Influence of Organizational Culture and Compensation on Employee Performance with Motivation Work as a Mediation Variable at Pt. Jasaraharja Branch Riau

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Abstract:- This study aims to analyze influencing factors on employee performance, including: organizational culture, compensation, and work motivation. This study also wants to analyze the influence of organizational culture and compensation for work motivation as well as analyze how motivation work med ias influence culture organization And compensation to employee performance. Population in this study a total of 52 employees stay at PT Jasa Raharaja . The sample used as many as 52 employees, the sampling used in this study is saturated sampling. The research method used is quantitative with SEM-PLS. Based on the analysis of this study, the results obtained are: The culture of the organization is influential, positive and significant for motivation to work; Compensation influential positive and significant to motivation work; Culture organization No significant influence to employee performance; Compensation No significant effect on employee performance; Work motivation has positive and significant influence on employee performance; Motivation Work mediate influence organizational culture to employee performance; Motivation Work mediate influence compensation to employee performance.

Keywords:- Organizational Culture, Compensation, Work Motivation, Employee Performance.

I. INTRODUCTION

Existence A company No free from role whole the employees involved with company the . Progress or slowdown developments experienced company the located from How management can form organization become A receptacle appropriate for employees. For can work so you can realize vision and mission company. Because actually, the source Power man is the most important asset A organization For can reach objective organization, so must can awake with Good with increase quality performance employee so you can raise quality company.

According to Edy Sutrisno (2019), Culture organization is something strength social no looked, which can be move people in something organization For do activity work. So that everyone inside organization the in a manner No aware follow prevailing culture within the organization for them can accepted in the environment the. Meanwhile, culture organization Alone is strength company For reach success organization in achieve organizational targets, improve existence and construction strength company. Culture organization own role important in a must company realized No only from management but from employees.

Besides Culture Organization anything else you can influence performance employee is Compensation given from company to employee. Compensation Alone is something part important for company For can retain qualified employees who can push performance For achieve and be productive. Meanwhile, the compensation that has been given to employees is slowly starting to decrease, so this also affects employee performance which also decreases. Because basically, the purpose of providing compensation includes appreciating employee performance, ensuring fair employee salaries, retaining employees and getting quality employees.

For reach objective company with maximum, the company should also notice motivation Work employee Because employee who can carry out not quite enough he replied with Good is employee who has existing motivation in self employee the. Motivation Work as wheel actuator is very influential achievement work. Without motivation employee No will succeed For finish work in a manner maximum because No There is originating will from in self employee That existing alone only routine back.

Researcher do pre- survey to 20 employees of PT. Services Raharja Riau Branch for know possible factor influence performance. there is three influencing factors performance PT employees Jasa Raharja Riau Branch namely motivation work, compensation and culture organization. Based on results the pre- survey so is known that motivation work, compensation and culture organization Not yet reach good results so that own impact performance employee in company.

Company as organization must can create positive culture so that every employee own Spirit For increase career and competence them. If culture organization in the company No support so employee not optimal in carry out assignments, This Of course just will influential to performance employees whose impact will also be influence organization. Like study previously done by Hadju, et.al (2019) that Culture Organization influential on Employee Performance.

Besides Culture Organization, compensation also becomes problems faced by employees of PT. Services Raharja Riau Branch. Compensation received by employees of PT. Jasa Raharja Riau Branch at the time This that is salary too. No in accordance with education level while compensation other besides wages depend to evaluation results performance employee, so compensation received by employees will also different, and lacking award to employees too One factor possible problem influence performance employee. this become employee base feel No satisfied so that can influence performance them.On study earlier stated "Compensation has a positive and significant impact on the performance of employees" (Arif, Endah P, Siswadi Y, Jufrizen. 2019), while Ruri Vanti (2017) is interesting conclusion that compensation influential However No significant to performance employee.

Para researcher in a number of year final has identify various variable Which can influence performance employee. Variable the including organizational culture, compensation, work motivation, climate organization, discipline work, satisfaction work and environment work. Based on variable that, done pre survey For get three the most influencing variable employee performance. Results survey introduction show that variable culture organization , compensation and motivation most Lots chosen by respondent . Study This furthermore will analyze influence culture organization and compensation to performance employee with motivation Work through variable mediation.

II. LITERATURE REVIEW

A. Organizational culture

Rivai and Mulyadi (2012) state that organizational culture is a framework that guides daily behavior and makes decisions for employees and directs their actions to achieve organizational goals. Organizational culture is a pattern of beliefs and values (Values) of the organization that is understood, imbued, and practiced by the organization, so that this pattern gives its own meaning and becomes the basis for the rules of behavior in the organization.

