



THE EFFECT OF ORGANIZATIONAL CULTURE AND COMPENSATION ON JOB SATISFACTION AND EMPLOYEE PERFORMANCE AT PT. PEGADAIAN KENDARI BRANCH IN KENDARI CITY

Zakaria Bangka' Patiung^{1*}, Syamsu Alam², Maat Pono².

- ¹ Magister Management, Faculty of Economics and Business, Hasanuddin University ; zbpatiung@gmail.com
² Faculty of Economics and Business, Hasanuddin University; e-mail@e-mail.com
³ Faculty of Economics and Business, Hasanuddin University; e-mail@e-mail.com

Abstract:

Employee performance is a factor that plays an important role in achieving company and individual goals. If the people in the company are not performing well, the company will have a hard time achieving its goals. Employees must be knowledgeable, devoted, submissive, disciplined, and accountable for every job performed and completed in order to meet organizational goals. Companies, especially governmental organizations, should ideally develop organizational culture so that employees have values, norms, references, and principles that must be followed. This study sought to ascertain how organizational culture and pay affected employee performance and satisfaction at PT Pegadaian Kendari Branch in Kendari City. In this study the population numbered 33 people because the population was small, so the authors took a saturated sampling technique so that the sample size was also 33 people. Path analysis is the analytical technique utilized. The findings of this study show that organizational culture and compensation factors significantly and favorably affect employee performance as measured by job satisfaction.

Keyword: organizational culture, compensation, job satisfaction and employee performance

A. INTRODUCTION

The issue of human resources is still in the public eye and is essential for businesses to succeed in the global economy. Every business action involves human resources in some capacity. Even though it is supported by infrastructure, facilities, and an abundance of financial resources, business operations cannot be successfully carried out without the assistance of dependable human resources. This demonstrates that the primary factor that must be taken into account for all of their needs is human resources. A key element in accomplishing corporate and personal objectives is employee performance. The organization will struggle to achieve its objectives if the employees are not performing adequately. To achieve company goals, employees must be aware, loyal, obedient, disciplined, and responsible for all work done and completed. Companies, especially governmental organizations, should ideally develop organizational culture so that employees have values, norms,

references, and principles that must be followed.

A good human resource picture is one that shows optimal staff performance. A person's success can be shown in this performance. Organizational culture is significant for enhancing employee performance, according to Huda (2019). Organizational culture serves to align the many parts of the organization, establish identity, stimulate energy, inspire motivation, and serve as a standard for everyone in the organization. Organizational culture is a unifying tool that brings its members closer together, creating a positive energy that gives the organization better direction. Organizational culture and leadership are closely related to one another. Since every leader has their own unique leadership style, the company culture develops through time. can be compared to two equal-valued sides of a coin.

Employee behavior and performance are positively impacted by organizational culture because it serves as a unifying force for employees, a means of resolving conflicts, and a source of motivation for them to carry out their responsibilities effectively. Long-term performance will be strong in a company or organization with a strong culture. If a company has a strong culture, all of its employees will view reaching business objectives in the same way. The basis for perception's unity is a set of universally held ideals. Observed standards and consistent behavior patterns (Darsono, 2010).

Since 1 July 2020, all State-Owned Enterprises (BUMN) in Indonesia have uniform basic values. These basic values or core values are AKHLAK, an acronym for Amanah, Competent, Harmonious, Loyal, Adaptive and Collaborative. AKHLAK is set as a basic value that must be upheld by BUMN employees in running a business and carrying out activities every day, and is expected to be a guideline for the behavior of workers both in the office, at home and in their environment. This obligation is given because the government wants the BUMN transformation process to be carried out thoroughly, down to every human resource (HR) in it. It's just that the organizational cultural values at PT Pegadaian are not fully implemented by employees. This can be seen, among other things, from the lack of employee awareness of the discipline of working hours, so that a strong organizational culture still needs to be proven. Moreover, the application of the AKHLAK culture has only been implemented in all Indonesian BUMNs since 2020.

