



The Impact of Organizational Culture and Motivation on Employee Performance Using Compensation as an Intervening Variable at PT. Inti Prima Rasa

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Abstract: The goal of this study was to examine the relationship between organizational culture and motivation and employee performance at PT. Inti Prima Rasa using compensation as an intervening variable. a quantitative descriptive research design was used by the authors in 200 participants made up the sample of 133 respondents for survey. The Partial Least Squares approach is an analysis technique (PLS), Research results prove that (1) motivation influences compensation positively and significantly, (2) Compensation is positively impacted by organizational culture.(3) motivation influences performance positive and significant. (4) Organizational culture has a positively and significantly influence on performance. (5) Employee performance is positively and significantly affected by compensation. (6) Employee performance is significantly impacted and improved by motivation through compensation. (7) Organizational culture has a favorable and considerable impact on employee performance through compensation as an intervening factor. Motivation and organizational culture must be improved in order to improve the performance of employees of PT. Inti Prima Rasa in order to carry out its duties and obligations properly.

Keywords: Motivation, Organizational Culture, Compensation, and Performance Employees

INTRODUCTION

Human resources are necessary for businesses large and small. Recognizing the relevance of human resources in any organization is very important because they are an important unit of organizational work for achieving organizational goals and for the effective and efficient utilization of various HR operations.

Companies must pay attention to and maintain the comfort, motivation and welfare of their employees so that they can be anticipated to improve their performance and devote their time and energy optimally to achieve organizational goals. Thus human resources can be improved and maintained. The output of employees' both amount and quality of labour in

completing their responsibilities in accordance with the obligations placed upon them is Mangkunegara (2009).

Likewise, PT. IPR in managing its human resources. PT. IPR is a business engaged in the food sector. The business must be able to in order for it to attain its, where to achieve its goals, the company must be able to serve customers as well as possible, starting in fulfilling orders, producing quality products, completing work on time, keeping product quality safe for consumption, product suitability and service convenience. To be able to provide the best service to customers, PT. IPR requires qualified human capital. To ensure that employees are highly motivated to achieve the intended results, businesses need highly motivated human capital, a positive company culture, and access to adequate compensation.

LITERATURE REVIEW

Motivation

Motivation comes from the Latin word "movere" which means "to move" or "to push", the power to start a movement or the power to arouse something that is done. The English word "movere," which means to give motive or encouragement, is often used synonymously with motivation. Mangkunegara (2017: 76) defines Employees that are led or driven to attain the organization's goals for the company experience motivation. Associated to this Wibowo (2016) explains work motivation as a driving force for a number of human behavioral activities that lead to achieving goals. While stimulating, directing, maintaining, showing intensity, continuous, and having goals are some of the characteristics that make up motivation. Work motivation is a factor that also affects performance, and the amount of that influence relies on how strong the motivation is (Hamzah B. Uno, 2012: 71).

Organizational Culture

Armstrong (2010: 9) contends that organizational culture is a collection of values, beliefs, or standards that have long been shared by the organization's (workers) members and serve as a standard for behavior and resolving issues inside the organization. Schein (2010: 18) claims that organizational culture is a pattern of fundamental beliefs shared by a group of individuals after they have previously researched and accepted the veracity of these assumption patterns as a means of resolving various issues relating to external adaptation and internal integration. As a means of perception, thought, and emotion expression in relation to organizational concerns, these abilities need to be taught to new members. An organization's understanding, internalization, and adherence to a set of beliefs and values known as organizational culture serves as the foundation for the principles of organizational conduct (Wibowo, 2010: 30).

Compensation

Simamora (1997) asserts that salary has an impact on performance and satisfaction and serves as feedback for workers to alter their behavior. The amount of employee compensation is directly correlated with the employees' level of education, level of position, and length of service. Therefore, it is essential to base employee remuneration decisions on performance reviews, employee conditions, educational attainment, position, and length of service (Mangkunegara, 2002). Hasibuan (2017: 118) defines compensation as any money-related income, direct or indirect commodities obtained by employees in exchange for services rendered to the company. Everything that employees receive as payment for their job is known as compensation (Handoko, 2001).

