually. First, there is limited evidence regarding how compensation and discipline operate within semi-public organizational structures such as PUD. Second, organizational culture and bureaucratic systems in local government entities may produce different behavioral responses compared to private organizations. Therefore, findings from previous studies cannot be directly generalized. Based on these considerations, this study aims to analyze the effect of compensation and work discipline on employee performance at PUD Kota Medan. The study is expected to contribute to the development of human resource management literature in public sector organizations and provide practical insights for improving employee performance through fair compensation systems and effective discipline management.

2. Method

This study adopts a quantitative approach with a cross-sectional survey design to examine the effect of compensation and work discipline on employee performance at Perusahaan Umum Daerah (PUD) Kota Medan. The quantitative approach is employed due to its suitability for testing causal relationships among variables through numerical measurement and statistical inference. The population in this study includes all employees of PUD Kota Medan, while the sampling technique applies a saturated sampling (census) method, in which all 40 employees are included as research respondents.

Data were collected using a structured questionnaire developed based on the operational indicators of the research variables. Compensation is measured through salary, incentives, benefits, and perceived fairness of compensation. Work discipline is assessed through indicators of rule compliance, punctuality, and work responsibility, while employee performance is evaluated based on work quality, work quantity, timeliness, and task effectiveness. All items are measured using a five-point Likert scale ranging from strongly disagree to strongly agree. Prior to hypothesis testing, the research instrument was evaluated through validity and reliability tests to ensure measurement accuracy and internal consistency.

Data analysis was conducted using multiple linear regression analysis with the assistance of IBM SPSS Statistics version 24. This method is used to examine both the partial and simultaneous effects of compensation and work discipline on employee performance. Prior to regression analysis, classical assumption tests were performed, including normality, multicollinearity, and heteroscedasticity tests, to ensure that the regression model meets the BLUE (Best Linear Unbiased Estimator) criteria. Hypothesis testing was carried out using the t-test to examine partial effects, the F-test to assess simultaneous effects, and the coefficient of determination (R^2) to measure the explanatory power of the model in accounting for variations in employee performance. This systematic analytical procedure ensures that the findings are empirically robust, statistically valid, and academically reliable.

3. Results and Discussion

Respondent Analysis

Table 1. Respondent Description Results

Age	Frequency	Percentage
20–25 years	8	21%
26–30 years	11	27%
31–35 years	10	25%
36–40 years	6	15%
> 40 years	5	12%
Total	40	100%

Based on the results of data processing, the respondents are distributed across several age groups. The majority of respondents are aged 26–30 years (11 employees or 27%), followed by those aged 31–35 years (10 employees or 25%). Respondents aged 20–25 years account for 8 employees (21%), while those aged 36–40 years represent 6 employees (15%). The smallest proportion of respondents is aged above 40 years, with 5 employees (12%). This indicates that most employees are within the productive age range, particularly in early to mid-career stages, which generally reflects optimal working capacity and productivity levels.

Overall, this age distribution suggests that the workforce in PUD Kota Medan is dominated by employees in their productive working years, which may positively contribute to organizational performance. The presence of a relatively smaller proportion of older employees also indicates a workforce structure that is more concentrated in younger and middle-aged groups, which are typically more adaptable to operational demands and work efficiency requirements within public sector organizations.

Validity Test

Table 2. Validity Test

Variable	Item	Corrected Item–Total Correlation	Decision
Compensation	X11	0.357	Valid
	X12	0.497	Valid
	X13	0.555	Valid
	X14	0.313	Valid
	X15	0.55	Valid
	X16	0.705	Valid
	X17	0.605	Valid
	X18	0.319	Valid
Work Discipline	X21	0.397	Valid
	X22	0.525	Valid
	X23	0.54	Valid
	X24	0.319	Valid
	X25	0.569	Valid
	X26	0.775	Valid
	X27	0.627	Valid
	X28	0.36	Valid
Employee Performance	Y1	0.512	Valid
	Y2	0.497	Valid
	Y3	0.32	Valid

Variable	Item	Corrected Item–Total Correlation	Decision
	Y4	0.574	Valid
	Y5	0.724	Valid
	Y6	0.588	Valid
	Y7	0.351	Valid
	Y8	0.381	Valid
	Y9	0.347	Valid
	Y10	0.373	Valid

Based on the validity test results presented in Table 2, all measurement items across the three constructs—compensation, work discipline, and employee performance—demonstrate satisfactory validity levels. The Corrected Item–Total Correlation values for the compensation construct range from 0.313 to 0.705, indicating that all indicators are statistically valid. Similarly, the work discipline construct shows correlation values between 0.319 and 0.775, while the employee performance construct ranges from 0.320 to 0.724, confirming that all indicators are valid. Overall, all items exceed the minimum acceptable threshold of r -table (0.312), indicating that each questionnaire item has adequate construct validity. Therefore, all indicators are deemed appropriate and reliable for further statistical analysis in this study.