Tabel 1.1 Performance Growth Rate of PT Pegadaian

Years	KPI	Customers
2017	98	12680
2018	97	13745
2019	111,13	18048
2020	105,41	21979
2021	90,33	24566

Source: Secondary Data, 2022

PT Pegadaian in the last three years has started implementing AKHLAK as values that must be upheld in life. Based on the information obtained from the Human Resources Division, there are several indications of problems occurring within the organization. As for some of these indications, namely the demand for employees to have the skills to adapt to technology so that they are able to compete with the speed of increasingly advanced technology which is part of an adaptive item. The phenomenon that is currently happening at PT Pegadaian, namely

AKHLAK, is considered a challenge because employees have to learn again to adapt to new things, the uneven distribution of AKHLAK education in each division, and the awareness to come up with new ideas as an alternative to getting work done.

Superior attitude, coworker interactions, the compensation system, the career structure, and the work environment are all factors that influence job happiness. It is demonstrated through statistical data analysis that employee work satisfaction significantly improves employee performance. This suggests that an employee will perform at his best, the higher his level of job satisfaction. Employees will feel safe and at ease at work if the company consistently implements the career and compensation system well, there are solid working relationships among coworkers, the manager has a motivating attitude, and the physical workspace is suitable. The result is that personnel will put in their utmost effort and constantly strive to give clients the best service possible. This demonstrates the employee's excellent performance.

In turn, this will result in bad employee mental health. The effects of payment discontent can lower performance, increase complaints, trigger strikes, and create physical and psychological activities, such as increased absenteeism and employee turnover. On the other hand, if there is an overpayment, it will also make businesses and people less competitive and result in conflicts, guilt-tripping, and a hostile work environment.

B. LITERATURE REVIEW

Organizational culture

The values, assumptions, and fundamental concepts that serve as the foundation for management techniques, behaviors, and systems are referred to as organizational culture. Another way to conceive of organizational culture is as a set of implicitly held beliefs that shape how a group feels, perceives, and responds to its surroundings (Kreitner & Kinicki, 2007). In addition, according to (Luthans, 2012), organizational culture is an understanding, prediction and management of human resources in an organization.

Hofstede (1997) in Munandar, Sjabadhyni, and Wutun (2004:20) suggests that organizational culture has 5 (five) main characteristics, namely:

1. Organizational culture is a crucial and connected component.
2. Organizational culture reflects the particular company in question.
3. Rituals, symbols, tales, and other elements that anthropologists study are connected to organizational culture.
4. Organizational culture is created socially, in that it originates from the individuals who started the organization.
5. Organizational culture is difficult to change

One of the BUMNs who is aggressive and dedicated to putting AKHLAK values into practice is Pegadaian. These ideals were formed as recommendations for the work culture of all BUMN under the supervision of the Ministry of BUMN as indicated in the Circular of the Minister of BUMN Number: SE-7/MBU/07/2020 July 1, 2020. They were initiated by the Minister of BUMN Erick Thohir. AKHLAK is a set of rules for a workplace culture created by the Ministry of SOEs with a focus on societal welfare, general aims for the good of the country and the state, and

particular goals for the company's own benefits.

Compensation

All income received by employees in the form of cash, direct or indirect commodities in exchange for their services to the business is referred to as compensation (Hasibuan, 2007). Leklikwati (2005), on the other hand, defines compensation as "anything that is received by employees as remuneration for their labour." The term "compensation" refers to monetary benefits that individuals receive as a result of their job relationship with a company. Due to the organization's financial outlays, the form of compensation is typically financial. Employees may receive pay either directly or indirectly in the form of non-monetary benefits. Directly or indirectly, in the form of money or commodities.

Compensation is split into two categories: compensation that is monetary in nature and compensation that is not. Financial compensation, which includes salaries, perks, and incentives, is the type of direct compensation that employees get, according to Panggabean (2004). Employees receive a benefit known as a salary on a consistent basis, such as annually, quarterly, monthly, or weekly. According to Sutrisno (2007), non-financial compensation is compensation that cannot be felt directly by employees. Non-financial compensation is provided by the company as an effort by the company to improve the welfare of its employees. Non-financial compensation can be in the form of praise from leaders, facilities provided by the company, the company's work environment.

