



The Model of Employee Performance: An Empirical Study

Nazifah Husainah^{1*}

¹Universitas Muhammadiyah Jakarta, Indonesia

*Corresponding Author: nazifah.husainah@umj.ac.id

Abstract: The performance of employees in the telecommunications industry is a direct result of the tasks assigned to them by the company or organization. Compensation, organizational culture and job satisfaction are considered to play a vital role in influencing employee performance and achievement of stated goals. Although the impact of organizational culture on its members may not be significant, higher pay and job satisfaction are positively associated with higher performance. The purpose of this study is to determine the significant effects of compensation, work culture, and job satisfaction on employee performance. To achieve this, we took a sample of 420 respondents and collected data using a statement questionnaire. Regression analysis was performed on the collected data using SPSS 20.0 for Windows program. Regression analysis results show that salary, job satisfaction, and organizational culture have significant positive and direct effects on employee performance in the telecom industry.

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

INTRODUCTION

The Human Resources department or the employees themselves play a critical role within an organization or company. This is because the Human Resources or employees are valuable assets that require continuous and optimal development in order to achieve the objectives of the organization or company. Furthermore, it is the responsibility of the company to ensure that each employee is not only satisfied with their work but also able to make effective contributions to the Telecommunication Industry.

The Telecommunication Industry is a company that specializes in the distribution of communication tools and has employees located throughout Indonesia. When it comes to compensation, the Telecommunication Industry implements a variety of policies. These include both direct and indirect forms of compensation. Direct compensation consists of salary, incentives, and bonuses, while indirect compensation includes benefits such as health insurance, tuition assistance, social security (Jamsostek), on-site or mobile communication device installment plans, and vehicle allocation for certain positions. Given the information above, the objective of this research is to analyze the impact of compensation, job satisfaction,

and organizational culture on the performance of employees within the Telecommunication Industry.

LITERATURE REVIEW

According to Handoko, T. Hani (2000: 155), compensations refer to all the rewards that employees receive in exchange for their work. Wibowo (2010, 34) states that each organization can have its own unique organizational culture, although there are certain shared characteristics among them. Sutrisno (2009) defines job satisfaction as an employee's attitude towards various aspects of their employment, including working conditions, cooperation with colleagues, remuneration, and both physical and psychological factors. This attitude is influenced by the individual's personal beliefs and social relationships outside of work, leading to a general attitude towards work. As stated by Soeprihanto (2000) in Mangarissan Sinaga (2008), performance refers to an employee's achievements during a specific period in comparison to predetermined targets or criteria.

RESEARCH METHOD

All individuals included in this study are classified as permanent staff members within the Telecommunication Industry, specifically at Pt. Telekomunikasi Indonesia, PT. Indosat, and PT. Exelcomido Pratama. To gather data, a questionnaire was employed as the chosen sampling method. The total number of respondents used for the study amounted to 420 participants. The research conducted encompasses both qualitative and quantitative data. The data is obtained from primary and secondary sources. The data collection method involves distributing a questionnaire to permanent employees in the Telecommunication Industry, which contains a list of statements.

Operational definitions of variables and indicators

Compensation (X1) refers to the remuneration provided by a company to its employees as a form of payment. This compensation encompasses various dimensions and indicators. Firstly, the dimension of salary/wages includes factors such as the adequacy, feasibility, and appropriateness of the salary, as well as its timeliness, potential for raises, and the calculation method employed. Secondly, the dimension of allowances encompasses aspects such as meals and transportation, overtime pay, incentives, and bonuses. Lastly, the dimension of insurance involves the provision of insurance coverage and the employees' membership in the insurance program.

Cultural Organization (X2) serves as the foundational philosophy that guides all human resources within an organization. It encompasses a set of beliefs, norms, and values that dictate the execution of work. There are several dimensions to this organizational culture. Firstly, there is an emphasis on employee orientation, which is indicated by the organization's vision and mission, the purpose of work, and the working procedure. Secondly, there is a focus on process orientation, which includes efficiency, trust, and satisfaction. Thirdly, professionalism is a key indicator, encompassing qualities such as initiative, cooperation, and work execution. Fourthly, there is a dimension of system openness, which is measured through indicators such as communication, innovation, and justice. Lastly, there is a dimension of function control, which includes elements of control, job evaluation, and employee performance.

Job Satisfaction (X3) refers to the optimistic mindset of employees, encompassing their emotions and attitudes towards their work, as well as the evaluation of work-related values, such as respect and the achievement of important goals. The assessment of job satisfaction consists of several dimensions and indicators. The intrinsic/internal indicators include work performance, recognition, and the development of individual potential. On the other hand, the

extrinsic/external indicators include the company's policies, the relationship with superiors, the relationship with co-workers, salary or wages, and the working environment.