Robbins in Sudarmanto (2014) classifies organizational culture in 6 indicators, namely: (1) Innovation and courage to take risks; (2) Attention to Details; (3) result orientation; (4) People Orientation; (5) Team Orientation; and (6) Aggressiveness and stability. This is supported by previous research which states that improving organizational culture will improve employee performance (Rijanto. A and Mukaram 2018).

hypothesis 1 : Organizational culture has a positive effect on employee performance.

B. Compensation

According to Hasibuan (2017) Compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company. Compensation can also reflect status, title or position, as well as the service period of an employee of the company.

Badriyah (2015) classifies compensation in 6 indicators , namely: (1) Salary/wages; (2) Incentive; (3) Bonuses; (4) Allowances; (5) Facilities; and (6) Insurance. This is supported by previous research which states that increasing compensation will improve employee performance (Vanti, 2017).

hypothesis 2 : Compensation has a positive effect on employee performance.

C. Work motivation

According to Winardi (2016) motivation is a potential force that exists within a human being, which can be developed by himself or developed by a number of outside forces which essentially revolve around monetary rewards and non-monetary rewards, which can affect his performance results positively or negatively.

Maslow in Hosnawati (2016) classifies work motivation into 5 indicators, namely: (1) physiological needs; (2) safety/security needs; (3) social needs; (4) the need for appreciation; and (5) self-actualization. This is supported by previous research which states that increasing work motivation will improve employee performance (Siddiqi and Tangem 2018).

hypothesis 3 : Work motivation has a positive effect on employee performance.

Based on various study before , upgrade work motivation can affected by the increase organizational culture (Elvie Maria, 2019) and improvement compensation (Ashari Lutfi Bisri , 2019) .

hypothesis 4 : Organizational culture has a positive effect on work motivation.

hypothesis 5 : Compensation has a positive effect on work motivation.

In addition, several studies have shown that work motivation mediates the influence of organizational culture on employee performance (Samadara, J , et.al 2021) , work motivation mediates the effect of compensation on employee performance. (Samadara,J,. et.al 2021).

*hypothesis 6 : Work motivation mediates organizational culture on employee performance.*

hypothesis 7 : Work motivation mediates compensation for employee performance.

D. Work motivation

Based on the research background and theoretical studies above, the conceptual framework of this research can b a US follows:

E. Conceptual framework

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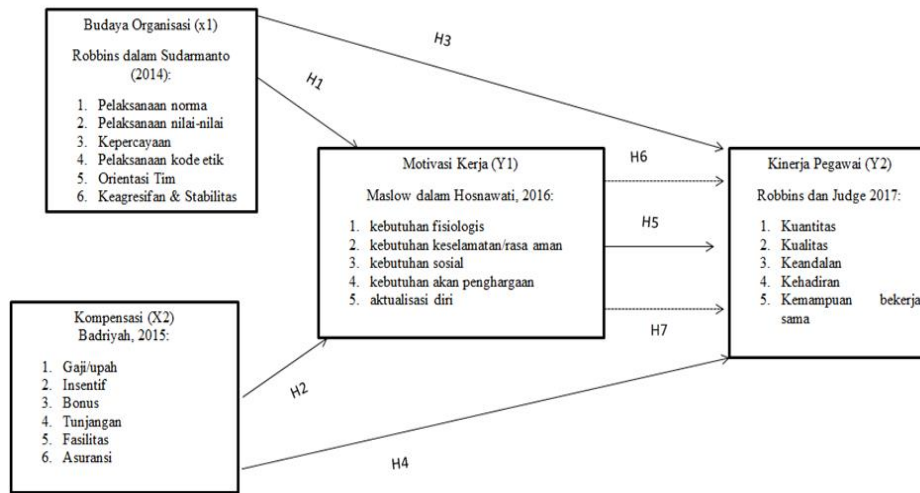
Picture 1: Conceptual Frameworks

III. RESEARCH METHODOLOGY

Study This is explanatory research with approach designed quantitative. For know influence organizational culture (X1) and compensation (X2) against performance employees (Y2) work motivation (Y1) as mediating variable. Population in study This is whole employee PT Jasaraharja Riau branch totaling 52 respondent.

Data collection was carried out through instrument measuring questionnaire are below indicators of each variable. Obtained data Then processed and analyzed using SEM-PLS (Structural Equation Modeling-Partial Least Square). Every hypothesis will tested and analyzed through application SmartPLS.

