# The Effect Of Additional Income On Employee Performance Through Work Discipline In Regional Secretariat Dairi Regency

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## Abstract

Appropriate additional income and high work discipline are important factors in improving employee performance in government organizations. This study aims to find out and analyze the influence of additional income on employee performance mediated by work discipline in the Dairi Regency Regional Secretariat. This study uses a causal associative quantitative approach. The sample used was the entire employee population totaling 160 people, with a saturated sampling technique. Data analysis was carried out using Structural Equation Modeling (SEM) based on Partial Least Square (PLS). The results of the study showed that additional income did not have a significant effect on employee performance, but had a positive and significant effect on work discipline, with a T-statistical value of $4.092 > 1.96$ and a P-value of $0.000 < 0.05$, which indicates that additional income encourages employees to be more disciplined in their work. Work discipline also had a positive and significant effect on employee performance, with a T-statistical value of $3.930 > 1.96$ and a P-value of $0.000 < 0.05$, which shows that improving work discipline can improve employee performance. In addition, work discipline was able to mediate the influence between additional income and employee performance, as shown by the T-statistical value of $3.884 > 1.96$ and the P-value of $0.000 < 0.05$. These results provide insight that additional income and work discipline are effective strategies in improving employee performance at the Dairi Regency Regional Secretariat.

**Keywords:**
Additional Income; Employee performance; Work discipline,

## 1. INTRODUCTION

Improving employee performance is one of the main goals in human resource management in various organizations, including in the public sector. Additional income for employees has long been considered as one of the strategies to improve their motivation and performance (Widia, 2018). These financial incentives, which include bonuses, benefits, and commissions, are expected to provide additional incentives for employees to meet or exceed predetermined performance targets (Dessler & Varrkey, 2016). Bonuses are usually given as a reward for achieving certain performance or achieving high sales targets, thus motivating employees to work harder and focus on better results (Bratton et al., 2021). Allowances, which can be transportation, meal, health, or other special allowances, help improve the well-being of employees, so they can work more comfortably and productively. (Gomez-Mejia et al., 2016)

Further, financial incentives can encourage healthy competitive behavior among employees, which can ultimately increase the overall productivity of the organization. Providing fair and proportionate incentives can increase employees' intrinsic motivation, because they feel that their efforts are valued and recognized by the organization (Permana & Pracoyo, 2021). It can also increase employee loyalty and commitment to the organization, reduce turnover rates, and increase overall job satisfaction (Dessler & Varrkey, 2016). Additional income can improve employee well-being and motivate them to work harder. According to Robbins and Judge (2013), employee motivation is greatly influenced by financial incentives that are considered fair and proportional to their efforts and contributions. With additional income, employees feel more valued and motivated to increase their productivity.

However, additional income is not the only factor that affects employee performance. Work discipline also plays an important role in ensuring that employees can achieve optimal performance. Work discipline includes compliance with regulations, punctuality, and consistency in completing tasks. (Permana & Pracoyo, 2021). Good work discipline is one of the main indicators of high employee performance (Gomez-Mejia et al., 2016).

Good work discipline creates a structured work environment, where employees understand and follow the standards set by the organization. When employees have a high level of discipline, they tend to be more responsible in completing tasks, maintaining punctuality, and meeting work targets. Work discipline also promotes consistency in performance, which is important for achieving sustainability in high performance (Robbins & Judge, 2013). Disciplined employees show diligence and seriousness in their duties, which has a direct impact on the quality and productivity of work.

Further, work discipline not only improves individual performance but also strengthens the overall organizational culture. With discipline, a sense of collective responsibility is created where each employee feels an important role in achieving

common goals. In the long run, this culture of discipline strengthens employees' loyalty and commitment to the organization, as they see the value of their contribution to the organization's success (Meyer et al., 2018).

At the Dairi Regency Regional Secretariat, improving employee performance is the main focus to support the achievement of organizational goals. Based on observations and interviews with several employees in the office, it was found that although additional income has been provided, there are still obstacles in improving performance. Some employees feel that work discipline among employees needs to be improved to achieve better performance. Issues such as non-compliance with working hours, delays in completing tasks, and lack of initiative often hinder the achievement of performance targets.

