

Employee Performance: Organizational Culture, Compensation, And Organizational Commitment With Job Satisfaction As An Intervening Variable

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Abstract

This study is to determine the effect of organizational culture, compensation, and organizational commitment on employee performance, through job satisfaction as an intervening variable. This type of research is research. The study population was employees of PT. Austin Engineering Indonesia, with 154 employees. The number of samples in this study were 154 employees. The sampling technique used a census. Data collection was carried out by means of a questionnaire. The data analysis technique used multiple linear regression analysis. The results of this study are: organizational culture has a significant effect on employee performance, compensation has a significant effect on employee performance, organizational commitment has a significant effect on employee performance, job satisfaction has a significant effect on employee performance, organizational culture has a significant effect on employee performance through job satisfaction, compensation has a significant effect. on employee performance through job satisfaction, and organizational commitment have a significant effect on employee performance through job satisfaction.

Keywords: Employee Performance, Organizational Culture, Compensation, Organizational Commitment, Job Satisfaction

PRELIMINARY

Organizations are faced with intense competition and changes that take place very quickly. This can be realized if employee performance is optimal, organizational culture is strong, the compensation provided by the organization to competing employees is better than that provided by similar organizations, and the participation of employees. Employee participation is reflected in the commitment given by employees to the organization. Another thing that is indicated to affect employee performance is job satisfaction. In the initial survey conducted, it was found that there had been a decline in employee performance during the last 3 years, which was indicated by the lack of a strong organizational culture, as evident from the lack of concern for company employees in the use of company facilities and infrastructure.

There are employee complaints related to compensation that are not in accordance with job risks. There are symptoms of decreased organizational commitment, this can be seen from the increased turnover rate over the last 3 years. Employee job satisfaction has not been optimal with the inclusion of several letters in the company suggestion box.

According to Kasmir (2018), employee performance is an act, achievement, and skill for a person to do his job.

Organizational culture is a way of thinking, feeling and reacting based on certain patterns that exist in the organization, Romli (2017).

Compensation is remuneration provided by the company to employees in return for donating energy and thoughts for the progress of the company, Setiyoningsih (2011).

Organizational commitment is a sense of identification, involvement, and loyalty expressed by a member to his organization, Widiana (2015).

Job satisfaction according to Davis (2016) is a pleasant or unpleasant feeling that is felt by employees in seeing their work.

Employee performance is influenced by several variables, including organizational culture, compensation, organizational commitment, and job satisfaction. Based on real conditions and compared to theory, a study was conducted with the title Employee Performance: Organizational Culture, Compensation, and Organizational Commitment, with Job Satisfaction as an Intervening Variable.

LITERATURE REVIEW

Employee performance

According to Mangkunegara (2017), performance is the result of work in quality and quantity achieved by an employee in carrying out tasks in accordance with the responsibilities assigned to him. Performance measuring indicators are quality, quantity, time, cost reduction, supervision, and the relationship between employees.

Compensation

According to Luthans (2018), it is the awarding of direct and indirect, financial and non-financial rewards that are fair and appropriate to employees for their contributions in achieving organizational goals.

Organizational Commitment

Organizational commitment is a state of individual psychological linkage in an organization, where the individual takes sides, is loyal, is identified, and is involved in an organization, Robbins (2018).

Job satisfaction

According to Robbins (2018) job satisfaction is the feeling of employees about their work results.

RESEARCH METHODS

This type of research is quantitative research using primary data sources. Data collection techniques using questionnaires, and data analysis techniques using multiple linear regression.

Research Population

The population in this study were permanent employees of PT. Austin Engineering Indonesia, with 154 employees.

Research Samples

The research sample was 154 people using saturated sampling technique.

Data analysis technique

Analysis of research data in this study using multiple linear regression analysis.

Research Results and Analysis

Before the questionnaire was distributed to the respondents, the validity and reliability of the instrument were tested with valid and reliable results. After the respondents' answers have been collected, data processing is carried out using multiple linear regression with the SPSS tool. Based on the results of multiple linear regression calculations, the following results were obtained:

The Influence of Organizational Culture on Job Satisfaction

The results of hypothesis testing of organizational culture variables resulted in a value of $t_{(count)}$ of 2,789 greater when compared to $t_{(table)}$ of 0.677 and a significant value of $000 < 0.05$, then H_{01} was rejected and H_{a1} was accepted, thus the partial test of organizational culture variables had a significant effect on job satisfaction of employees of PT. Austin Engineering Indonesia. The results of this study are consistent with the results of research by Herawan, Gunawan, and Nurtjahjono (2015), Tumbelaka, Alhabsji, and Nimran (2016), and Primasheila, Hanafi, and Bakri (2017).