IV. RESULTS AND DISCUSSION

A. Authors and Affiliations

Respondents in study This is 52 employee PT Jasaraharja Riau branch . Respondents consists of 51.9% male and 48.1% female, 11.5% educated Diploma III, 86.5% have Bachelor's/Diploma IV education, and 1.9% educated Grade 2. Based on distribution age, 44.2% aged 2 1 -30 years, 51.9% aged 31-50 years, and 3.8 % aged over 50 years. Based on years of service, 1.9% with less than 1 year of service, 36.5% with 1-5 years of service, 36.5% with 6-10 years of service, and 25% with years of service more from 10 years.

B. Measurements Model (Outer Model)

Table 1: Outer Model Results Summary

	Organizational culture	Compensation	Work motivation	Employee Performance
BO1	0.758			
BO2	0.735			
BO3	0.723			
BO4	0.808			
BO5	0849			
BO7	0.801			
BO8	0.852			
BO9	0.822			
BO10	0.807			
BO11	0.831			
BO12	0.830			
KP2		0.856		
KP5		0.951		
KP6		0914		
KP7		0.779		
MK5			0.801	
MK6			0.792	
MK7			0.753	
MK8			0.766	
MK9			0.802	
MK10			0.813	
KK2				0.718
KK3				0.864

KK4				0.866
KK5				0.870
KK6				0.796
KK7				0.882
KK8				0.826
KK9				0.789
KK10				0837

Table 2: Average Variances Extracted (AVE) Value Results

	Average Variances Extracted (AVE)
Culture Organization	0.644
Compensation	0.813
Motivation Work	0.621
Employee Performance	0.687

C. validity test

➤ *Convergent validity*

Table 1 shows connection between construct with all question items with outer loading value > 0.70. With thus, all items have fulfil condition validity convergent For study explanation (Hair et al., 2019).

Table 2 shows the value of Average Variance Extracted (AVE) ≥0.50, that is variation every variable in measurement items has fulfil validity good convergence.

➤ *Discriminant validity*

Table 3: Heterotraits -Monotraits Ratio (HTMT)

	Culture Organization	Employee Performance	Compensation	Motivation Work
Culture Organization				
Employee Performance	0.728			
Compensation	0.308	0.449		
Motivation Work	0.786	0.830	0.578	

Results in Table 3 above show that HTMT value has been fulfil criteria validity that is all value < 0.9 (Hair et al., 2019). That is , the variance shared by each variable more tall for the measurement items If compared to by that divided by the item variable other. because that is, assessment validity discriminant with HTMT fulfilled.

D. reliability test

After done testing validity construct, next reliability test was carried out measured construct with two criteria namely Composite Reliability (CR) and Cronbach's Alpha (CA) of measuring indicators CR construct is used For displays good reliability. Something construct stated reliable If composite reliability value or Cronbach's Alpha > 7, although 0.6 is still can accepted (Hair et. al, 2013).

Table 3: Cronbach Alpha and Composite reliability

	Cronbach's Alpha	Composite Reliability	Ket.
Culture Organization	0.944	0.952	Reliable
Compensation	0.923	0.946	Reliable
Motivation Work	0.878	0.908	Reliable
Employee Performance	0.943	0.952	Reliable

Based on table 4, Cronbach's Alpha test results and composite reliability for all variable show value > 0.6. According to Hinton, et. al (2013) suggests four point covering reliability very good reliability (> 0.90), reliability high (0.70-0.90), reliability moderate (0.50-0.70) and reliability low (reliability low) <0.50. So in research This its reliability is in very good category Because is above 0.9.

E. structural Model (Inner Model)

➤ *Coefficient of Determination Testing (R-Square/)*

Table 4: R-Square

	R Square	R Square adjusted
Motivation Work (Y1)	0.62 8	0.6 13
Employee Performance (Y2)	0.63 2	0.60 9

From the table above seen that R-Square value for variable motivation Work of 0.628 which means that 62.8% contribution motivation Work influenced by culture organization and compensation , meanwhile the rest of 37.2% explained by factors other. Based on results data processing, obtained R-Square value for variable performance employee of 0.632 which means 63.2% contribution performance employee influenced by culture organization, compensation and motivation work, meanwhile the rest of 36.8% explained by factor other factors outside research.

➢ *Predictive Relevance (Q-Square)*

Predictive relevance (Q2) for structural models measure how much Good mark observation generated. Predictive Relevance (Q2) for measuring structural models how much Good mark observation generated by the model as well as the estimation the parameters.