The formulation of this research problem is as follows:
1. Does additional income have a positive and significant effect on employee performance at the Dairi Regency Regional Secretariat?
2. Does additional income have a positive and significant effect on work discipline at the Dairi Regency Regional Secretariat?
3. Does work discipline have a positive and significant effect on employee performance at the Dairi Regency Regional Secretariat?
4. Is work discipline able to intervene in the positive and significant influence of additional income on the performance of employees of the Dairi Regency Regional Secretariat?

The objectives of this study are as follows:
1. To find out and analyze the effect of the application of additional income on employee performance at the Dairi Regency Regional Secretariat.
2. To find out and analyze the effect of the application of additional income on work discipline at the Dairi Regency Regional Secretariat
3. To find out and analyze the influence of discipline on employee performance at the Dairi Regency Regional Secretariat
4. To find out and analyze the role of work discipline in mediating the influence of additional income on employee performance at the Dairi Regency Regional Secretariat

According to (Hasibuan, 2016) additional income is a form of appreciation given to employees in addition to their basic salary. This additional income can be in the form of bonuses, benefits, or other incentives that aim to improve employee welfare and motivation. According to (Dessler & Varrkey, 2016) supplemental income is a variable compensation given to employees based on their performance, such as bonuses, commissions, and benefits. The purpose of this additional income is to

encourage employees to work harder and achieve targets that have been set by the organization.

Mathis and Jackson (2011): Additional income, such as bonuses and incentives, can motivate employees to increase productivity, especially if the rewards are directly related to the achievement of work targets.

Pinder (2014): Mentions that financial incentives have a strong influence on employee motivation in the short term, but their sustainability depends on the existence of non-financial rewards such as recognition and career development opportunities.

In this study, the additional income indicators refer to (Hasibuan, 2016) consisting of:

1. Bonus

Bonus is an additional payment given to employees as a reward for certain achievements or work results that exceed a predetermined target. Bonuses are usually given out in a specific period, such as at the end of the year or after a major project is completed, and aim to increase motivation and reward employees who show outstanding performance.

2. Allowances

Allowances are additional compensation in addition to the basic salary provided to employees to support their well-being. Allowances can include transportation allowances, meal allowances, health allowances, and family allowances. The goal is to help employees cover their daily needs or special needs related to work

3. Commission

A commission is a form of additional income given to an employee, usually related to sales or the achievement of a specific target. Commissions are generally given to employees who are in the field of sales or marketing and are calculated based on a percentage of sales that are successfully achieved. The commission aims to motivate employees to achieve higher sales results.

4. Work Incentives

Work incentives are financial or non-financial awards given to employees as an additional motivation to increase productivity and work efficiency. Work incentives are often given based on certain performance or work results and aim to encourage employees to meet or exceed the performance standards that have been set by the organization.

5. Non-financial awards

Non-financial awards are a form of appreciation given to employees without involving money or other forms of finance. These awards can be in the form of certificates, public recognition, symbolic gifts, or promotions for positions. Although

not tangible, non-financial awards provide a strong motivation because they give employees a sense of appreciation and recognition for their contributions.

According to (Widia, 2018) work discipline is a person's awareness and willingness to comply with all applicable company regulations and social norms. Discipline reflects an individual's responsibility for work and organization. According to (Simamora, 2016) work discipline is a management activity to enforce organizational standards. The goal is to influence employee behavior so that it is in accordance with the regulations that have been set by the organization

Ivancevich (2010): Work discipline is a reflection of an individual's adherence to organizational rules, which is highly correlated with the consistent achievement of organizational goals. Terry (2016): Reveals that good work discipline not only reflects compliance with the rules, but also describes the responsibility and commitment of employees to the assigned tasks. Mangkunegara (2017): Emphasizing that high work discipline can build a positive work culture where all members of the organization have a high level of responsibility to achieve the organization's vision and mission.

Based on the definition of work discipline put forward by Widia (2018) and Simamora (2016), here are some indicators that can be used to measure work discipline:

1. Timely Attendance

Employee compliance to come and start work according to the schedule set by the organization. Timely attendance shows the discipline of employees in respecting time and company rules.

2. Regulatory Compliance

Compliance measures how employees comply with the rules and policies set by the organization. This compliance can include various aspects, such as occupational safety rules, standard procedures, and professional ethics.