Reliability Test

Tabel 3. Uji Validitas

Variable	Cronbach's Alpha	Decision
Compensation	0.718	Reliable
Work Discipline	0.773	Reliable
Employee Performance	0.705	Reliable

Based on the reliability test results presented in Table 3, all research variables demonstrate satisfactory internal consistency. The Cronbach's Alpha value for the compensation variable is 0.718, while work discipline records a value of 0.773, and employee performance shows a value of 0.705. All values exceed the minimum threshold of 0.70, indicating that the measurement instruments used in this study are reliable. These results confirm that all indicators consistently measure their respective constructs, ensuring the stability and consistency of the questionnaire. Therefore, the research instrument is considered reliable and suitable for further statistical analysis in examining the relationship between compensation, work discipline, and employee performance.

Classical Assumption Test

Table 4. One-Sample Kolmogorov-Smirnov Test

Description	Value
N	40
Mean	0.0000000
Std. Deviation	0.8126079
Kolmogorov–Smirnov Z	1.296
Asymp. Sig. (2-tailed)	0.069

Based on the results, the significance value of 0.069 is greater than 0.05, indicating that the residual data are normally distributed. This finding is also supported by the normal probability plot, where the data points tend to follow and spread around the diagonal line. Therefore, it can be concluded that the assumption of normality is fulfilled, and the data are suitable for further analysis using parametric statistical techniques such as multiple linear regression.

Multicollinearity Test

Tabel 5. Uji Multikolinearitas

Variable	Tolerance	VIF
Compensation	0.138	7.269
Work Discipline	0.138	7.269

Based on the results presented in Table 4, the tolerance values for both compensation and work discipline variables are 0.138, which is greater than the threshold value of 0.10. In addition, the VIF values for both variables are 7.269, which is still below the maximum threshold of 10. These results indicate that there is no severe multicollinearity problem among the independent variables in the regression model.

Heteroscedasticity Test

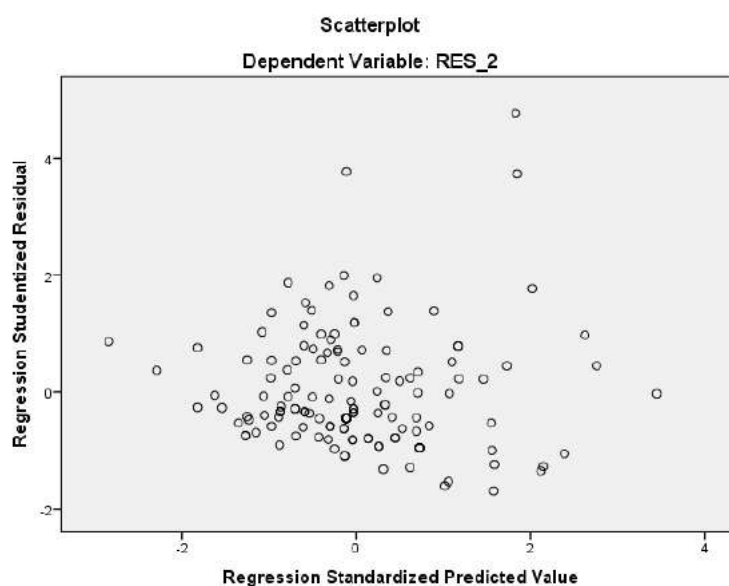


Figure 2. Scatterplot of Heteroscedasticity Test

The scatterplot above was used to examine the presence of heteroscedasticity in the regression model. The plot shows that the data points are randomly dispersed without forming any clear or systematic pattern. This indicates that there is no evidence of heteroscedasticity in the model. Accordingly, the residual variance can be considered constant (homoscedastic), meaning that the assumption of homoscedasticity is satisfied in this study.