According to Umar (2005), to determine compensation there are indicators that need to be considered, namely as follows:

- a. Compensation wages are payments made by employers to their employees (employees), and even while these payments are normal and predetermined each month, even when an employee is not working, the salary is still paid in full.
- b. Reward incentives or prizes are neither fixed or intermittent in nature and are offered to incentivize employees to increase their work productivity.
- c. A one-time incentive awarded for exceeding performance goals.
- d. wages paid to employees in relation to the number of hours worked.
- e. Premium items include those that are donated to charities or given as gifts, as well as those that are paid above and above regular wages for drivers or designers.
- f. Treatment of the delivery of services in reducing health risk factors for employees
- g. insurance for risk management against losses, loss of benefits, and third-party legal responsibility.

Job satisfaction

According to Ranupandojo and Husnan (2002), there are a number of factors that affect an employee's needs and preferences, including a good salary, a safe workplace, compliant coworkers, respect for work, meaningful work, opportunities for advancement, wise and fair leadership, structure and order, and a workplace that is regarded favorably by society.

The general attitude of employees toward their employment is referred to as

job satisfaction (Robbins, 2008). People's feelings about their work are influenced by the various viewpoints or impressions they encounter in the workplace. Individuals' attitudes and behaviors when performing their tasks and functions may be impacted by this. An individual's attitude is related to evaluative statements, both positive and negative. According to Wexley and Gary (2005), job satisfaction is a generalization of attitudes toward work based on many characteristics of work, which is consistent with the foregoing. Opportunities for advancement, job security, compensation, the firm and management, intrinsic factors and work, working conditions, social aspects of work, communications, and facilities are among the characteristics that Gilmer (1966) in As'ad (2003) lists as influencing job satisfaction.

Employee Performance

Performance essentially refers to what workers do or don't do (Zeuch, 2016). Employee performance, according to Kiruja (2013), is a function of both ability and motivation. Ability is defined as the knowledge, abilities, and resources required to carry out tasks, while motivation is referred to as the inner power that propels people to take certain actions.

According to Robbins (2006), there are six ways to evaluate the performance of a single employee:

1. Employee views of the quality of the work produced and the accuracy of tasks on their skills and abilities are used to gauge quality, specifically work.
2. Quantity is the amount produced as measured by metrics like the number of completed activity cycles or units.
3. From the perspective of maximizing the time available for other activities and coordinating with output results, timeliness is the degree of activity done at the designated time.
4. Effectiveness is the degree to which organizational resources (such as time, money, technology, and raw materials) are used to their fullest potential in order to improve the outcomes of each unit's resource utilization.
5. An employee's level of independence determines how well they can perform their job duties. work dedication. is a level where employees commit to cooperating with authorities and have duties to the office.

The relationship between organizational culture, compensation, job satisfaction and employee performance.

The results of research conducted by Koesmono (2005) state that organizational culture has a positive effect on motivation and work motivation and employee performance. Robbins (2007) revealed that the strength of corporate culture will provide benefits in several ways, namely reducing employee turnover, increasing behavioral consistency, and increasing employee motivation. Another benefit that can be drawn from the strength of organizational culture is that organizational culture will increase employee work productivity, reduce uncertainty, and bring success.