3. Responsibility for Duty

Responsibility in completing tasks according to organizational standards reflects the discipline of employees in carrying out their work. This shows that employees have the awareness to complete work well and according to the organization's expectations.

4. Accuracy in Task Completion

Accuracy in completing tasks according to deadlines or work schedules shows the discipline of employees in managing their time and prioritizing their work. This indicator reflects the employee's compliance with the time expectations set by the organization.

5. Compliance with the Code of Conduct

Complying with the code of ethics or standards of conduct set by the organization is an indicator of work discipline. Disciplined employees will follow applicable social

norms and work ethics, such as professionalism, cooperation with the team, and respect for the rights of others in the work environment.

According to (Robbins & Judge, 2016) Defines performance as the result of work produced by a person based on predetermined job requirements. They emphasized that employee performance can be measured by comparing the work results achieved with the standards that have been determined by the organization. Employee performance includes effectiveness and efficiency in completing the tasks given.

According to (Bratton et al., 2021), performance is the outcome or level of success of a person as a whole over a certain period of time in carrying out a task compared to various possibilities such as work standards, targets, or criteria that have been predetermined and mutually agreed upon

To measure the level of employee performance in this study using indicators formulated by (Bratton et al., 2021) that is:
1) Quality of work;
2) Working Quantity
3) Turnaround Time
4) Work effectiveness and efficiency
5) Initiative and creativity.
6) Discipline and Compliance
7) Communication

This study aims to investigate the effect of additional income on employee performance at the Dairi Regency Regional Secretariat Office by considering work discipline as an intervening variable. It is hoped that the results of this study can provide a deeper understanding of the factors that affect employee performance at the Dairi Regency Regional Secretariat Office. The concept of this research is as illustrated in the following conceptual framework drawing:
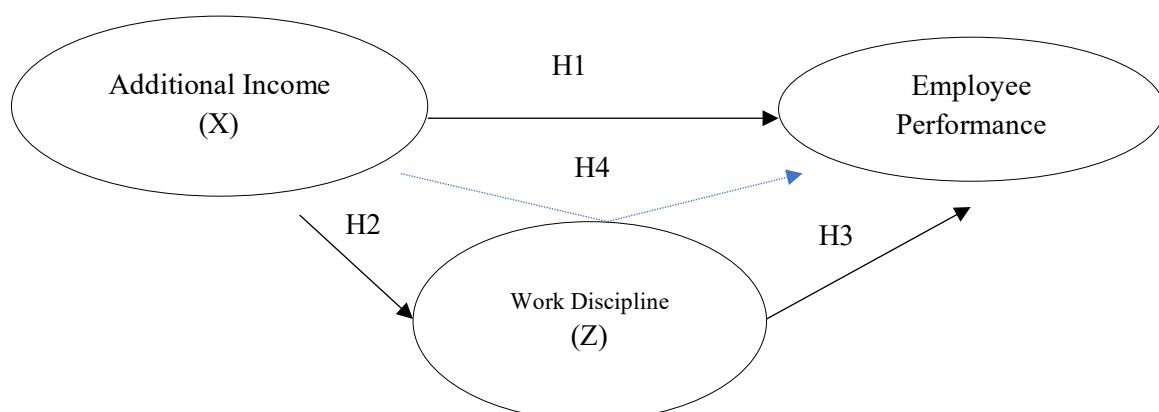


The research hypothesis is as follows:

**Figure 1. Conceptual Framework**

H1 : Additional income has a positive and significant effect on employee performance at the Dairi Regency Regional Secretariat.

H2 : Additional income has a positive and significant effect on work discipline at the Dairi Regency Regional Secretariat.

H3 : Work discipline has a positive and significant effect on employee performance at the Dairi Regency Regional Secretariat.

H4 : Additional income positive and significant influence on employee performance with work discipline as an intervening variable at the Dairi Regency Regional Secretariat.

## 2. RESEARCH METHODS

The type of research that will be used is quantitative associative, which is research that aims to determine the relationship between two or more variables (Sugiyono, 2020). In this study, the exogenous variable is additional income (X). Meanwhile, the endogenous variables are Employee Performance (Y) and moderation variables are work discipline (Z)

This research was carried out at the Dairi Regency Regional Secretariat Office located at JL. Sisingamangaraja, No. 127, Sidikalang City, Sidikalang District, Dairi Regency, North Sumatra 22211. The time of this research will be carried out from October 2024 to December 2024.