Table 5: Predictive Relevance (Q-Square)

	SSO	SSE	Q² (=1-SSE/SSO)
Culture Organization (X1)	572,000	572,000	
Compensation (X2)	208,000	208,000	
Motivation Work (Y1)	312,000	194,955	0.375
Employee Performance (Y2)	468,000	273,549	0.415

Based on predictive relevance calculation (Q2) in Table 5 which shows mark variable motivation work (Y1) of 0.375 and value variable Employee Performance (Y2) of 0.415. Second value variable the more big from 0 to can concluded that the model has mark relevant predictors.

F. Hypothesis Test

Testing hypothesis use full model analysis of structural equation modeling (SEM) with smartPLS. In the full structural equation modeling model besides confirm theory , also explained There is or nope connection between latent variable. hypothesis said accepted if statistical T value more big from T table and for reject or accept hypothesis use mark probability, if the P-value < 0.05.
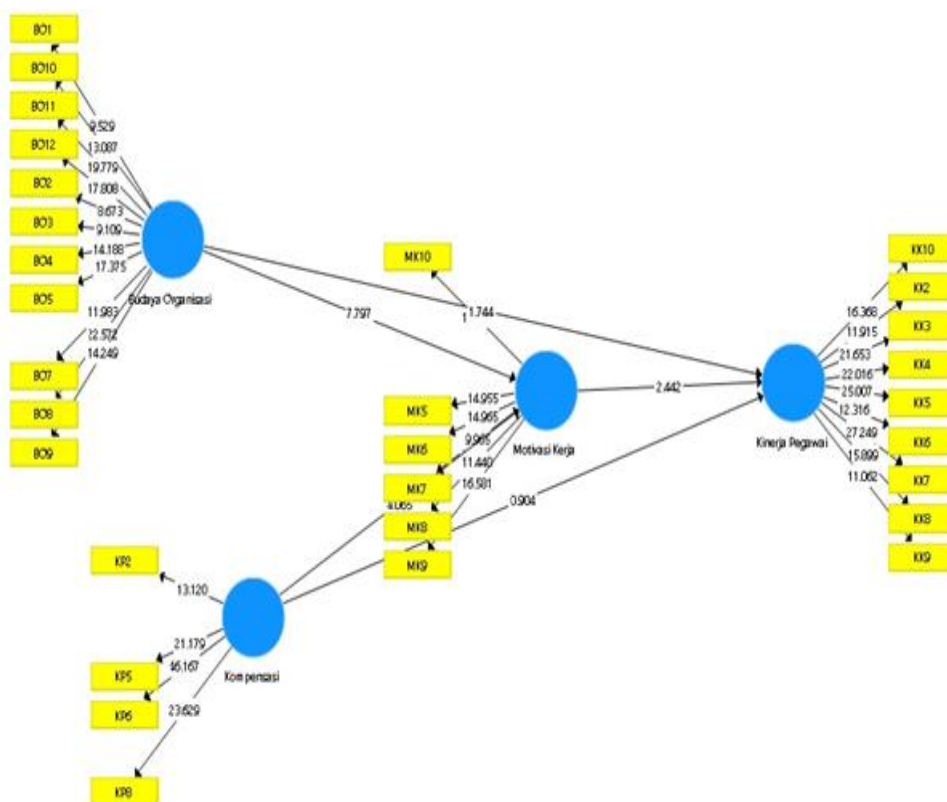
Picture 2: Bosstrapping results

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Table 5: Hypothesis Test

	Original Sampel (O)	Standard Deviation (STDEV)	T Statistic (| O/STDEV |)	P Values	Ket.
Budaya Organisasi (X1) → Motivasi Kerja (Y1)	0.626	0.080	7.797	0.000	Berpengaruh positif dan signifikan
Budaya Organisasi (X1) → Kinerja Karyawan (Y2)	0.322	0.185	1.744	0.082	Tidak berpengaruh signifikan
Kompensasi (X2) → Motivasi Kerja (Y1)	0.336	0.083	4.065	0.000	Berpengaruh positif dan signifikan
Kompensasi (X2) → Kinerja Karyawan (Y2)	0.073	0.081	0.904	0.367	Tidak berpengaruh signifikan
Motivasi Kerja (Y1) → Kinerja Karyawan (Y2)	0.492	0.201	2.442	0.015	Berpengaruh positif dan signifikan

	Original Sample (O)	Standard Deviation (STDEV)	T Statistic (| O/STDEV |)	P Values	Ket.
Budaya Organisasi (X1) → Motivasi Kerja (Y1) → Kinerja Karyawan (Y2)	0.308	0.146	2.112	0.035	Berpengaruh positif dan signifikan
Kompensasi (X2) → Motivasi Kerja (Y1) → Kinerja Karyawan (Y2)	0.165	0.061	2.726	0.007	Berpengaruh positif dan signifikan

G. Discussion

H1 Influence culture organization (X1) on Employee Performance (Y2) . I know mark coefficient path 0.322, t-statistic value 1.744 <1.98) and P-Values = 0.082 > α = 0.05. It means variable culture organization (X1) no influential to variable Employee Performance (Y2). With thereby hypothesis (H1) in study this is stated that " culture organization (X1) is influential positive and significant on Employee Performance (Y2)" was rejected. this in line with results research conducted by Ary Ferdian and Alya Rismi Devita (2020) stated culture organization No influential significant to performance .