Conceptual Model

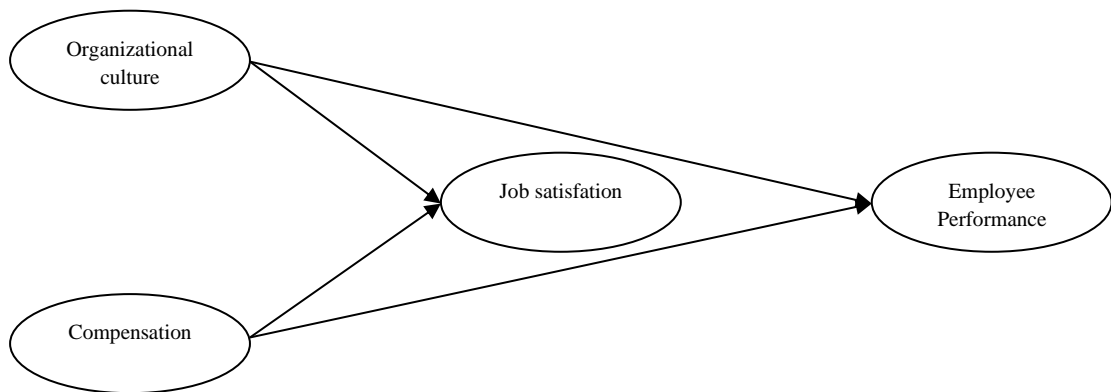


Figure 1: Research conceptual framework

C. RESEARCH METHOD

Location and Research Design

Since ratio data must be analyzed for this research, quantitative procedures are used to ascertain the extent of the relationship between the variables under investigation. In essence, this quantitative approach is used to test the hypothesis and draw conclusions with a one error likelihood of rejecting the null hypothesis. With the quantitative method, answers will be obtained from the formulation of the problems that have been previously determined. This research was conducted at PT. Kendari Branch Procurement in Kendari City Jln. Mayjend Sutoyo No 96 Watu-watu Village, West Kendari District, Kendari City.

Population or Samples

a. Population

The definition of population according to Nanang Martono (2015: 370) population is the entire object or subject that is in an area and fulfills certain requirements related to the problem of researchers. Based on this definition, there are 33 employees at PT Pegadaian Kendari Branch.

b. Sample

Sugiyono (2017) claims that the sample reflects the size and features of the population. All 33 employees of the PT Pegadaian Kendari Branch make up the study's sample. Total sampling is the sample method used in this investigation. Total sampling is a sampling method in which there are exactly as many samples as there are people.

Data Collection Method

A questionnaire about the impact of pay and organizational culture on worker performance at PT Pegadaian Kendari Branch served as the primary source of data for this study.

Data Analysis Method

The first step to be analyzed is to collect the necessary data, measure and then analyze and interpret so that this data becomes more meaningful. The analysis technique used in this research is validity test, reliability test, descriptive analysis, and path analysis.

Based on the research conceptual framework, the system of simultaneous equations for path analysis can form the following estimation equations:

$$Z_1 = \rho Yx + \varepsilon_1 \quad (1)$$

$$Z_2 = \rho Yx + \varepsilon_2 \quad (2)$$

$$Y = \rho Z_1 x + \rho Z_2 x + \rho Z_1 Y + \rho Z_2 Y + \varepsilon_2 \quad (3)$$

D. EMPIRICAL RESULTS

Descriptive Statistics

Table 5. 1 Characteristics of Respondent Research

No	Characteristics	Criteria	Frequency (Person)	Percentage
1	Gender	Man	24	72,73%
		Woman	9	27,27%
2	Education	SMA/SMK	16	48,48%
		S1	16	48,48%
		S2	1	3,03%
3	Length of Work	1-5 Years	9	27,27%
		6-10 Years	9	27,27%
		11 – 15 Years	15	45,45%
4	Type of Work	PKWT	12	36,36%
		PKWTT	21	63,64%

Source: primary data processed, 2022

Based on study show data that respondents:

1. Gender

Based on the table above, it is known that there were 24 male respondents (72,7%) and 9 female respondents (27,3%).

Education

Based on the level of education in the table above, it can be seen that 1 person (3%) has a postgraduate level of education (S2), 16 people (48,5%) have an undergraduate degree (48,5%) and 16 people at the high school level (48,5%).

Length of Work

Based on the table above, it can be seen that there are 15 respondents with more than 10 years of service (45,5%), with 6-10 years of service, namely 9 people (27,3%) and with 0-5 years of service. years (27,3%).

Type of Work

The table shows that the number of respondents with PKWT (Specific Time Work

Agreement) status or better known as contract employees is as many as 12 people (36,4%) and PKWTT (Unspecified Time Worker) or better known as permanent employees is 21 people (63,6%).