In the opinion of several experts, one of them is according to (Sugiyono, 2019), population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined by the researcher to be studied and then drawn conclusions. In this study, the population used is the entire number of employees at the Dairi Regency Regional Secretariat which amounted to 160 people with the following details.

**Table 3.1 Population Details at the Dairi Regency Regional Secretariat**

| No. | Employee Status | Number (Person) |
|-----|-----------------|-----------------|
| 1. | ASN | 100 |
| 2. | Honorary | 60 |
| | **Sum** | **160** |

Source : **Dairi Regency Regional Secretariat**

According to (Sugiyono, 2020), the sample is part of the number and characteristics possessed by that population. If the population is large, and it is impossible for researchers to study everything in the population, for example due to limited funds, energy and time, then researchers can use samples taken from that

population. However, in this study, because the number of the population is relatively small, the sampling technique used is a saturated sample technique, which involves all respondents to be a sample, meaning that the sample to be used is 160 employees.

Meanwhile, the feasibility test that will be used in this study is Testing *Outer Model* to obtain value *outer loading* that meet the requirements *validity and reliability.* Testing the structural model (Inner model) which includes a determination coefficient test (R2) to measure how far the model is able to explain the variation of the bound variable. $R^2$(Kuncooro, Munajad, 2013).

The Goodness fit test is used to determine the extent to which the observed data corresponds to the theoretical distribution assumed by the model or hypothesis (Ghozali & Latan, 2015) and hypothesis test (T-Statistic Test) consisting of a test *Path Coeficients* To test how the direct influence of each independent variable individually on its bound variable and the indirect influence of the intervening variable in influencing its independent variable on its bound variable.

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between the variables is declared positive. Meanwhile, if the value is 0 to -1, then the direction of the relationship between the variables is declared negative. A hypothesis is said to be accepted if the statistical t value is greater than the t of the table. According to (Ghozali & Latan, 2015) Table T value criteria 1.96 with a significance level of 5%

## 3. RESULTS AND DISCUSSION

### 3.1. Results

**Outer Model** *Analysis*

The outer *model* test in this study uses algorithm analysis in *SmartPLS software version 3.0,* in order to obtain *outer loading* values that meet *the validity and reliability requirements.*

**1) Convergent Validity Test Results**

The convergent validity of the measurement model with reflexive indicators can be seen from the correlation between the score of the item/indicator and the construction score. Based on the results for outer loading, it shows that there is an indicator that has a loading below 0.60 and is not significant. The following is presented as the results of the outer loading values in the following table

**Table 2.** *Outer Loading*

| Indicators | Outer Loading | Information |
|---|---|---|
| **Additional Income (X)** | | |
| PH1 | 0.867 | Valid |

| Indicators | *Outer Loading* | Information |
|---|---|---|
| PH2 | 0.945 | Valid |
| PH3 | 0.884 | Valid |
| PH4 | 0.883 | Valid |
| PH5 | 0.815 | Valid |
| **Employee Performance (Y)** | | |
| KP1 | 0.672 | Valid |
| KP2 | 0.861 | Valid |
| KP3 | 0.846 | Valid |
| KP4 | 0.882 | Valid |
| KP5 | 0.879 | Valid |
| KP6 | 0.903 | Valid |
| KP7 | 0.893 | Valid |
| **Work Discipline (Z)** | | |
| DK1 | 0.798 | Valid |
| DK2 | 0.910 | Valid |
| DK3 | 0.841 | Valid |
| DK4 | 0.781 | Valid |
| DK5 | 0.810 | Valid |