Multiple Linear Regression Test

Tabel 5. Uji Regresi Linear Berganda

Variable	Unstandardized B	Std. Error	Standardized Beta	t-value	Sig.
Constant	9.333	2.452	–	3.806	0.001
Compensation	0.086	0.186	-0.078	3.459	0.049
Work Discipline	1.077	0.184	0.996	5.857	0.000

The multiple linear regression analysis yields the following equation:

$$Y = 9.333 + 0.086X_1 + 1.077X_2$$

The constant value of 9.333 indicates that employee performance remains at 9.333 when compensation and work discipline are assumed to be constant. The regression coefficient for compensation (X_1) is 0.086, indicating a positive relationship, meaning that a one-unit increase in compensation leads to a 0.086 increase in employee performance. However, this effect is relatively small. Meanwhile, work discipline (X_2) has a regression coefficient of 1.077, also positive, indicating that a one-unit increase in work discipline

results in a 1.077 increase in employee performance. This suggests that work discipline has a stronger influence on employee performance compared to compensation. Overall, both independent variables show a positive relationship with employee performance, with work discipline being the most dominant factor in this model

Coefficient of Determination Test

Table 7. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.924	0.853	0.845	0.83428

Based on the results presented in Table 7, the Adjusted R Square value is 0.845, indicating that 84.5% of the variation in employee performance at PUD Kota Medan can be jointly explained by compensation and work discipline, while the remaining 15.5% is influenced by other factors outside the model. The coefficient of determination is calculated as $Kd = R^2 \times 100\% = 0.845 \times 100\% = 84.5\%$. These findings demonstrate that the independent variables in this study have a strong explanatory power in determining employee performance. However, a proportion of 15.5% is attributed to other variables not included in this study, such as leadership style, work motivation, organizational culture, and other contextual factors that may also contribute to employee performance outcomes.

F Test

Table 8. F Test

Model	Source	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	149.347	2	74.674	107.286	0.000
	Residual	25.753	37	0.696		
	Total	175.1	39			

Based on the results of the F-test presented in the ANOVA table, at a 5% significance level ($\alpha = 0.05$), the calculated F-value is 107.286 with a significance value of 0.000. Since the significance value is less than 0.05 ($0.000 < 0.05$), and the calculated F-value is greater than the critical F-value, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. This indicates that compensation and work discipline simultaneously have a statistically significant effect on employee performance at PUD Kota Medan. Therefore, it can be concluded that both independent variables jointly contribute to variations in employee performance within the organization.

t-test

Table 9. t-test

Variable	Unstandardized B	Std. Error	Standardized Beta	t-value	Sig.
Constant	9.333	2.452	–	3.806	0.001
Compensation	0.086	0.186	-0.078	3.459	0.049
Work Discipline	1.077	0.184	0.996	5.857	0.000

Based on the results of the hypothesis testing, the effect of each independent variable on employee performance can be described as follows. First, the analysis shows that the t-value for compensation (X_1) is 3.459, which is greater than the t-table value of 1.655, with a significance value of 0.049 (< 0.05). Therefore, the null hypothesis is rejected and the alternative hypothesis is accepted, indicating that compensation has a significant effect on employee performance (Y).

Second, for work discipline (X_2), the t-value is 5.857, which is also greater than the t-table value of 1.655, with a significance value of 0.000 (< 0.05). This result leads to the rejection of the null hypothesis and acceptance of the alternative hypothesis, meaning that work discipline has a statistically significant effect

on employee performance. Overall, both compensation and work discipline individually have a positive and significant influence on employee performance at PUD Kota Medan

Discussion

The Effect of Compensation on Employee Performance

The results of this study reveal that compensation has a favorable and somewhat significant effect on employee performance at PUD Kota Medan. T-value calculation of $3.459 > t\text{-table of } 1.655$ and significance value of $0.049 < 0.05$ proves it. This finding shows that the enhancement of the pay system in the form of salary, incentives and perks can increase employee work motivation. This has an effect on performance improvement. These results are consistent with the work motivation theory which states that a fair incentive system can improve individual productivity in an organization. Furthermore, this result is in line with study by (Ratnawati & Sugiarti, 2023)(Cafe et al., 2025)(Azhari, 2022) which states that compensation has a substantial effect on employee performance, and is backed by (Dwi Ardian et al., 2023) which found that a good remuneration system can improve job effectiveness. Research by (Rahmad et al., 2022) also confirms that remuneration has a vital influence in enhancing employee happiness and performance whereas Rizky et al. (2022) reveals that compensation has a direct effect on job motivation. In accordance with this, (Semujanga & Parent-Rocheleau, 2024) discovered that competitive compensation is one of the main factors in improving employee retention and performance in the public sector.