The Effect of Compensation on Job Satisfaction

Based on the results of hypothesis testing in this study, compensation has a significant effect on job satisfaction, the $t_{(count)}$ value is 5,816, which is greater than the $t_{(table)}$ of 0.677 and a significant value of $000 < 0.05$, then H_{02} is rejected and H_{a2} is accepted, thus partial test of compensation variable has a significant effect on job satisfaction of employees of PT. Austin Engineering Indonesia. The results of this study support the research results of Akmal and Tamini (2015), Retnoningsih, Sunuharjo, and Ruhana (2016), and Septerina and Irawati (2018).

The Effect of Organizational Commitment on Job Satisfaction

The results of testing the organizational commitment hypothesis resulted in a value of $t_{(count)}$ of 3,581 greater when compared to $t_{(table)}$ of 0.677 and a significant value of $000 < 0.05$, then H_{03} is rejected and H_{a3} is accepted, thus partially test, organizational commitment has a significant effect on satisfaction. work of employees of PT. Austin Engineering Indonesia. The results of this study support the research results of Parimita, Larasati, and Handaru (2014), Arifah and Romadhon (2015), Mus, Koesmono, and Wulani (2017).

The Effect of Job Satisfaction on Employee Performance

Based on the results of hypothesis testing in this study, Job Satisfaction has a significant effect on employee performance, the $t_{(count)}$ value is 7,716, greater than the $t_{(table)}$ of 0.677 and a significant value of $0.000 < 0.05$, then H_{04} is rejected and H_{a4} is accepted, thus in partial test Job Satisfaction has a significant effect on the performance of employees of PT. Austin Engineering Indonesia. The results of this study support the research results of Kristianto (2011), Indrawati (2013), Damayanti, Hanafi, & Cahyadi (2018).

The Influence of Organizational Culture on Employee Performance Through Job Satisfaction

Based on the results of testing with Path Analysis, it can be explained that Organizational Culture has a significant effect on the performance of PT. Austin Engineering Indonesia through Job Satisfaction. The results of this study support the research results of Baskoro, Hidayat, and Djoko (2013), Mustika and Utomo (2013), and Deccasari (2019).

The Effect of Compensation on Employee Performance Through Job Satisfaction

Based on the results of hypothesis testing in this study using Path Analysis it is stated that compensation has a significant effect on the performance of the employees of PT. Austin Engineering Indonesia through Job Satisfaction. The results of this study support the research results of Lusiana, Kirana, and Arina (2015), Hidayah and Aisyah (2016), Alwan and Djastuti (2018).

The Effect of Organizational Commitment on Employee Performance through Job Satisfaction

The results of hypothesis testing with Path Analysis state that organizational commitment has a significant effect on employee performance at PT. Austin Engineering Indonesia through Job Satisfaction. The research results support the research results of Ruswanto, Samsir, and Marzolina (2014), Dadie and Nugraheni (2016), and Pratama and Dihan (2017).

Conclusion

Based on the results of research and discussion, it can be concluded as follows: Organizational culture has a significant effect on the performance of employees of PT. Austin Engineering Indonesia, compensation has a significant effect on the performance of employees of PT. Austin Engineering Indonesia, Organizational Commitment has a significant effect on the employee performance of PT. Austin Engineering Indonesia, Employee Job Satisfaction has a significant effect on Employee Performance at PT. Austin Engineering Indonesia, Organizational Culture has a significant effect on Employee Performance of PT. Austin Engineering Indonesia through Job Satisfaction, Compensation has a significant effect on Employee Performance through Employee Job Satisfaction of PT. Austin Engineering Indonesia, Organizational Commitment has a significant effect on Employee Performance through Employee Job Satisfaction of PT. Austin Engineering Indonesia.

Suggestion

Based on the conclusions and research results, it provides the following: PT. Austin Engineering Indonesia is expected to strengthen the Organizational Culture in order to increase Employee Performance, PT. Austin Engineering Indonesia is expected to increase the compensation both financial and non-financial given to employees so that employee performance increases, PT. Austin Engineering Indonesia is expected to strengthen Organizational Commitment so that Employee Performance increases and loyalty increases, PT. Austin Engineering Indonesia is expected to pay attention to Job Satisfaction so that Employee Performance increases.

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Congratulations!

Based on the systematic process and recommendations of the reviewers and the program committee, we are pleased to inform you that your manuscript entitled "**Employee Performance: Organizational Culture, Compensation, And Organizational Commitment With Job Satisfaction As An Intervening Variable**" has been accepted for presentation at the *1st International Congress on Regional Economic Development, Information Technology, and Sustainable Business* (1st INCREDIBLE 2020). The conference will be held on October 27, 2020 **virtually**.

You are cordially invited to share your academic research and findings with the participants of this event at the date of the conference. As a presenter, you are requested to send a PowerPoint presentation of your research before **October 25, 2020**. We will inform you of details of the registration procedures and conference program in the next email.

Should there be any question, please contact us at conference_feb@mail.uns.ac.id

For further information and updates, please visit the conference website:
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We are looking forward to meeting you at the 1st INCREDIBLE 2020.

Kind Regards,



Dr. Catur Sugiarto
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OF PRESENTATION

This to certify that:

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