Test Validity and Reliability

Table 5. 2 Validity Test

Variabel	Item	R Count	R Tabel	Note
Organizational Culture	X1.1	0,867	0,344	Valid
	X1.2	0,779	0,344	Valid
	X1.3	0,676	0,344	Valid
	X1.4	0,638	0,344	Valid
	X1.5	0,599	0,344	Valid
	X1.6	0,651	0,344	Valid
	X.7	0,722	0,344	Valid
	X.8	0,789	0,344	Valid
	X.9	0,704	0,344	Valid
	X.10	0,760	0,344	Valid
	X.11	0,772	0,344	Valid
	X.12	0,769	0,344	Valid
Compensation	X2.1	0,774	0,344	Valid
	X2.2	0,700	0,344	Valid
	X2.3	0,675	0,344	Valid
	X2.4	0,843	0,344	Valid
	X2.5	0,737	0,344	Valid
	X2.6	0,827	0,344	Valid
	X2.7	0,891	0,344	Valid
	X2.9	0,881	0,344	Valid
	X2.9	0,802	0,344	Valid
	X2.10	0,840	0,344	Valid
Job Satisfaction	Z1	0,880	0,344	Valid
	Z2	0,593	0,344	Valid
	Z3	0,785	0,344	Valid
	Z4	0,854	0,344	Valid
	Z5	0,924	0,344	Valid
	Z6	0,846	0,344	Valid
	Z7	0,806	0,344	Valid
	Z8	0,727	0,344	Valid
	Z9	0,742	0,344	Valid
	Z10	0,553	0,344	Valid
Employee Performance	Y1	0,918	0,344	Valid
	Y2	0,886	0,344	Valid
	Y3	0,764	0,344	Valid
	Y4	0,859	0,344	Valid
	Y5	0,753	0,344	Valid
	Y6	0,781	0,344	Valid
	Y7	0,778	0,344	Valid
	Y8	0,761	0,344	Valid

Source: primary data processed, 2022

The statement items for all variables are all declared legitimate based on the information in the table above, which shows that the r computed values of all

statement items are greater than the r table values.

Table 5. 3 Reliability Test

Variabel	Cronbach's Alpha	Note
Organizational	0,913	Reliabel
Compensation	0,935	Reliabel
Job Satisfaction	0,923	Reliabel
Employee Performance	0,920	Reliabel

Source: primary data processed, 2022

Based on the table above, it can be seen that the Cronbach alpha value of all variables is greater than 0.7, so it can be concluded that all variables are declared reliable and further testing can be continued.

The results of this research analysis are:

H1: There is a positive and significant influence between organizational culture on employee performance through job satisfaction

H2: There is a positive and significant influence between compensation on employee performance through job satisfaction.

E. DISCUSSION

1. The influence of organizational culture on employee performance through job satisfaction at PT Pegadaian Kendari Branch

A p value of 0.060, which is less than 0.05, was found for organizational culture (X1) through job satisfaction (Z), indicating that organizational culture has a significant and advantageous impact on efforts to raise employee performance at the PT Pegadaian Kendari Branch. This can be taken to mean that higher employee performance will come about as a result of job satisfaction the more organizational culture there is. Anam's research (2021) demonstrates that the organizational culture variable "AKHLAK" has an impact on worker performance and job satisfaction in both a direct and indirect manner. Widijaya & Norianto's (2021) additional study demonstrates the association between corporate culture and worker performance as being favorable. According to Robbins (2007), a strong company culture will have advantages in a number of ways, including lowering staff turnover, boosting behavioral consistency, and boosting employee enthusiasm. Another advantage that may be derived from organizational culture's strength is that it will boost worker productivity, lessen uncertainty, and result in success.

2. The effect of compensation on employee performance through job satisfaction at PT Pegadaian Kendari Branch

A p value of 0.070, which is less than 0.05, was obtained for compensation (X2) through work satisfaction (Z), indicating that organizational culture significantly and favorably influences efforts to enhance employee performance at the PT Pegadaian Kendari Branch through job satisfaction. This can be taken to mean that stronger employee performance will come about as a result of job satisfaction the higher the level of compensation. According to Dito & Latatua's (2010) research, pay is positively and significantly correlated with employee performance. The company may lose its personnel and incur costs to recruit, choose, train, and create replacements if financial and non-financial remuneration is not allocated or supplied in an appropriate manner. Even staff will have a negative

impression of the business, if the compensation given to employees is not in accordance with what is done so that it can reduce the quality of the employee's performance.