The results of this study indicate that the management of Perusahaan Umum Daerah (PUD) Kota Medan from a managerial perspective should design a remuneration system that is more egalitarian, transparent, and based on performance. Such a performance oriented reward system is important to gain Employee Contribution Recognition and Reward as per Work Outcome, which in turn increases Work Motivation and Organizational Commitment. In addition, the creation of productivity based incentives and the periodic review of wage structures are also key approaches to developing a more flexible and responsive remuneration system that meets both organizational goals and employee requirements. Workload should also be commensurate with compensation to eliminate perceived disparities that may lead to job dissatisfaction and feelings of organizational injustice. Finally, such settings may have an adverse effect on individual and organizational performance. Therefore, it is projected that the implementation of fair and performance-oriented compensation policies can establish a more productive work environment, promote intrinsic and extrinsic motivation, and support the sustained improvement of organizational performance in PUD Kota Medan.

The Influence of Work Discipline on Employee Performance

In addition, the variable of work discipline also has a favorable and significant effect on employee performance in the Public Company of the Medan City Region (PUD). This is indicated by the estimated t-value of 5.857 which is higher than the t-table value of 1.655 and a significance value of 0.000 which is less than 0.05 . These statistical data show that there is a strong and significant influence of work discipline on employee performance. In the other words, the higher the level of employee discipline regarding the compliance with organizational norms, punctuality in the completion of tasks and responsibility in the implementation of assigned tasks, the higher the performance. The level of work discipline shows how committed an individual is, how much self-control he/she has and how obedient he/she is to the operational standard of the organization. It directly contributes to increasing the work effectiveness and efficiency. Disciplined employees tend to be more consistent in hitting targets and maintaining service quality. These results are in line with organizational behavior theory, which points out that discipline is one of the basic determinants of employee productivity and overall organizational success, especially in structured public sector settings such as PUD Kota Medan.

This finding is also in line with (Hikmah Perkasa et al., 2023)(D. A. Lubis et al., 2024)(Adenanthera; Dewa, 2022) which states that work discipline has a major influence on enhancing employee performance. Furthermore, (Yusuf Kibar et al., 2023) discovered that work discipline has a direct contribution to the effectiveness of employee performance in the public sector, especially in improving task completion quality and organizational responsibility. In addition, (Wibisono, 2022) have found that work discipline positively and significantly affects employee productivity; disciplined individuals tend to be more likely to achieve work targets consistently and follow organizational processes. (Nabella, 2023) also stressed that adherence to work regulations and standard operating procedures might increase organizational efficiency by eliminating errors, delays and operational inconsistencies. Also, (Marina et al., 2025) discovered that work discipline is a major variable affecting employee performance in government agencies. The key elements of structural norms and monitoring systems are important in determining the behavior of employees (Paulus, 2022). Generally, these studies collectively support the significance of work discipline as an important factor of employee performance in public sector companies where compliance to rules and accountability mechanisms is necessary to achieve organizational goals effectively and sustainably (Nasution et al., 2026).

Managerially, these results show that the Medan City Public Works and Public Housing Company (PUD) needs to improve its monitoring system and impose work discipline through more forceful, consistent and measurable standards. To ensure that employees systematically follow the organizational norms, job procedures and performance criteria, it is necessary to strengthen the supervision systems. If correctly organized, the incentive and punishment system can be an effective way of reinforcing desired behaviors and discouraging disciplinary violations. Moreover, the implementation of digital attendance monitoring systems might enhance the accuracy, transparency, and accountability in the monitoring of employee attendance and punctuality. In addition to technological and legal techniques, it requires a concerted effort to develop a robust disciplined work culture that ensures long-term behavioral change among employees. Employees are required to have a greater feeling of responsibility and commitment to the organization's goals through regular reinforcement of principles that promote discipline. Thus work discipline is a formal regulatory requirement and an inseparable organizational culture that fosters efficiency, effectiveness, and sustained fulfillment of institutional performance targets in PUD Kota Medan.