H2 Influence Compensation (X2) on Employee Performance (Y2). I know mark coefficient path 0.073, t-statistic value 0.094 <1.98) and P-Values = 0.367 > α = 0.05. It means variable Compensation No influential positive and significant to variable Employee Performance. With thereby hypothesis (H2) in study this is stated that "Compensation influential positive and significant on Employee Performance (Y2)" was rejected. this in line with results research conducted by Rahmat Karyadi Yusuf et .,al (2020) who stated Compensation No influential on Employee Performance.

H3 Influence motivation work (Y1) on Employee Performance (Y2). I know mark coefficient path 0.492, t-statistic value 2.442 > 1.98) and P- Values = 0.015 <α = 0.05. It means variable motivation Work influential positive and significant to variable Employee Performance. With thereby hypothesis (H3) in study this is stated that "motivation Work influential positive and significant on Employee Performance" is accepted. this in line with results research conducted Jufrizen Jufrizen and Tasya Fadillah Noor (2022) stated motivation influential work on Employee Performance.

H 4 Influence culture organization (X1) Against motivation work (Y1). I know mark coefficient path 0.626, t- statistic value 7.797 > 1.98) and P- Values = 0.000 <α = 0.05. It means variable Influence culture organization influential positive and significant to variable motivation work. With thereby hypothesis (H4) in study this is stated that "culture organization influential positive and significant to motivation work" accepted. This is in line with the results of research conducted by Sukiyanto and Tsalitsatul Maulidah (2020) which states that culture organization influences motivation work.

H 5 Influence Compensation (X2) against motivation work (Y1). I know mark coefficient path 0.336, t- statistic value 4.065 > 1.98) and P- Values = 0.000 < α = 0.05. It means variable Compensation influential positive and significant to variable motivation work. With thereby hypothesis (H5) in study this is stated that " Compensation influential positive and significant to motivation work." accepted. This is in line with the research of Dewi Suryani Harahap and Hazmanan Khair (2019) which states that compensation has an effect on motivation work.

H 6 There is Influence culture organization (X1) on Employee Performance (Y2) which is mediated by motivation work (Y1). I know mark coefficient path 0.308, t- statistic value 2.112 > 1.98) and P- Values = 0.035 > α = 0.05. It means variable culture organization (X1) is influential positive and significant to variable Employee Performance (Y2) which is mediated by motivation work (Y1). With thereby hypothesis (H6) in study this is stated that " culture organization (X1) is influential positive and significant to variable Employee Performance (Y2) which is mediated by motivation work (Y1)" is accepted. This is in line with the research of Febrianti Nur Bandiastuti et al

(2021) stating motivation work can mediate culture organization on employee performance.

H 7 Yes Influence Compensation (X2) on Employee Performance (Y2) which is mediated by motivation work (Y1). I know mark coefficient path 0.165, t- statistic value 2.726 > 1.98) and P- Values = 0.007 <α = 0.05. It means variable Compensation (X2) takes effect positive and significant to variable Employee Performance (Y2) which is mediated by motivation work (Y1). With thereby hypothesis (H7) in study this is stated that " Compensation (X2) has an effect positive and significant to variable Employee Performance (Y2) which is mediated by motivation work (Y1)" is accepted. this in line with study Andra Rofian Saputra (2018) stated motivation Work can mediate culture organization to performance employee.

V.   CONCLUSION

Study This conclude as next: culture organization No influential to performance employees, compensation No influential to performance employees, motivation influential work positive and significant to performance employe, culture influential organization positive and significant to motivation work , compensation influential positive and significant to motivation work, motivation Work succeed mediate cultural influences organization to performance employees, motivation work successfully mediates the effect of compensation to performance employee.

Study This own a number of limitations. Study This only analyze culture organization, compensation and motivation Work as influencing variables performance. In relation with matter such, research more carry on can done at the company other or scope more population broad. Study further is also necessary consider For use other influencing variables performance, like leadership, engagement work, environment work, psychological capital, procedural justice, climate organization and variables other.

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