Employee Performance

Performance is the result of the work carried out by employees when they are given more and more responsibility in their roles within the company. Performance is the outcome of work that a person or group of individuals in an organization can complete in accordance with their separate powers and responsibilities in an effort to legally, ethically, and morally achieve the organization's goals (Prawirosentono, 2008: 2). According to Mangkunegara (2011), an employee's performance (or "work achievement") is the sum of the quality and quantity of work that is completed while carrying out the duties that have been delegated to him or her. According to Hasibuan (2011), a person's performance is the end result of the work they put in to completing the tasks that have been given to them based on their skill, experience, sincerity, and time. Fatimah (2021) proposes that performance is defined as the outcome of an individual throughout the course of a specific period in carrying out their responsibilities. These activities can be accomplished by setting established and mutually agreed-upon work standards, targets, goals, or criteria. Performance is the final result of the whole.

Hypothesis

H1: Compensation is positively and significantly impacted by motivation

H2: Organizational culture has a positive and significant influence on compensation

H3: Employee performance is positively and significantly influenced by motivation

H4: Employee performance is positively and significantly influenced by organizational culture

H5: Compensation is positive and significant impacted by employee performance

H6: Employee performance is positive and significant impacted by motivation through compensation

H7: Organizational culture significant and favorably affects employee performance through compensation

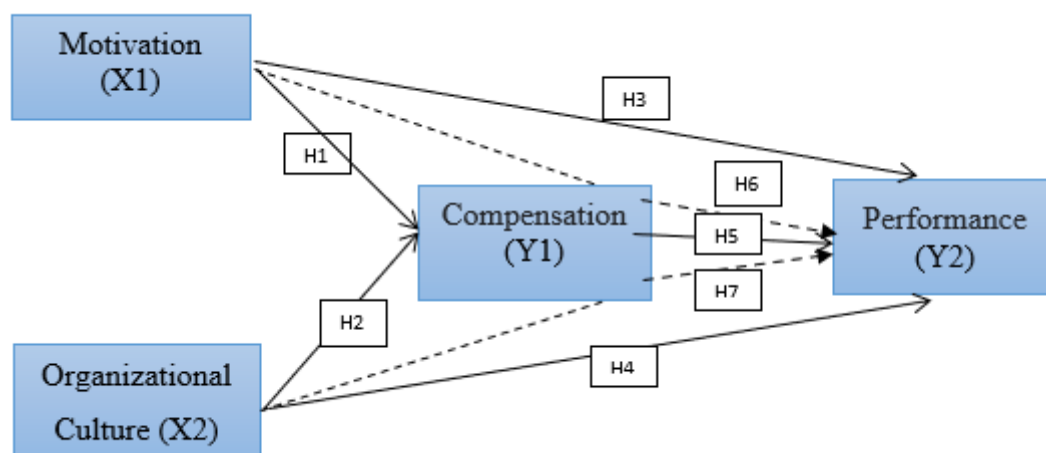


Figure 1: Framework Analysis

METODHOLOGY

The research method in this study is a quantitative research. According to Sugiyono (2018), is a positivist-based approach that evaluates put forth hypotheses by taking into account specific samples or populations, research instruments for data collection, and statistical or numerical analysis. The relationship between the independent influencing variables and influenced variables. is a causal relationship (Sugiyono, 2018). Distribution of

questionnaires (primary data) and use of associated sources, such as books, documents, and the findings of prior observations, are the two methods used to collect data (secondary data). The sample consists of 133 employees, with the population being considered to represent the 200 employees of PT. IPR. SmartPLS software was used to analyze the data that was obtained.