F. CONCLUSION

According on the study's findings, the following conclusion can be drawn:

1. Through job satisfaction, organizational culture has a favorable and considerable impact on employee performance.
2. Through increased job satisfaction, compensation has a good and considerable impact on employee performance.

REFERENCE

Anam, M. C. (2021). PENGARUH BUDAYA ORGANISASI, EFIKASI DIRI DAN KEPUASAN KERJA TERHADAP KINERJA MENGAJAR GURU SD NEGERI KECAMATAN SELAPARANG. *JOURNAL SCIENTIFIC OF MANDALIKA (JSM) e-ISSN 2745-5955/ p-ISSN 2809-0543*, 2(7 Juli), 362-376.

Darsono p , (2010). Budaya Oraganisasi, Nusantara Consulting. Jakarta

Dito, A. H., & Lataruva, E. (2010). *Pengaruh kompensasi Terhadap kinerja karyawan PT. Slamet langgeng purbalingga Dengan motivasi kerja Sebagai variabel intervening* (Doctoral dissertaton, UNDIP: Fakultas Ekonomika dan Bisnis).

Hasibuan, M. S. (2007). Manajemen: dasar, pengertian, dan masalah.

Huda, Aulia Miftahul. (2019). Pengaruh Kepemimpinan Islam dan Budaya Organisasi Terhadap Kinerja Karyawan Dimediasi Motivasi Kerja, Skripsi. Fakultas Ekonomi dan Bisnis Islam Institut Agama Islam Negeri. Salatiga.

Kiruja, E. K., & Kabare, K. (2013). Linking work environment with employee performance in public middle level TIVET institutions in Kenya. *International journal of advances in management and economics*, 2(4), 83-91

Koesmono, H. T. (2005). Pengaruh budaya organisasi terhadap motivasi dan kepuasan kerja serta kinerja karyawan pada sub sektor industri pengolahan kayu skala menengah di Jawa Timur. *Jurnal manajemen dan kewirausahaan*, 7(2), 171-188.

Leklikwati, K. A. (2005). Analisis Pengaruh Kompensasi Finansial dan Non Finansial terhadap Kepuasan Kerja Karyawan PDAM Kabupaten Yapen Waropen, Papua. *Jurnal Aplikasi Manajemen*, 3(2).

Luthans, F. (2012). Organizational behavior an evidence-based approach 12th edition. In *Organizational behavior: an edivence-based approach*.

Munandar, A. S., Sjabadhyni, B., & Wutun, R. P. (2004). Peran budaya organisasi dalam peningkatan unjuk kerja perusahaan. *Bagian Psikologi Industri dan Organisasi Fakultas Psikologi UI, Jakarta*

Panggabean, M. S. (2004). Komitmen Organisasi Sebagai Mediator Variabel Bagi Pengaruh Kepuasan Kerja Terhadap Keinginan Untuk Pindah Kerja. *Jurnal bisnis dan akuntansi*, 6(1), 90-114.

Robbins, S. P., 2007. *Perilaku Organisasi: Konsep, Kontroversi, Aplikasi*. Jakarta: PT. Prenahalindo.

Sugiyono. (2017). Metode penelitian kuantitatif, kualitatif, dan r&d. Bandung: Alfabeta

Sutrisno, E. (2007). *Organizational culture*. Kencana Prenada Media Group. Surabaya.

Umar, H., & Perusahaan, E. K. (2005). *Gramedia Pustaka Utama*. Jakarta.

Widijaya, W., & Noverianto, R. (2021, May). Perancangan Dan Penyusunan Sistem Akuntansi Pada Tps Persero Batam. In *ConCEPT-Conference on Community Engagement Project* (Vol. 1, No. 1, pp. 2000-2007).

Zeuch, M. (2016). Corporate Social Responsibility durch Mitarbeiterorientierung. *CSR und Human Resource Management: Die Relevanz von CSR für modernes Personalmanagement*, 125-134.