Based on Table 2, it can be seen that all indicators have a value *loading factor* > 0.60. According to (Ghozali, Imam & Latan, 2015) states that an indicator is declared valid if it has a value *loading factor* > 0.60. Thus, it can be stated that all indicators in this study are declared valid and can be carried out further research. The following is shown in the form of a structural model as shown in the following image:
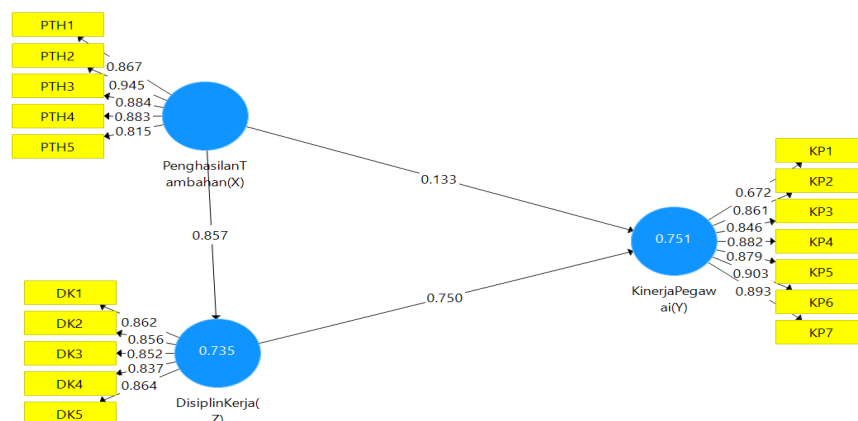


**Figure 1. Outer Model Test Results**

**2) Discriminate Validity** *Test Results*

The next test is to test the validity of discrimination, this test aims to determine whether a reflective indicator is a good measurement for its construction based on the principle that the indicator is highly correlated with its construction. The following are the results of cross loading from the discrimination validity test as shown in the following table in

**Table 3.** *Discriminant Validity*

| Variable Indicators | Employee Performance (Y) | Work Discipline (Z) | Additional Income (X) |
|---|---|---|---|
| KK1 | 0.845 | **0.862** | 0.809 |
| KK2 | 0.758 | **0.856** | 0.800 |
| KK3 | 0.692 | **0.852** | 0.686 |
| KK4 | 0.670 | **0.837** | 0.658 |
| KP5 | 0.700 | **0.864** | 0.686 |
| KP6 | **0.672** | 0.651 | 0.457 |
| KP7 | **0.861** | 0.740 | 0.672 |
| DK1 | **0.846** | 0.653 | 0.639 |
| DK2 | **0.882** | 0.802 | 0.667 |
| DK3 | **0.879** | 0.802 | 0.775 |
| DK4 | **0.903** | 0.747 | 0.681 |
| DK5 | **0.893** | 0.727 | 0.695 |
| PTH1 | 0.643 | 0.715 | **0.867** |
| PTH2 | 0.762 | 0.862 | **0.945** |
| Source: Output Smart PLS, 2024 | | 0.771 | **0.884** |
| PTH4 | 0.705 | 0.750 | **0.883** |
| PTH5 | 0.524 | 0.650 | **0.815** |

Based on table 3, it can be seen that the *cross loading value* in each indicator and variable is greater than other variables and indicators, the cross loading variable Employee Performance variable shows that the cross loading variable indicator is greater than the cross loading of other latent variables, the cross loading indicator of the variable of giving incentives shows that the value *of the cross loading* indicator is greater than other latent variables, *Cross loading* Human resource development also shows a greater cross loading indicator value than the latent variable cross loading. Based on this data, it can be stated discriminatively *that* the cross loading *results* are considered valid.

**3) Composite reliability** *test results*

The test further determines the reliable value with *the composite reliability* of the indicator block that measures the construction. A construction value that is said to be reliable if the indigo *composite reliability* is above 0.60. In addition to looking at *the composite reliability* value, the reliable value can be seen in the variable construct value with *the alpha cronbachs* of the indicator block that measures the construct. A construct is declared reliable if the *cronbachs alpha value* is above 0.7. The following is a table of loading values for the construct of the research variables resulting from running the Smart PLS program in the following table.

**Table 4.** *Construct Reliability and Validity*

| Indicators | Cronbach's Alpha | Composite Reliability | Average Extracted Variance (AVE) |
|---|---|---|---|
| Employee Performance(Y) | 0.935 | 0.948 | 0.725 |
| Additional Income (X) | 0.927 | 0.945 | 0.774 |
| Work Discipline (Z) | 0.908 | 0.931 | 0.730 |

**Source: Output Smart PLS, 2024**

Based on Table 5, it can be explained that the AVE value in each variable tested has a value of >0.5, which shows that all variables in this study meet the *criteria discriminant validity*. To determine the reliability in this study, the value of *composite reliability*. The accepted value for the reliability level is >0.7. Based on these criteria, it can be seen that all variables in this study have a > value of 0.70 so that it can be stated that all variables tested meet the reliability of the construct.