The Influence of Compensation and Work Discipline on Employee Performance

At the same time, compensation and work discipline also turned out to have a significant influence on employee performance at Perusahaan Umum Daerah (PUD) Kota Medan, with a coefficient of determination of 84.5%, while the rest of 15.5% is explained by other variables not included in this research model. The finding suggests that the combination of a fair, transparent and performance oriented compensation system and a high level of work discipline is an important predictor to enhance employee performance in a holistic manner. The significant explanatory power of the model also shows that both extrinsic motivational factors (such as salary) and behavioral elements (such as discipline) have a dominant effect in influencing employee productivity, responsibility and service quality. Theoretically, these findings complement the human resource management perspective, emphasizing the combination of motivational factors and behavioral compliance as critical drivers of organizational performance. In this case, the organization is expected to be able to manage the incentive system and the enforcement of discipline in a balanced and synergistic manner to obtain optimal and sustainable performance results in public sector institutions such as PUD Kota Medan.

These results are in accordance with research by (Harianto, 2024) which states that compensation and work discipline simultaneously have a significant effect on employee performance. (Honkley et al., 2025) also observed that the combination of these two variables plays a vital influence in promoting employee motivation and work consistency that enhances overall organizational effectiveness. Further, (Syaifuddin et al., 2023) showed that the implementation of fair remuneration systems and good work discipline

significantly affects employee productivity, since these two elements synergistically promote positive work behavior. (Tambun et al., 2026) also showed that the synergy between remuneration and work discipline could result in increased motivation levels and better job performance results, especially when firms use consistent reward and control methods. Furthermore, (Bhastary et al., 2024) noted that the integration of remuneration and discipline systems is a significant factor in the performance of public sector employees as structured HRM practices play a key role in maintaining accountability and efficiency.

From a managerial standpoint, these findings indicate that the Medan City Public Works and Public Housing Company (PUD) should adopt an integrated human resource management strategy that emphasizes the alignment between compensation policies and the reinforcement of work discipline. Management is required to ensure that the performance-based reward system is implemented in a transparent and accountable manner, so that employees clearly understand the relationship between performance and rewards. At the same time, the enforcement of work discipline should be carried out consistently through systematic monitoring, supervision, and regular performance evaluation. By combining these two approaches, the organization can create a more balanced and effective HRM system. This comprehensive strategy is expected to enhance employee motivation, improve operational efficiency, and strengthen service quality in a sustainable manner. Ultimately, the integration of fair compensation practices and strong disciplinary control is anticipated to contribute significantly to the long-term improvement of organizational productivity and overall institutional performance within PUD Kota Medan.

4. Conclusion

This study demonstrates that compensation and work discipline have a significant positive effect, both partially and simultaneously, on employee performance at PUD Kota Medan. Compensation contributes to improved employee performance by enhancing motivation through fair and structured reward systems. Likewise, work discipline plays a dominant role in improving employee performance by ensuring compliance with organizational rules, punctuality, and responsibility in task execution. Simultaneously, both variables explain a substantial proportion of employee performance variation, indicating that they are key determinants in public sector organizational settings.

Based on these findings, PUD Kota Medan should strengthen its human resource management policies by implementing a more transparent and performance-based compensation system. In addition, the organization should reinforce work discipline through consistent supervision, clear standard operating procedures, and a reward and punishment mechanism. These strategies are expected to improve employee productivity, accountability, and overall service quality.

This study has several limitations. First, the sample size is relatively small, consisting of only 40 respondents, which may limit the generalizability of the findings. Second, the study focuses only on two independent variables, namely compensation and work discipline, while other potential determinants such as leadership style, work motivation, job satisfaction, and organizational culture were not included in the model. Third, the quantitative approach used in this study does not capture in-depth qualitative insights regarding employee perceptions.

Future research is recommended to include additional variables such as leadership style, work motivation, and organizational culture to provide a more comprehensive model of employee performance. In addition, the use of mixed-method approaches combining quantitative and qualitative data is suggested to obtain richer and more contextual findings. Expanding the sample size and research scope to other regional public organizations would also improve the external validity and robustness of future studies.

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