Employee Performance (Y) refers to the outcomes that an employee has achieved in relation to the assigned tasks provided by the company or organization. These outcomes can be evaluated using various dimensions and indicators. Firstly, the quality of work is assessed based on standard work, professionalism, the quality of service, and accuracy. Secondly, the quantity of work is measured through indicators such as achieving work targets and completing assigned tasks. Lastly, the behavior dimension is evaluated based on indicators of responsibility, discipline, and independence.

FINDINGS AND DISCUSSION

The purpose of this analysis is to ascertain the extent to which the independent variables exert an impact on the dependent variable. In order to assess the impact of each individual variable on the dependent variable within the Telecommunication Industry, a regression equation is used. This equation takes into account the independent variable of compensation (X1), the independent variable of Cultural Organization (X2), and the independent variable of job satisfaction (X3). The results of the multiple linear regression analysis conducted using SPSS can be displayed in the subsequent table. A table displaying the 4:36 time can be generated by utilizing a multiple regression equation in the following manner: $Y = 16\,599 + 0.363 X1 + (-0.77) X2 + 0.189 X3 + e$

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.599	5.492		3.022	.003
	Compensation	.363	.093	.345	3.927	.000
	Cultural Organizational	-.077	.057	-.121	-1.353	.179
	Job Satisfaction	.189	.082	.201	2.300	.023

a: Dependent Variables: Employee Performance

Judging from the t test (regression) results, there is a significant positive correlation between the salary of employees in the telecommunications industry at the headquarters and the performance of employees. Use $\alpha=0.000$ to represent the smaller importance of 0.05 or t value (3.681) > t table (1.980).

Judging from the results of the t test (regression), organizational culture has a significant negative impact on the performance of employees in the telecommunications industry at the headquarters and the performance of employees. Expressed in numbers, the meaning is 0.940 $\alpha = 0.05$ or t value ((-0.007) < ttable (-1.980)) is larger.

The t-test (regression) results show that there is a significant positive correlation between job satisfaction and employee performance, while employees in the telecommunications industry at the headquarters pointed out the importance of the number 0.048, which is smaller than $\alpha = 0:05$ or t is value (1.996) > ttable(1.980).

F-Test (simultaneous test) results show that salary, company culture and job satisfaction jointly have a significant impact on employee performance. This is evident from the F-test results, when the 0.000 value is less than 0.05, that is, the F-value (6.711) > F-table (2.69), it means that the independent variable significantly affects the employee's performance influence. However, sometimes the most dominant variable affecting employee performance is rewards, while cultural variables have no significant effect.

The analysis of the t test (regression) revealed a noteworthy and positive correlation between the performance of employees and their compensation in the headquarters of the Telecommunication Industry. The correlation was found to be statistically significant with a p-value of 0.000, which is lower than the predetermined level of significance ($\alpha = 0.05$). Furthermore, the t-value (3.681) was greater than the critical t-value (1.980), indicating a significant relationship between these variables.

In terms of the variables regarding organizational culture, it is evident that there is a notable and adverse impact of organizational culture on employee performance among employees working in the Telecommunication Industry at the main office. This is supported by a significance level of 0.940, which exceeds the threshold of $\alpha = 0.05$, or a t-value of (0.007) < t-table (-1.980). Furthermore, when examining the variable of job satisfaction, there is a positive and significant influence of job satisfaction on employee performance for employees in the Telecommunication Industry at the main office. This is indicated by a significance level of 0.048, which is lower than $\alpha = 0.05$, or a t-value of 1.996 > t-table (1.980).

The simultaneous test, known as the F test, revealed that compensation, organizational culture, and job satisfaction collectively have a significant impact on employee performance. This is supported by the findings of the F test, which yielded a value of 0.000, smaller than the threshold of 0.05, or Fvalue (6.711) > Ftable (2.69). These results indicate that the independent variables exert a significant influence on employee performance.

On the other hand, it is noteworthy that compensation plays a significant role in influencing employee performance, while cultural factors do not hold as much significance.

CONCLUSION

In order to enhance employee performance, it is essential to simultaneously enhance three key factors: compensation, organizational culture, and job satisfaction. However, it is crucial to prioritize the factor that holds the most influence and dominance, which in this case is compensation. Therefore, it is necessary to focus on improving the indicators and variables within this dimension, particularly in terms of working behavior. While it is important to maintain the dimensions and indicators related to wages and benefits that have already been effective in order to boost employee performance, it is also recommended to conduct further research that encompasses not only the headquarters and branch offices of specific companies but the entire organization. This will ensure that future research yields representative results for the company as a whole.

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