**Structural Model Evaluation (*Inner Model*)**

Evaluation of the structural model (*inner model*) is carried out to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the evaluation of the structural model are seen from several indicators, namely:

**1) Determination Coefficient Test Results (R2)**

The determination coefficient (R2) test is used to see the influence of certain independent latent variables on the dependent latent variable whether it has a substantive influence. Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as shown in the following table.

**Table 5. R Square Results**

| Variable | R Square | Adjusted R Square |
|---|---|---|
| **Employee Performance(Y)** | 0.751 | 0.748 |
| **Work Discipline (Z)** | 0.735 | 0.733 |

**Source: Output Smart PLS, 2024**

Based on table 5, it is known that the R square Adjusted value of the employee performance variable is 0.748 or 74.80%, which means that the influence of additional income on employee performance in the category is very high, meaning that the more additional income increases, the more employee performance will increase. Meanwhile, the R Square value on the employee performance variable is 0.751 or 75.10%, which means that the influence of additional income on employee performance is 75.10.% and the remaining 24.90% is influenced by other variables that have not been studied. Meanwhile, the R Square Adjusted value of the work discipline variable is 0.733 or 73.30%, which means that additional income affects work discipline by 73.30% or in a very high category, which means that additional income significantly increases work discipline. Furthermore, the R square value of the work discipline variable is 0.735 or 73.50%, which means that additional income affects work discipline by 73.50%, while the remaining 23.50% is influenced by other variables that have not been studied.

**2) Goodness of Fit *Test Results***

The Goodness of Fit test is a statistical method used to evaluate how well the tested model or statistical distribution matches the observed data. The Goodness of Fit test aims to determine the extent to which the observed data corresponds to the theoretical distribution assumed by the model or hypothesis. The goodness of fit model test can be seen from looking at the NFI value on the program. If the NFI value is > SRMR and the closer it is to 1, then the better the model (good fit). Based on the data processing that has been carried out using the SmartPLS 3.0 program, the Fit Model values are obtained as follows.

**Table 6. Model Fit**

| | Saturated Model | Estimated Model |
|---|---|---|
| **SRMR** | 0.089 | 0.089 |
| **d_ULS** | 1.211 | 1.211 |
| **d_G** | 1.654 | 1.654 |
| **Chi-Square** | 1385.119 | 1385.119 |
| **NFI** | 0.665 | 0.665 |

**Source: Output Smart PLS, 2024**

Based on table 6, it can be seen that the NFI value is 0.665 > 0.195 so that it can be stated that the model in this study has sufficient *goodness of fit* and is suitable to be used to test the research hypothesis.

**Hypothesis Test Results**

After conducting an inner model analysis, the next thing is to evaluate the relationship between latent constructs in order to answer the hypothesis in this study. The hypothesis test in this study was carried out by looking at T-Statistics and P-Values. The hypothesis was declared accepted if *the T-Statistics value* > 1.96 and the P-Values < 0.05. The following are the results of *Path Coefficients* of direct influence between variables as shown in the following table.

**Table 7.** *Path Coefficients*

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (\|O/STDEV\|) | P Values | Result |
|---|---|---|---|---|---|---|
| Additional Income (X) -> Employee Performance(Y) | 0.133 | 0.132 | 0.076 | 1.759 | **0.081** | **Accepted** |
| Additional Income (X) -> Work Discipline (Z) | 0.857 | 0.859 | 0.022 | 39.506 | **0.000** | **Accepted** |
| Work Discipline (Z) -> Employee Performance(Y) | 0.750 | 0.751 | 0.067 | 11.172 | **0.000** | **Accepted** |

**Source: Smart PLS Output, 2023**

Based on the data in Table 7, it can be stated that additional income does not have a positive and significant effect on employee performance. This can be seen from the T-statistical value of 1.759 < 1.96 with a P-Value of 0.081 < 0.05. This means that if additional

income is given, the performance of employees will not increase significantly. This result answers the first hypothesis in this study, namely that additional income does not have a positive and significant effect on the performance of Dairi Regency Regional Secretariat employees

Furthermore, on the effect of additional income on work discipline, the T-Statistical value data was obtained 39.506 > 1.96 with a P-Value of 0.000 < 0.05 so that it can be stated that additional income affects work discipline at the Dairi Regency Regional Secretariat. This can be interpreted that if additional income is increased, work discipline will increase. This statement raises the second hypothesis, namely that additional income has a positive and significant effect on work discipline.