RESULTS AND DISCUSSION

Test Results for Data Quality

A Measurement (outer) Model Evaluation

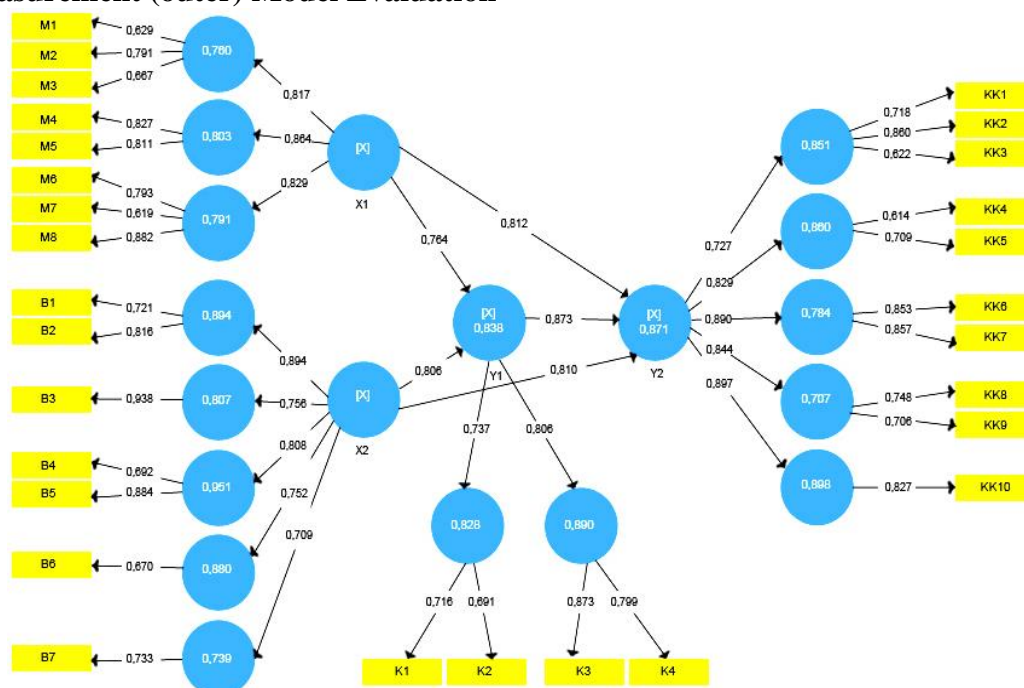


Table 1. SmartPLS 3.0 is used with Inter Value Model Research Model Constructs and Dimensions

Discriminant Validity of Test Results

When the correlation value of the construct with the indicator is higher than the correlation value with the other constructs, the Discriminant Validity test gives positive results.

Table 1. Test Results Discriminant Validity Table 1 (Cross loadings)

	Motivasi	Budaya Organisasi	Kompensasi	Kinerja Karyawan
MO1	0,716	0,432	0,542	0,311
MO2	0,748	0,135	0,216	0,264
MO3	0,801	0,753	0,423	0,563
MO4	0,788	0,635	0,624	0,429
MO5	0,639	0,511	0,351	0,562
MO6	0,594	0,479	0,317	0,587
MO7	0,729	0,509	0,632	0,182
MO8	0,827	0,714	0,648	0,558
BOG1	0,409	0,781	0,254	0,596
BOG2	0,588	0,697	0,327	0,247
BOG3	0,510	0,816	0,684	0,541

BOG4	0,411	0,857	0,617	0,573
BOG5	0,539	0,793	0,719	0,632
BOG6	0,547	0,809	0,608	0,650
BOG7	0,444	0,842	0,265	0,499
KOM1	0,122	0,611	0,626	0,368
KOM2	0,571	0,428	0,708	0,573
KOM3	0,284	0,623	0,829	0,492
KOM4	0,634	0,194	0,799	0,644
KIK1	0,675	0,631	0,581	0,871
KIK2	0,528	0,479	0,386	0,637
KIK3	0,413	0,551	0,736	0,836
KIK4	0,518	0,324	0,528	0,692
KIK5	0,294	0,255	0,489	0,747
KIK6	0,529	0,329	0,447	0,606
KIK7	0,489	0,608	0,139	0,778
KIK8	0,529	0,646	0,736	0,906
KIK9	0,393	0,219	0,525	0,726
KIK10	0,552	0,422	0,517	0,661

Source: SmartPLS 3.0 Analysis Results

AVE Test Result

Examining the square root of the Average Extracted Variance value for each configuration and the connection between that configuration and the other configurations in the model are additional ways to validate discriminant validity. It is said that the Discriminant Validity value is good ($> 0,5$).

Table 2. Results of AVE Tests

Variable	AVE
Motivation	0,881
Organizational Culture	0,793
Compensation	0,863
Employee Performance	0,879

Source: Decision-making and outcomes 3.0 SmartPLS

Table 3. Discriminant Validity of Test Results (Fornell Lacker Criterion)

	Motivation	Organizational Culture	Compensation	Employee Performance
Motivation	0,866			
Organizational Culture	0,627	0,832		
Compensation	0,718	0,744	0,871	
Employee Performance	0,720	0,813	0,856	0,879

Source: Results and processing SmartPLS 3.0

Composite Reliability of Cronbach's Alpha and Test Results

It can be argued that a reliability test is satisfying or trustworthy if it has a composite reliability value and a Cronbach's alpha of less than 0,7.