Furthermore, on the influence of work discipline on employee performance, data was obtained that value T-Statistic of 8.385 > 1.96 with a P-Value of 0.000 < 0.05 which means that work discipline has a positive and significant effect on employee performance. This indicates that if work discipline is improved, employee performance tends to increase significantly so that this statement answers the third hypothesis, namely that work discipline has a positive and significant effect on employee performance.
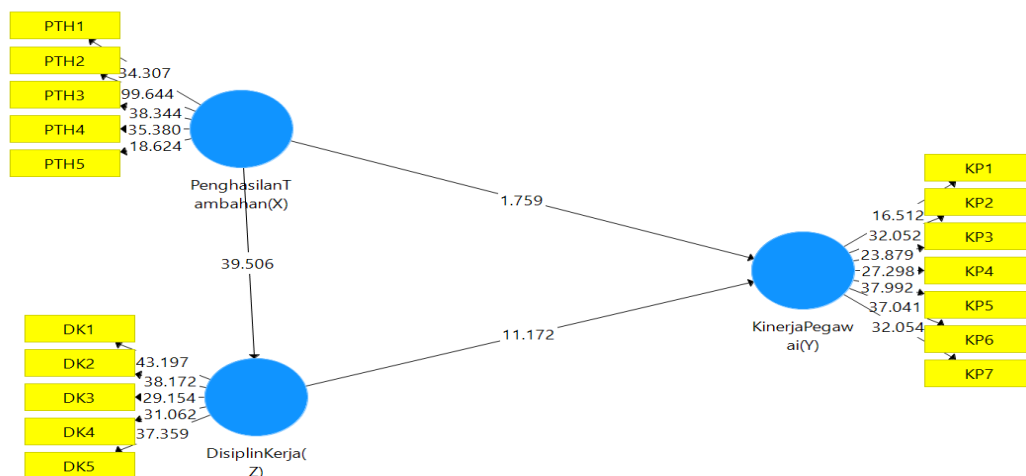


**Figure 2.** *Path Coefficients Test Results*

To answer the fourth hypothesis, it is seen by looking at the indirect influence between variables as shown in the following table.

**Table 8. Indirect Effect (Pengaruh Tidak Langsung)**

| Variable | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values | Result |
|---|---|---|---|---|---|---|
| Additional Income (X) -> Work Discipline (Z) -> Employee Performance (Y) | 0.643 | 0.645 | 0.060 | 10.643 | **0.000** | **Accepted** |

Source: Output Smart PLS, 2024

Based on table 8, it can be explained that work discipline (Z) is able to intervene in the influence of additional income (X) on Employee Performance (Y). This can be seen from the results of the T-Statistical value of $10.643 > 1.96$ with a P-Value of $0.000 < 0.05$. This shows that there is an indirect influence between additional income and employee performance through work discipline. This statement answers the fourth hypothesis that effective work discipline is able to positively and significantly intervene in the influence of additional income on employee performance. These results provide insight into how the intermediary variable of work discipline can intervene in the relationship between additional income and employee performance at the Dairi Regency Regional Secretariat

### 3.2 Discussion

Additional income has been proven to have an insignificant influence on employee performance. This means that even though additional income is provided, it does not necessarily improve employee performance significantly. These results suggest that additional income, in the form of financial incentives such as bonuses, benefits, and commissions, may be less effective in driving performance if it is not accompanied by other factors, such as intrinsic motivation or commitment. These results are consistent with the research of Robbins and Judge (2013), which stated that financial incentives do not always have a direct impact on performance if they are not accompanied by motivation or intrinsic satisfaction from employees. Another study by Gomez-Mejia et al. (2016) also supports these findings, where they state that additional income can improve well-being, but not necessarily increase work productivity in the absence of intrinsic motivation or strong disciplinary support in the organization.

Additional income has been proven to have a positive and significant influence on employee work discipline. This shows that additional income, such as bonuses, allowances, and commissions, can increase employee discipline in complying with

rules and carrying out their responsibilities in the workplace. Employees who receive additional income feel more motivated to demonstrate disciplined work behavior because the awards they receive reflect recognition for their contributions. These findings are supported by research conducted by Permana and Pracoyo (2021), which states that fair financial incentives can encourage employee discipline and compliance with organizational standards. Research by Robbins and Judge (2013) also supports these results by showing that incentives that are proportional to employee effort and contribution encourage employees to work more disciplined, which ultimately increases the operational effectiveness of the organization.

Work discipline is proven to have a positive and significant influence on employee performance at the Dairi Regency Regional Secretariat Office. This means that the higher the level of work discipline owned by employees, the better their performance. Employees who demonstrate high discipline in terms of on-time attendance, compliance with rules, and responsibility for their duties tend to produce more consistent performance and meet the standards expected by the organization. This finding is in line with research by Sutrisno (2016), which shows that work discipline is one of the main factors that affect employee performance. High discipline reflects the seriousness of employees in carrying out their duties and has a direct impact on work productivity and effectiveness. In addition, the research of Robbins and Judge (2013) also supports that strong discipline improves the accuracy, speed, and quality of employee work, which contributes significantly to overall organizational performance.

Work discipline has been proven to mediate the influence of additional income on employee performance. This means that the additional income received by employees plays a role in improving their performance, but this influence becomes stronger and more effective when accompanied by high work discipline. Additional income provides financial motivation to employees, but without discipline, additional income may not fully improve performance. Work discipline amplifies the impact of additional income by encouraging employees to exhibit consistent, timely, and responsible behavior, which ultimately contributes to significant performance improvements. These findings are consistent with research by Permana and Pracoyo (2021), which shows that financial incentives have a more significant impact on performance when employees have a high level of discipline. Research by Robbins and Judge (2013) also supports these results, stating that work discipline mediates and strengthens the relationship between financial incentives and performance by helping employees implement expected standards of behavior, which ultimately improves the effectiveness and quality of performance in the workplace.

## 4. CONCLUSIONS AND SUGGESTIONS

### 4.1 Conclusion

From the results of the data analysis of the research results and discussions described above, it can be concluded that:

1. The results showed that additional income did not have a significant influence on employee performance, with a T-statistical value that did not reach a significant limit (less than 1.96) and a P-value of more than 0.05. This shows that additional income alone does not directly improve employee performance without other supporting factors, such as motivation or work discipline.

2. The results showed that additional income had a positive and significant influence on work discipline, with a T-value that exceeded 1.96 and a P-value of less than 0.05. This shows that when employees receive additional income, they are more motivated to obey the rules and show disciplined behavior at work

3. Work discipline was proven to have a positive and significant effect on employee performance, with a T-statistic value that exceeded 1.96 and a P-value of less than 0.05. This shows that employees who have high work discipline tend to have better performance because they adhere to their rules and responsibilities more consistently

4. Work discipline was proven to mediate the influence of additional income on employee performance significantly, with a T-statistic value exceeding 1.96 and a P-value of more than 0.05. This shows that additional income has a greater impact on employee performance when accompanied by high work discipline.

### 4.2 Advice

Based on the findings of this study, here are some suggestions that can be addressed to institutions to improve employee performance:

1. Optimization of the use of additional income as a trigger for work discipline Considering that additional income is proven to have a positive effect on work discipline, organizations are advised to use additional income as a trigger to improve discipline. For example, the provision of bonuses or incentives can be associated with discipline indicators, such as on-time attendance and adherence to rules, thus encouraging employees to improve their discipline

2. Work discipline has proven to have a significant influence on performance, and organizations are advised to develop programs that reinforce work discipline, such as training on time management, digital reminders for important tasks, and increased supervision of compliance with rules. These steps can help employees to be more consistent in achieving the expected work standards.

3. Non-financial awards such as public recognition, achievement awards, or career development opportunities can be used to improve employee discipline and job satisfaction. Employees who feel valued in a non-financial way tend to exhibit more disciplined and committed behavior

4. To ensure that performance improvement strategies through discipline and additional income are effective, organizations are advised to conduct periodic evaluations. This evaluation will allow management to understand the effectiveness of the implemented strategy, as well as make adjustments if necessary to achieve more optimal results

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