Table 4. Cronbach's Alpha & Composite Reliability Test Results

Variable	Composite Reliability	Cornbach's Alpha	Information
Motivation	0,835	0,878	Reliabel
Organizational Culture	0,811	0,769	Reliabel
Compensation	0,793	0,825	Reliabel
Employee Performance	0,892	0,799	Reliabel

SmartPLS 3.0 results and processing

Testing hyphoteses using an internal model or a structural model Results of the test R-square value

Table 5. Endogenous determinants (R value2)

Variabel Endogen	R-square
Compensation	0,838
Employee Performance	0,874

The Goodness of Fit Model Testing's findings

To evaluate the structural Goodness of Fit Model on the inner model, relevance prediction value (Q^2) is employed. $Q^2 > 0$ denotes predictive relevance for the model. The following calculation, where the value associated to the prediction is supplied by Equation, shows the R-squared value for each endogenous variable.

$$Q^2 = 1 - (1 - R_1)(1 - R_p)$$

$$Q^2 = 1 - (1 - 0,838)(1 - 0,874)$$

$$Q^2 = 1 - (0,162)(0,126)$$

$$Q^2 = 0,979$$

Conclusions from a hyphotesis test (A path's estimated coefficient)

Table 6. Results of the Hyphotesis Test

	Original Sample	Standard Deviation	T Statistics	P Values	Information
Motivation > Compensation	0,316	0,217	2,743	0,003	Positive - Significant
Organizational Culture > Compensation	0,227	0,309	3,109	0,001	Positive - Significant
Motivation > Employee Performance	0,353	0,285	3,704	0,000	Positive - Significant
Organizational Culture > Employee Performance	0,494	0,339	3,463	0,003	Positive - Significant
Compensation > Employee Performance	0,405	0,368	2,948	0,002	Positive - Significant

SmartPLS 3.0 results and processing

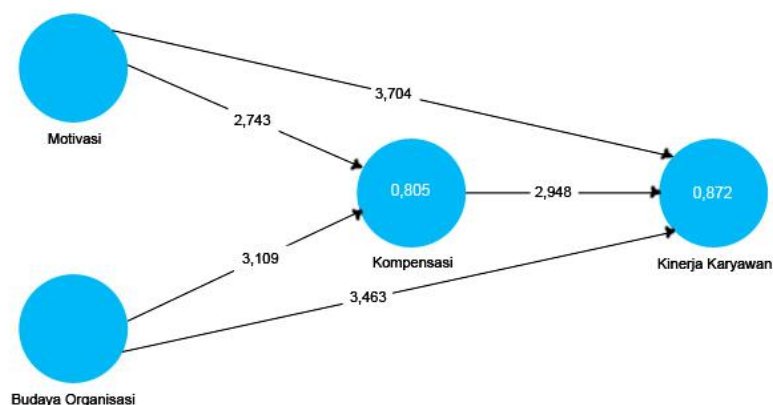


Figure 2. Coefficient model track *t statistics structural research model*

Table 7. Indirect Effect Value

	Original Sample	Standard Deviation	T Statistics	P Values	Information
Influence no direct					
Motivation > Compensation > Employee Performance	0,389	0,315	2,748	0,003	Positive – Significant
Organizational Culture > Compensation > Employee Performance	0,357	0,342	3,016	0,001	Positive-Significant

Source: Results and processing SmartPLS 3.0

RESULT DISCUSSION

1. The Impact of Motivation to Compensation he original sample value for The study's T-statistic value = 2,743, P value = 0,003, and the hypothesis test result = 0,316. The T - statistic value, which is 1, 96, is higher than the T-table value, and the P Values value, which is 0, 05, is insufficient. The initial sample value displays a favorable result. This finding implies that compensation significantly and favorably affects motivation. According to Muhammad Arif and Ahmad Badawi Saluy (2020), who discovered that motivation has a positively and considerable impact on compensation. Compensation is positively and significantly impacted by motivation.
2. Compensation is Affected by Organizational Culture The original sample value for the study's hypothesis test was 0, 227; T-statistic value = 3, 109; the P value was 0, 001. The original sample value indicates a positively result, T-statistic value is higher than the T-table value of 1 ,96. and the P Values shows a value of 0,05 that is insufficient. This indicates that at PT. Inti Prima Rasa, organizational culture has a favorable and considerable impact on compensation. This result is in line with the findings of Lukman T. Ibrahim, Mukhlis Yunus, Amri (2018), where Organizational Culture has a positive and significant effect on Compensation.
3. Motivation impact on Employee Performance The initial sample value of 0, 353, the T-statistic value = 3,704, the P-value = 0,000 were determined by study's hypothesis testing. The T-statistic value is greater than the T-table value of 1.96, the original sample value suggests a positive score, and the P Values value indicates that it is not enough to meet 0,05. which means motivation is positively and significantly influenced by the performance of employees at PT. Inti Prima Rasa. This result is in line with the results of A.B. Saluy, T. Musanti, and B. Mulyana (2019), where motivation has a positive and significant influence on employee performance.

4. Organizational culture Impact on Employee Performance The original sample value of 0,494, Based on the results of the study's hypothesis testing, the T-statistic value of 3,463 and the P value of 0,003 were calculated. The T-statistic value is greater than the T-table value, 1, 96, and the P Values value shows an insufficient value = 0 ,05. The original sample value shows a positive score. This finding indicates that the prganizational culture significantly and favorably affects employee performance. The findings of this study are consistent with those of Asep Suprihat and Masydzulhak Djamil (2018), who found that employee performance significantly affects organizational culture.
5. Compensation affects employee performance. According to the calculations, the H5 hypothesis is accepted because the coefficient value is 0,405, the number T- statistic is 2,948 > 1,96, and the P value was 0,002 > 0,05. Employee Performance Has a Positive and Significantly Impact on PT. Inti Prima Rasa's Compensation. This finding is consistent with that of Trifena Setiawaty Sinaga and Rahmat Hidayat (2020), who found that compensation significantly and favorably affects employee performance.
6. Motivation influences, employee performance through positive and significant compensation. According to the study's findings, T-statistic = 2,748 (which is greater than 1,96 and P Values of 0, 003 (which is less than 0,05) are acceptable, and H6 is accepted because its coefficient value of 0,389 indicates that PT. Inti Prima Rasa employee motivation affects their performance through their compensation. In line with research from Widodo, U. (2015) that motivation has a positively and significantly influence on employee performance through compensation.
7. Organizational culture influence employee performance positively and significantly through compensation. From this study's findings, it can be concluded that H7 is accepted because the T-statistic = 3,016 is higher than 1,96 and the P Values = 0,001 are less than 0,05 coefficient is equal to 0,357 This finding demonstrates that Employee Performance is positive and significant impacted by Organizational Culture through Compensation. Inti Prima Rasa PT. Research results prove that organizational culture through compensation positively and significantly influences employee performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. Employee compensation at PT. IPR is positively and significantly influenced by motivation. This demonstrates that an compensation will increase in direct proportion to their level of motivation.
2. The compensation of PT. IPR positively and significantly impacted by organizational culture. This means that when staff members successfully implement the corporate culture, their performance goals will be met, which will have an impact on the amount of remuneration they earn.
3. Employee performance at PT. IPR is significantly and positively impacted by motivation. This demonstrates that increasing employee performance has a significantly impact on employee's motivation levels.
4. Organizational culture has a positive and significant effect on the performance of PT. IPR employees. This shows that the better employees understand and implement the greater employee performance due to corporate culture.
5. At PT. IPR, compensation significantly improves employee performance. This means that the higher the compensation received by employees, the better the employee's performance.
6. Motivation through compensation has a positively and significantly influence on the performance of PT. IPR employees. This means that with the right compensation can motivate employees to improve performance and achieve the desired goals.

7. Organizational Culture through compensation has a positive and significant effect on the performance of PT. IPR employees. This means that organizational culture that is well understood and practiced by employees can affect the level of compensation received and motivate employees to improve their employee performance.

Suggestions for Companies

1. The company can fully support employees in implementing the right organizational culture to help improve staff performance and achieve company goals appropriately.
2. Companies need to increase motivation and pay attention to employee compensation to improve the performance of a worker.

Recommendations for Future Research

1. For similar aspects, can use this thesis as a reference for related topics, but you should still go over its contents again because it's probable that some of its assertions are incorrect or incomplete.
2. Other researchers can redevelop other variables and indicators considering that various factors can influence research results.

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